



**SICAL**

Annual Report **2009-10**



In 2009-10, we reinforced  
our long-standing position as India's  
top provider of integrated  
multimodal logistics for bulk cargo.

India's leading  
provider of integrated  
solutions for the  
multimodal logistics  
of bulk and  
containerized cargo,  
Sical is the single  
window for  
businesses that seek  
to create value-  
enabled supply-  
demand chains  
seamlessly across  
road, rail, port  
and sea.

## Inside

### Sical overview

|   |     |
|---|-----|
| Key financials                            | 1   |
| Quick information                         | 2   |
| Board                                     | 3   |
| Business snapshot                         | 4   |
| Revenue mix                               | 5   |
| End-to-end integrated multimodal delivery | 6   |
| People                                    | 8   |
| Recognition                               | 9   |
| Opportunity                               | 10  |
| Challenges                                | 11  |
| Directors' report                         | 13  |
| Auditors' report                          | 42  |
| Accounts—Sical Logistics                  |     |
| Balance sheet                             | 46  |
| P&L account                               | 47  |
| Schedules                                 | 48  |
| Policies                                  | 60  |
| Notes                                     | 62  |
| Cash flow statement                       | 72  |
| Accounts—consolidated                     | 75  |
| Information on subsidiaries               | 101 |
| Notice to shareholders                    | 103 |

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



## KEY FINANCIALS

(consolidated, in INR million)

| Year To 31 March  | 2010     | 2009    | 2008    |
|-------------------|----------|---------|---------|
| Revenue           | 7220.10  | 6745.46 | 7116.25 |
| EBITDA            | 381.69   | 985.37  | 907.12  |
| Net profit (loss) | (356.30) | 180.12  | 502.09  |

| On 31 March          | 2010    | 2009    | 2008    |
|----------------------|---------|---------|---------|
| Equity share capital | 395.40  | 395.40  | 395.40  |
| Net worth            | 3261.11 | 2668.00 | 3106.88 |
| Current assets       | 5907.36 | 6738.61 | 7069.62 |
| Net fixed assets     | 9528.82 | 8656.10 | 673352  |

### 6-year financials

(stand-alone, in INR million)

| Year to 31 March       | 2010     | 2009    | 2008    | 2007     | 2006    | 2005     |
|------------------------|----------|---------|---------|----------|---------|----------|
| Sales and other income | 5374.00  | 4796.15 | 5709.61 | 10108.63 | 9692.19 | 12215.07 |
| EBITDA                 | 442.66   | 417.67  | 422.84  | 616.92   | 1189.95 | 938.74   |
| Interest               | 171.93   | 169.37  | 132.14  | 175.49   | 265.34  | 435.69   |
| Depreciation           | 116.26   | 119.27  | 123.02  | 138.29   | 137.82  | 128.11   |
| Tax                    | (0.57)   | (6.57)  | (40.20) | 86.03    | 135.84  | 33.57    |
| Exceptional items      | (108.61) | 80.97   | 154.83  | 108.99   | Nil     | Nil      |
| Net profit             | 263.65   | 54.63   | 362.58  | 326.16   | 536.86  | 311.34   |
| Equity capital         | 395.40   | 395.40  | 395.40  | 301.90   | 301.90  | 687.15   |
| Net worth              | 3271.95  | 1961.18 | 2708.20 | 3215.45  | 3144.64 | 2077.75  |

# QUICK INFORMATION

|                                     |   |
|-------------------------------------|---|
| Name of company                     | Sical Logistics Limited   |
| Incorporation                       | May 1955  |
| Initial public offering             | 1981  |
| Primary business                    | Integrated solutions for offshore logistics and multi-modal logistics for bulk and containerized cargo. |
| Total revenue                       | INR 7.27 billion (consolidated)   |
| Net profit/(loss)                   | INR (356.30) million (consolidated)   |
| Shares issued (as on 31 March 2010) | 39.52 million   |
| Listing                             | Bombay Stock Exchange<br>National Stock Exchange of India   |

## Registered office

South India House  
73 Armenian Street  
Chennai 600001  
Voice +91 44 66157016  
Fax +91 44 66157017  
Email [secl@sical.com](mailto:secl@sical.com)  
Web [www.sical.com](http://www.sical.com)

## Bankers

Allahabad Bank  
Axis Bank  
Bank of India  
HDFC/HDFC Bank  
IDFC  
IDBI Bank  
Yes Bank

## Auditors

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

## Company secretary

V Radhakrishnan







#### **ASHWIN C MUTHIAH, Chairman**

Ashwin Chidambaram Muthiah heads the global operations of one of India's most eminent business families, the MA Chidambaram Group and now into its third generation with Mr Muthiah. The Group's business interests include integrated logistics, engineering services, fertilizers, petrochemicals, trading and shipping and offshore services with presence in South Asia and South East Asia. Mr Muthiah is an MBA from Philadelphia University, USA, and a BCom from Loyola College, University of Madras, India.

#### **DHANANJAY N MUNGALE, Independent Director**

Advisor to select corporate groups and companies in India and Europe, and on the board of various public and private Indian corporations, Dhnanjay N Mungale has wide experience in international finance, capital markets, and merchant banking. A chartered accountant and law graduate, Mr Mungale has worked in various capacities with Bank of America in UK and India, Colour Chem, and DSP Financial Consultants.

#### **HR SRINIVASAN, Independent Director**

An international authority on logistics and supply chains with a long, illustrious career, HR Srinivasan has been Executive Director of India's Shriram Group; South Asia MD for Sembcorp Logistics, Singapore; and MD of Temasek Capital, the investment wing of the Singapore government. An active member of the Confederation of Indian Industry, Mr Srinivasan is a key member of the CII National Committee on Logistics and an advisory board member of the CII Institute of Logistics. Mr Srinivasan is a graduate in mathematics, an MA in Public Administration, and an MBA. Recently he received the CII Tamilnadu Emerging Entrepreneurs Award.

#### **MANO VIKRANT SINGH, Independent Director**

Widely experienced in corporate finance and in the capital and currency markets, Mano Vikrant Singh has served with American Securities Corporation, Cargill, and ITC. Mr Singh is an MSc in Biochemistry from Punjab University, India, and an MBA from the City University of New York.

#### **SANJIV RALPH NORONHA, Independent Director**

A specialist in banking, automotive manufacturing, global oil trading and logistics (shipping and oil terminals), Sanjiv Ralph Noronha is currently the Chief Executive Officer of Proteus Petrochemicals Private Limited, a company operating in Singapore. Prior to Proteus, he was the Group Managing Director for Chemoil Energy, Singapore. Mr Noronha is a BE (Mechanical) from Shivaji University, India, and an MBM from the Asian Institute of Management, Philippines.

#### **SHYAM SUNDAR SG, Nominee Director – IDFC PE**

A specialist in investment banking, project finance, and risk management, Shyam Sundar SG is Managing Director, IDFC Private Equity, India's largest infrastructure-focused private equity investor. Mr Shyam Sundar was a key member of IDFC's project finance team for the telecom and broadband sectors and a core member of the team that developed IDFC's investment risk evaluation and management framework. Mr Shyam Sundar was previously with the Infrastructure Group of ICICI and ICICI Securities, handling private equity, debt syndication, and M&A related to energy and telecom.

#### **VINOD P GIRI, Nominee Director – IDFC PE**

An infrastructure finance specialist with skills in project finance, company valuation, feasibility studies/appraisals, Vinod Giri has been involved with most of IDFC PE's logistics/transportation infrastructure deals. Before IDFC PE, Mr Giri was with the Small Industries Development Bank of India and the advisory division of Credit Analysis and Research Ltd (CARE). Mr Giri is a BE (Mechanical) from Bombay University and an MBA from NMIMS, Mumbai.

#### **LR SRIDHAR, Managing Director**

A veteran of the logistics industry, LR Sridhar has, over the course of nearly 35 years, worked with reputed companies such as TNT, Skypak, Overnite Express, Sembcorp Logistics, Lee-Muir. Mr Sridhar has been with Sical since 2006, when he took over the container logistics business and turned it around from an underachieving division to become a mainline, profitable business for Sical. Mr Sridhar is a BCom from Osmania University, India.

# BUSINESS SNAPSHOT

## Services

### Port operations

Handling of dry and liquid bulk cargo at various ports. Services include customs house agency, shipping agency, and stevedoring.

### Container terminal

Handling of containers at Tuticorin container terminal in association with PSA International Terminals Pte Ltd.

### CFS/ICD

Container freight station at Chennai.

### Trucking and warehousing

Of bulk (dry and liquid), project, ODC, fertilizer, metals, and packaged goods; transported across India.

### Bulk terminals

Exclusive berth, namely, Jawahar Dock 5 at Chennai port to handle large vessels.

Iron ore terminal at Ennore Port to be commissioned soon.

Deep draft berth for handling iron ore under implementation at New Mangalore Port.

### Container trains

Being operated on pan-India basis for the movement of edible oil, glasses, pipes, scraps, cereals, granite, marbles, tiles, and copper concentrates.

## PRODUCTS WE MOVE

#### Ores

Iron ore and pellets  
Manganese  
Chrome

#### Steel

HR coils  
CR coils  
Slabs  
Billets  
Plates

#### Metals

Copper anode  
Aluminium ingots

#### Containers

20'-40' open top  
ISO tanks

#### Packaged goods

Fertilizer  
Cement  
Sugar  
Food  
FMCG  
Consumer electronics  
Computers  
Tubes

#### Dry bulk

Coal  
Coke  
Limestone  
Sulfur/rock phosphate  
Urea  
DAP  
MOP

#### Liquid bulk

Diesel  
Petrol  
LAB  
Benzene  
Ethanol  
Furnace oil  
Ammonia

#### Over-dimensional cargo

Plant and machinery  
Heavy duty handling equipment  
Project cargo  
Transformers  
Generators

#### Gases

LPG  
Chlorine  
Oxygen



## REVENUE MIX

|                            | 2009-10        | 2008-09        | 2007-08        |
|----------------------------|----------------|----------------|----------------|
| Port operations            | 3740.97        | 2928.24        | 3339.34        |
| Trucking and warehousing   | 1447.52        | 1459.31        | 1688.68        |
| Container depots/terminals | 1023.26        | 1226.30        | 921.49         |
| Container trains           | 907.78         | 382.44         | 11.84          |
| Offshore logistics         | 100.57         | 633.43         | 855.37         |
| Others                     | 0.00           | 115.75         | 299.54         |
| <b>Gross total</b>         | <b>7220.10</b> | <b>6745.47</b> | <b>7116.26</b> |

(consolidated, in INR million)

## VOLUMES MIX

|                                       | 2009-10 | 2008-09 | 2007-08 |
|---------------------------------------|---------|---------|---------|
| Container (20-foot equivalents, TEUs) | 592000  | 570000  | 570000  |
| Bulk (million tonnes)                 | 25      | 26      | 26      |

## KEY CUSTOMERS

Andhra Pradesh Paper Mills  
Adani Enterprises  
Asahi India Glass  
Asian Freight Forwarders  
A to Z Logistics  
AM Transport  
Balaji Mines  
BEML  
Bharat Heavy Electricals  
Engineers India  
Fossil Logistics  
Ford India  
Grasim Industries  
Gupta Coal (India)  
Hindustan Copper

Hindalco Industries  
Hindustan Aeronautics  
India Cements  
Indo Arya Central Transport  
ITI  
Ispat Industries  
JSW Steel  
JSW Infrastructure  
Krishak Bharati Cooperative  
Manali Petrochemical  
Maersk Line India  
NYK Lines  
Pepsico India  
Precious Carrying Corporation  
Rajshree Cements

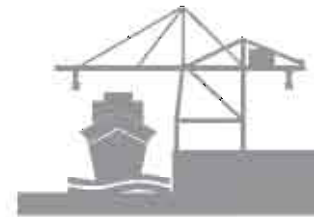
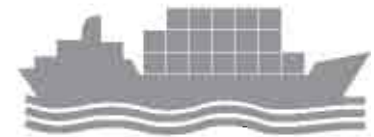
Rashtriya Ispat Nigam  
Royal Logistics  
Saint Gobain Glass India  
Shell India  
Samsara Shipping  
Seaways Shipping  
Shrinivasa Roadways  
South Eastern Carriers  
Steel Authority of India  
Sterlite Industries (India)  
Tamilnadu Petroproducts  
Tamilnadu Electricity Board  
Ultra Tech Cements  
Wilson International  
Welspun Nansteel

The above list is neither complete nor exhaustive; its purpose is merely to showcase Sical's customer engagements.

# END-TO-END INTEGRATED MULTIMODAL DELIVERY

Sea

Container



Port/terminal

**CONTAINER TERMINAL** at Tuticorin in JV with PSA Corporation, Singapore.



ICD/CFS

**CONTAINER FREIGHT STATIONS** at Chennai, Tuticorin, Visakhapatnam. Value added services such as bagging, palletizing, strapping, and shrink packing.

Multimodal  
transportation



Pan-India **CONTAINER TRAIN** operations with multiple rakes carrying exim and domestic cargo on the strategic north-south, east-north and east-west corridors.

## customers



## Bulk



**SHIP AGENCY** at all major and intermediate ports in India.



**STEVEDORING, CUSTOMS CLEARING** at Chennai, Tuticorin, Visakhapatnam, Kandla, Haldia, Paradip, Goa, Mangalore.

**IRON ORE TERMINALS** at Ennore and Mangalore.



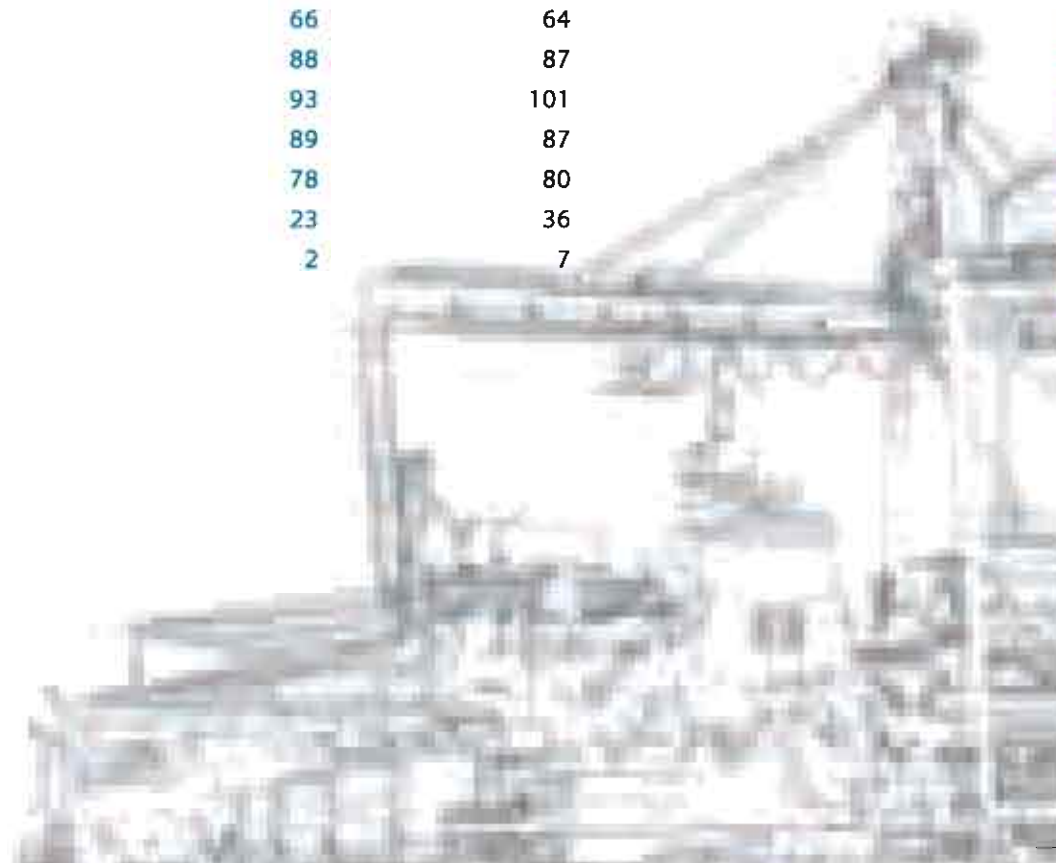
Pan-India **TRUCKING FLEET** with GSM/GPS systems for real-time tracking of high value cargo.



# customers

## PEOPLE

|                                  | on 31 March 2010 | on 31 March 2009 |
|----------------------------------|------------------|------------------|
| <b>Total</b>                     | <b>543</b>       | <b>547</b>       |
| <b>Education</b>                 |                  |                  |
| Professional (CA, ICWA, CS, Law) | 22               | 23               |
| Post graduate (management)       | 25               | 24               |
| Post graduate (engineering)      | 8                | 8                |
| Post graduate (science)          | 13               | 15               |
| Post graduate (others)           | 51               | 53               |
| Graduate (engineering)           | 22               | 16               |
| Graduate (science)               | 58               | 47               |
| Graduate (others)                | 123              | 130              |
| Diploma                          | 30               | 40               |
| Yet to graduate                  | 191              | 191              |
| <b>Age</b>                       |                  |                  |
| Under 21                         | 1                | 0                |
| 21-25                            | 26               | 21               |
| 26-30                            | 77               | 64               |
| 31-35                            | 66               | 64               |
| 36-40                            | 88               | 87               |
| 41-45                            | 93               | 101              |
| 46-50                            | 89               | 87               |
| 51-55                            | 78               | 80               |
| 56-60                            | 23               | 36               |
| Over 60                          | 2                | 7                |



# RECOGNITION

"Stevedore of the year"

*Ennore Port, 2008-09*

"Organization of excellence in traffic performance" for handling 3,851,733 MT.

*Tuticorin Port Trust, 2007-08*

"Stevedore of the year" for highest volume of coal handled.

*Ennore Port, 2007-08*

Best container freight station in Chennai.

*Tamil Chamber of Commerce, 2008*

Express, Logistics and Supply Chain award for "Best Logistics Provider in Container Logistics".

*India Supply Chain Council, 2008*

Best CHA for handling highest volume in bulk.

*Tuticorin Port Trust, 2007-08*

PSA Sical awarded Best CHA for handling highest volume in containers.

*Tuticorin Port Trust, 2007-08*

Express, Logistics and Supply Chain award for "Best Logistics Provider in Bulk Logistics"; assessment criteria included excellence in customer service, range of services, value added offerings, and size of network.

*India Supply Chain Council, 2007*

Sole bulk cargo logistics provider in the India Shipping and Logistics Sector Rankings for 2006.

*Dun & Bradstreet*

Tuticorin container terminal ranked joint #1 among global peers on technical efficiency, scale efficiency, overall efficiency.

*Global benchmark study conducted by Wharton Business School for the Indian government.*

"Best Business Partner" for handling largest volume of cargo in the year.

*Chennai Port Trust, 2007-08/05-06/04-05/03-04*

Record single day loading of 32493 MT of iron ore fines.

*Visakhapatnam Port Trust, 11 September 2006*

Record 902855 MT handled in a month.

*Ennore Port, January 2007*

Record discharge of 55526 MT thermal coal in a single day.

*Ennore Port, 7 March 2007*

Handled largest volume of cargo in the year, thermal coal in a single day.

*Tuticorin Port Trust, 2005-06*

# OPPORTUNITY

The Indian government has planned large capital spending on infrastructure development including a number of projects in the port sector through Public Private Partnerships (PPP) funding. This has opened up opportunities for infrastructure developers, investors, infrastructure funds, and service providers. Investments in the power sector will boost demand for coal, and, in turn, for bulk logistics providers such as Sical.

The share of minor ports in India's overall port traffic rose to 35% in 2009-10, thus providing more opportunities for port handling.

The level of containerization in India continues to be low. According to Indian National Ship Owners Association, containerized cargo represents only 30% of India's export import trade compared with the global average of over 70%. Going ahead, there is a huge potential for growth in container traffic in India on the basis of key factors like increase in EXIM volumes, time and cost efficiency of handling containers and increasing domestic trade. The Indian Port Association (IPA) estimates an 18% CAGR in container handling capacity at all Indian ports from 5.4 million TEUs in FY07 to 20 million TEUs in FY14.

The commencement of the Vallarpadam Terminal will increase container movement in south India, which will create more CFS opportunities for Sical.

The Indian logistics industry is expected to grow at 15% to 20% per annum, with estimated revenues of \$385 billion by 2015. The market share of organized logistics players is expected to double to nearly 12% in the same period. New logistics centers will provide a boost to the industrial activities in the country. Nearly 110 logistics parks spread over 3,500 acres at an estimated cost of \$1 billion, and nearly 45 million sq ft of warehousing space are expected to be operational in the next few years.

Indian Railways, the world's fourth largest rail network and the second largest in Asia, is the backbone of India's socio-economic growth. The 2,700 km of dedicated freight corridors, separating freight traffic from passenger traffic on trunk routes in the Western and Eastern high-density routes to connect the four metropolitan areas of Delhi, Mumbai, Chennai and Kolkata, are expected to reduce transit time between Delhi and Mumbai to less than 36 hours from the current 60 hours. The investment is expected to be nearly INR 220 billion (USD 4.5 billion).

With increasing containerization of cargo, the demand for its movement by rail has grown rapidly. So far, container movement by rail was the monopoly of state-run CONCOR. The private sector has now been given licenses to run container trains. It is estimated that by FY2021-22 the container traffic will increase to 15.5 million TEUs, out of which 40% will be by rail.

The entry of global retail chains would require the presence of professional logistics players in the market to carry out supply chain activities.



# CHALLENGES

**Strategic risk:** from being in a particular industry and geographical area, or of certain domain verticals.

**Risk 1:** Sical's business focus is India. If India is hit by an economic downturn then it will adversely affect Sical.

**Our view:** The customers of Sical are mainly electricity companies which import coal, the basic raw material for electricity. Even if there is a downturn, it is expected that coal imports will not be much affected.

**Risk 2:** Sical is largely perceived as a bulk logistics provider. Customers may not see Sical as an end-to-end supply chain value enabler for multiple types of cargo.

**Our view:** Over the last two fiscals, Sical has aggressively communicated its end-to-end value enablement proposition. Customers who were availing individual service have now started using multiple services.

**Concentration risk:** from being focused on a direct derivative of the global economy and trade, at a time of global economic volatility.

**Risk 1:** Sical's product concentration is largely coal. Our customers are mostly electricity, steel companies, and coal traders.

**Our view:** In 2009-10, Sical has started placing more emphasis on handling diversified products such as dolomite and limestone.

**Risk 2:** Any governmental policy change on iron ore exports will affect business at Sical's iron ore terminals.

**Our view:** Sical's iron ore terminals are long-term projects. We are confident of government's policy being positive for the long-term.

**Operational risk:** from the various operational and administrative procedures that the business uses to implement its strategy.

Because of ever-increasing port traffic, the non-availability of berths/equipments for handling cargo will result in lesser turnaround time leading to demurrage.

**Our view:** Sical has been achieving high productivity standards and has ensured minimal demurrage during the year. It has also availed services of globally renowned consultants such as Renoir to improve efficiency of services offered. We are purchasing equipment of our own to reduce dependence on vendors.

**Financial risk:** from the financial structure of the business, from transactions with third parties and from the financial systems in place.

**Risk 1:** Significant fluctuations in interest rates affects borrowing costs.

**Our view:** Effective controlling of receivables is ensuring smooth cashflow. Because Sical has been able to comply with the bank requirements on repayments, adequacy norms etc, we have been able to effectively negotiate with banks for favorable interest rates.

**Risk 2:** Increasing labor and fuel costs affects profitability.

**Our view:** Sical has enforced stringent performance norms among its vendors to achieve high productivity and cost efficiencies. Escalation clauses relating to fuel have been built-in for contracts with the customers.

# CHALLENGES

**Compliance (including health and safety) risk:** from the necessity to ensure compliance with laws, regulations and other formal societal expectations which, if infringed, can hurt Sical.

Dependence on many unorganized vendors for handling cargo.

**Our view:** Strict compliance standards have been put in place in our vendor contracts.

**Customer risk:** of customers abandoning or defaulting on payments.

About 6-7 customers contribute to more than 90% of revenue.

**Our view:** Sical's focus is on high value long-term contracts. Our integrated differentiated service is an attractive proposition to large customers. We are confident of getting more such customers in the coming years.

**Competition risk:** from the unorganized sector, incumbents, and the likely entry of large cash-rich global logistics players and domestic business groups.

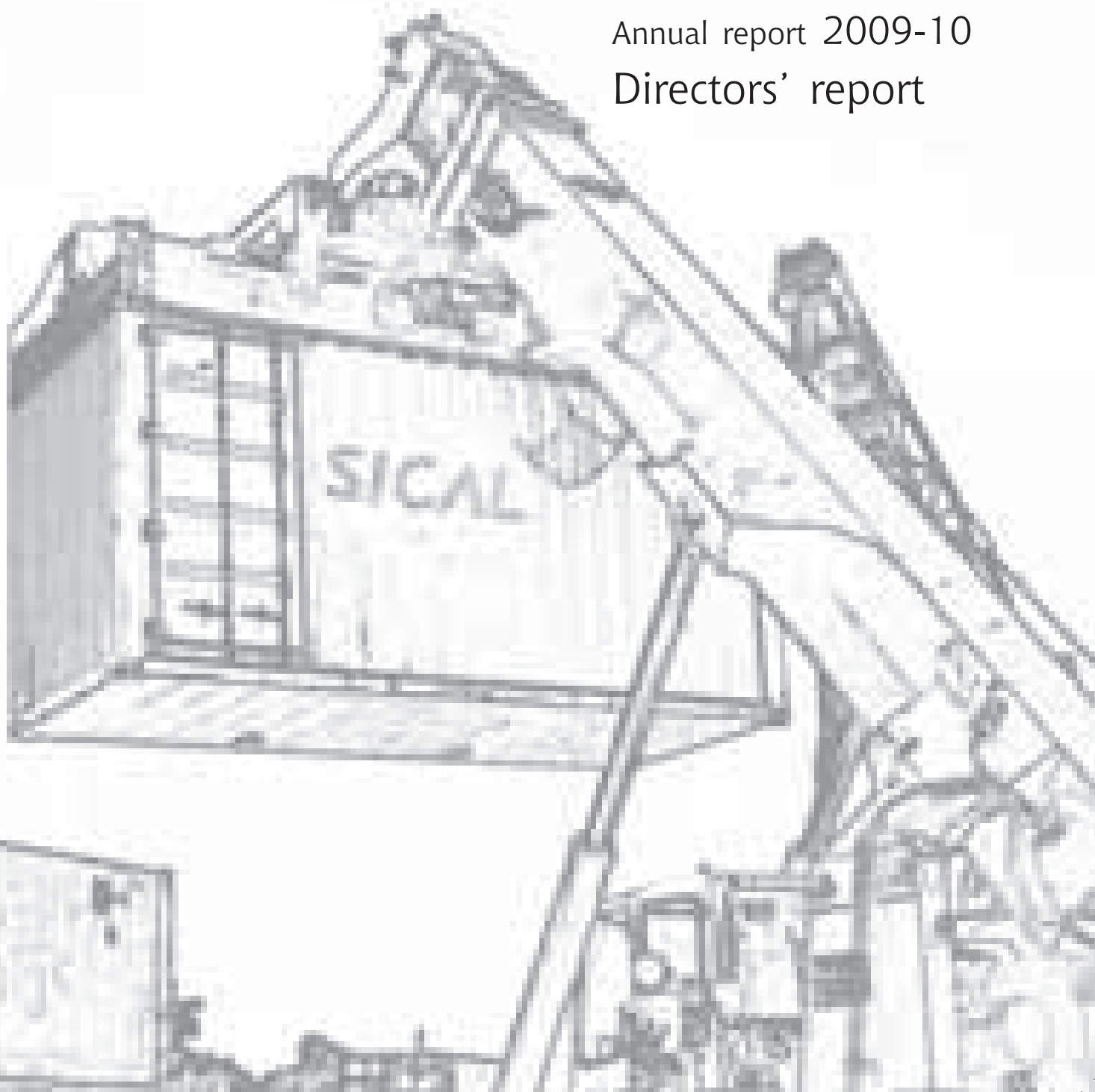
Competition for unorganized players mainly in trucking and agency business.

**Our view:** Customers are increasingly seeing value in Sical's ability to seamlessly value-enable their supply and demand chains across multiple transportation modes. As India gets integrated into the global economy, we see more opportunities for reliable world-class solutions such as ours.





Annual report 2009-10  
Directors' report



# DIRECTORS' REPORT

Your directors are pleased to present this fifty fifth annual report of your company and the audited accounts for the year ended 31 March 2010.

## FINANCIAL REVIEW

The financial results for the year ended 31 March 2010 are summarized below:

(in Rs crore)

| Year ended 31 March                                      | 2010           | 2009   |
|--|----------------|--------|
| Sales and other income                                   | <b>537.40</b>  | 479.61 |
| Profit before interest, depreciation and tax             | <b>44.27</b>   | 41.77  |
| Interest   | <b>17.19</b>   | 16.94  |
| Cash profit  | <b>27.07</b>   | 24.83  |
| Depreciation   | <b>11.63</b>   | 11.93  |
| Profit before tax  | <b>15.45</b>   | 12.90  |
| Provision for tax  | <b>(0.06)</b>  | (0.66) |
| Exceptional Items  | <b>(10.86)</b> | 8.10   |
| Net profit   | <b>26.36</b>   | 5.46   |
| Earnings per share (EPS) in Rs (after exceptional items) | <b>6.67</b>    | 1.38   |

## DIVIDEND

In order to meet the capital expenditure related to the execution of the on-going projects, your directors wish to conserve the resources and hence are not recommending any dividend for the FY 2009-10.

## PERFORMANCE

The company's revenues for 2009-10 were Rs 537.40 crore as against Rs 479.61 crore in the previous year while net profit was Rs 26.36 crore as against Rs 5.46 crore. Profit before interest and depreciation for 2009-10 was Rs 44.27 crore against Rs 41.77 crore a year ago.

Division-wise operational performance of the company is furnished below.

## A BULK LOGISTICS

### Port Handling

This Division has operations in almost all the major ports of the country viz. Chennai, Ennore, Tuticorin, Visakhapatnam, Goa, Mangalore and Kandla and is engaged in loading and unloading cargoes to/from the vessels to the dock and vice versa during EXIM trade and also for domestic consumption. The major segments of this division are Stevedoring, Terminal operations and JD V which is an exclusive berth available for the Company at the Chennai Port. Cargoes handled at the various ports varies from Coal, Fertilizer, Blooms/Billets, iron ore, Pig Iron, Industrial Salt, Steel Plates, rock phosphate, copper concentrate, dolomite and other general cargoes. The Company also handles coal for TNEB at Ennore and Tuticorin Ports. The total volume of quantity handled by Sical at the various ports during FY 2009-10 was 25.54 million MT.

### Customs House Agency

This division provides services relating to clearing and forwarding goods through customs for imports and exports. This division handled 12.21 MTs of bulk cargo and 5514 TEUs of containerized cargo during the year under review. The cargoes handled varies from coal, iron ore, project cargo, containerized cargo, capital goods, raw material, cement, pulses, non ferrous alloys and steel in various forms.

### Ship Agency

This division facilitates and ensures quick turnaround of the ships at berth at all major ports. During the year under review, the division improved its performance by handling 209 vessels at various ports in the country handling both dry and liquid bulk.

### Trucking

This division is engaged in transporting cargoes such as dry bulk, liquid bulk, ODC, project equipments and hazardous chemicals. The company currently owns 289 trucks and hires additional trucks based on consignments on a daily basis. The volume of cargo handled during the previous year was 17.60 lakh MT.



## DIRECTOR'S REPORT

### B CONTAINER LOGISTICS

Container logistics services for both loaded and empty containers at container freight stations are extended through Sical Distriparks Ltd at Chennai, Vizag and Tuticorin. The total volume handled at these Ports during 2009-10 was 111926 TEUs. Also in JV with Port of Singapore Authority, container terminals are being operated at Tuticorin and Chennai.

### C OFFSHORE LOGISTICS

Sical Portofino, the cutter suction dredger belonging to the Norsesea Offshore Logistics Pte. Ltd. has been deployed in India and is in operation at the Karaikal Port for dredging.

### D SUBSIDIARIES AND JOINT VENTURES

#### 1 Sical Infra Assets Limited

Sical Infra Assets Limited was formed for the purpose of undertaking the infrastructure projects which are in pipeline with the parent company and also to secure future infrastructure projects. Currently the Company has in its fold Sical Distriparks Limited, Sical Multimodal and Rail Transport Limited, Nagpur Sical Gupta Road Terminal Limited and Nagpur Sical Gupta Logistics Limited. The financial year for this company has been extended upto 31 May 2010.

#### 2 Sical Distriparks Ltd

Sical Distriparks in Chennai, offers container logistics solutions with container yards, bonded and general warehousing, reefer storage and third party logistics. The company has a contract with Maersk for movement of containers.

During the year under review, the turnover was Rs 65.53 crores and the Profit Before Tax was Rs 6.12 crores. This Company handled volumes to the extent of 111926 TEUs during the year. The performance of this Company during the year under review was hit mainly due to fall in imports and exports as well reduction in storage rates and storage days as compared to the previous years. As a part of the expansion plans, extended open yard has been developed at Chennai CFS and a new CFS being established at Tuticorin is expected to be operational during the current financial year.

#### 3 Sical Iron Ore Terminals Ltd

The project activities at site are progressing well as per the schedule at Ennore. Erection activities are in full swing. On an overall perspective, 75% of the project has been completed and the rest relates to erection and commissioning activities. The project is expected to be completed by August, 2010 and the commercial operations will begin during September, 2010.

#### 4 PSA Sical Terminals Ltd

Revenue in 2009 was Rs 95.52 crores and the PBT was Rs (7.20) crores. In 2009, the company handled container volumes of 426184 TEUs in the previous year. The company has not declared any dividend for the year ended 31 December 2009.

#### 5 Chennai International Terminals Pvt Ltd [CITPL]

The project was completed in full respect on 22 September 2009 and commercial operation has begun in this terminal. The revenue generated in the year 2009 was Rs 12.13 crores and has resulted in a PBT of Rs (17.07) crores.

#### 6 Sical Multimodal and Rail Transport Ltd

The Company now operates 6 rakes which are run between various routes. Revenue for the year 2009-10 was Rs 87.55 crores and the PBT was Rs (6.13) crores. The Company has bagged a contract for multi modal logistics for transportation of raw material and finished goods for Hindustan Copper Limited. This Company has introduced various new routes during the year under review depending upon the cargo availability and movement thereof. This Company is in the process of developing its own terminals near Chennai and Bangalore under Phase I of the project during the current financial year.

#### 7 Rail And Road Terminal at the Multimodal International Hub Airport at Nagpur (MIHAN)

Nagpur Sical Gupta Logistics Ltd is an SPV formed by the Sical led consortium with Maharashtra Airport Development Corporation (MADC) & Gupta Coal India Limited for developing the Rail Terminal on BOT basis. The company awaits land allocation and signing of concession agreement with the authorities concerned to initiate the project activities.

Nagpur Sical Gupta Road Terminal Ltd is the SPV formed by Sical, MADDC and Gupta Coal for developing a Road Terminal, on a 60 hectare plot on 66-year lease at MIHAN. During the year under review, land registration in the name of the Company has been completed.

## DIRECTOR'S REPORT

### 8 Sical Iron Terminal [Mangalore] Limited

Sical Logistics Limited entered into a Concession Agreement with the New Mangalore Port Trust on 19 October 2009 for the setting up of mechanized iron ore handling facilities at the deep draft multipurpose berth of New Mangalore Port on BOT basis. A special purpose vehicle under the name and style of Sical Iron Ore Terminal [Mangalore] Limited has been formed as a wholly-owned subsidiary of Sical Logistics Limited. Preparation of DPR and design & development activities are in progress.

### 9 Ennore Automotive Logistics Limited

The Company entered into a Joint Venture Agreement with Mitsui OSK Lines Limited, Japan on 14 October 2009 for the operation and maintenance of car yard at Ennore Port for handling the export of Nissan cars. Ennore Automotive Logistics Limited was incorporated in November, 2009. FIPB approval has since been received from the Central Government for the equity infusion by Mitsui OSK Lines Limited [MOL], Japan.

## ACQUISITION

The Company acquired the Goodwill Travels & Cargo Division through a Business Transfer Agreement from Sicagen India Limited effective 01 October 2009. This division, apart from the travel agency, has the freight forwarding licence in its fold which would provide an opportunity to the Company to venture in this field.

## SUBSIDIARY COMPANIES ACCOUNTS

In terms of the approval granted by the Central Government [Ministry of Corporate Affairs] under Section 212[8] of the Companies Act, 1956, vide their approval letter No.47/511/2010-CL-III dated 14 May 2010, copies of the Balance Sheet, Profit and Loss Account, reports of the Board of Directors, reports of the Auditors and other related information of the subsidiary companies have not been attached with the Balance Sheet of the Company. The Company will make available these documents/details of information to any member of the Company upon request as well posted on the website of the Company. The consolidated financial statements, presented by the Company pursuant to Accounting Standard AS-21 of the Institute of Chartered Accountants of India, include the financial information of its subsidiaries. The annual accounts of the subsidiary companies will also be kept for inspection by any investor at the registered office of the Company and that of the subsidiary concerned.

## AWARDS AND ACCOLADES

During the year under review, the Company was awarded the Stevedore of the year 2008-09 by the Ennore Port Limited for handling highest volume of coal at the Ennore Port.

## DIRECTORS

HR Srinivasan and Mano Vikrant Singh retire by rotation at this annual general meeting and being eligible, offer themselves for re-election.

Luis Miranda, Nominee Director – IDFC PE resigned from the directorship effective 24 September 2009.

Shyam Sundar SG was co-opted as an additional director as a Nominee of IDFC PE effective 24 September 2009 and can hold office only upto the date of the ensuing annual general meeting. Being eligible, seeks election to the Board.

Karthik Menon, Director resigned from the directorship effective 28 January 2010.

## AUDITORS

M/s CNGSN & Associates, Chartered Accountants, retire at the conclusion of this annual general meeting and being eligible offer themselves for re-appointment.

## FIXED DEPOSITS

The provisions of Section 58-A of the Companies Act, 1956, relating to the acceptance/renewal of fixed deposits, have been complied with. The value of matured and unclaimed deposits as on 31 March 2010 amounted to Rs 26.31 lakh, of which Rs 1.73 lakh have since been renewed/ refunded during the current financial year 2010-11.

## DEMATERIALISATION OF EQUITY SHARES

3,67,81,008 equity shares representing 93.07% of the company's paid-up share capital have been dematerialized as of 31 March 2010. Shareholders who continue to hold physical shares are advised to dematerialize their shares to avoid the risks associated with holding them in physical form.

## DIRECTOR'S REPORT

### CORPORATE GOVERNANCE

The company has complied with the provisions of Clause 49 of the Listing Agreement relating to Corporate Governance. A report on corporate governance along with the statutory auditors' certificate and the management discussion and analysis report form part of this annual report.

### STATUTORY INFORMATION

- 1 Under Section 217 [2AA] of the Companies Act, 1956, the board of directors report that:
  - in the preparation of annual accounts, the applicable accounting standards have been followed with no material departures;
  - they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
  - they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
  - they have prepared the annual accounts on a going concern basis.
- 2 The particulars required under Section 217 [1] [e] of the Companies Act, 1956, read with the rules framed under it are not applicable since the company is engaged in the business of providing logistics services. However, details of foreign exchange earnings and outgo are furnished in Annexure I to this report.
- 3 The particulars required under Section 217[2A] of the Companies Act, 1956 and the Companies [Particulars of Employees] Rules, 1975, is annexed as Annexure II to this report.

### RELATIONSHIP WITH EMPLOYEES

The directors wish to place on record their sincere appreciation to all the employees for their sincere and dedicated contribution for the progress of the Company.

### ACKNOWLEDGEMENT

The directors wish to thank the company's bankers, financial institutions, port and customs authorities, foreign collaborators, suppliers, statutory regulators, governmental agencies, investors and customers for their continued support at all times.

Place Chennai  
Date 25 May 2010

For and on behalf of the Board  
**ASHWIN C MUTHIAH**  
Chairman

## ANNEXURE - 1 TO DIRECTORS' REPORT

PARTICULARS REQUIRED UNDER THE COMPANIES [DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS] RULES, 1988.

---

|   |  |        |                   |
|---|--|--------|-------------------|
| A | CONSERVATION OF ENERGY   | :      | NA                |
| B | TECHNOLOGY ABSORPTION  | :      | NA                |
| C | FOREIGN EXCHANGE EARNINGS AND OUTGO                                |        |                   |
|   | Total Foreign Exchange   | Earned | : Rs 127.36 Lakhs |
|   |  | Used   | : Rs 65.86 Lakhs  |
|   | DISCLOSURE OF PARTICULARS WITH REFERENCE TO CONSERVATION OF ENERGY | :      | NIL               |

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## ANNEXURE - II TO THE DIRECTORS' REPORT

| PARTICULARS OF EMPLOYEES   |                              |                                |                  |                    |                                    |     |   |
|--|------------------------------|--------------------------------|------------------|--------------------|------------------------------------|-----|---|
| [Pursuant to Sec 217[2A] of the Companies Act, 1956]   |                              |                                |                  |                    |                                    |     |   |
| Employed throughout the year and salary drawn was Rs 24 Lakhs or more for the year 2009-10                 |                              |                                |                  |                    |                                    |     |   |
| Name   | Remuneration received Rupees | Designation & Nature of duties | Qualifications   | Experience (Years) | Date of commencement of employment | Age | Last employment held before joining the company |
| SR Ramakrishnan  | 35,50,892                    | Advisor                        | BTech            | 38                 | 22.11.2007                         | 60  | PSA Sical                                       |
| Employed during part of the year and salary drawn was Rs 2 Lakhs or more per month during the year 2009-10 |                              |                                |                  |                    |                                    |     |   |
| **J Kotteswari   | 7,27,895                     | Vice-President [F & A]         | BCom, ICWAI, ACA | 14                 | 22.05.2007                         | 41  | Ramco Systems                                   |
| LR Sridhar   | 23.39,204                    | Managing Director              | B.Com            | 31                 | 05.05.2009                         | 56  | AFL Private Limited                             |

\*\* upto 03 Jun 09

### Notes

- 1 Remuneration includes actual receipt of Salary, Allowances and Perquisites during the financial year 2009-10.
- 2 Other terms and conditions of the employment are as per the Company rules.
- 3 None of the employees are related to any of the directors of the Company.
- 4 None of the directors hold more than 2% of the equity shares in the Company.

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT [2009-10]

## ECONOMIC OUTLOOK

2009-10 was a year of stabilization and recovery for the global economy post global financial crisis and the subsequent economic recession. The global outlook improved significantly and global recovery has progressed better than previously anticipated. The emerging economies, which are increasingly influenced by domestic growth factors, continue to drive global recovery. According to the latest World Economic Outlook published by International Monetary Fund [IMF] in April, 2010, world economy's growth is expected to grow by 4.2% in 2010 as against a decline of 0.6% in 2009.

India was one of the first countries to recover from the global crisis on account of its strong domestic demand and healthy financial sector. Major macro-economic parameters, such as, industrial growth, manufacturing and exports have been showing steady increase after the growth moderation observed in 2008-09. India's economic growth projected at 8% for FY 11 by the RBI in its Annual Policy Statement would make India the second largest expanding economy after China.

## LOGISTICS SCENARIO

According to the Confederation of Indian Industry [CII], the global logistics market is currently valued at \$3.43 trillion and is growing at 7.5% each year. According to Associated Chambers of Commerce and Industry of India [ASSOCHAM] estimates, the Indian logistics market, valued at \$105 billion in 2008 is expected to register a 19 per cent increase and reach \$125 billion by 2010.

The market share of organized logistics players is expected to double to approximately 12 per cent by 2015. According to ASSOCHAM estimates, outsourcing of 3 PL in India is expected to reach \$90 million by 2012 from the current \$58 million, since the percentage of Indian companies outsourcing logistics has increased to 55 per cent currently from 10 per cent a decade back.

A World Bank study reveals the following statistics with reference to India.

### INDIA: Transport Sector Key Statistics

|                            | Units            | As of 2009       |
|----------------------------|------------------|------------------|
| <b>Length of Roads</b>     | <b>Km.</b>       | <b>3,516,452</b> |
| Main Roads                 | Km.              | 666,452          |
| Paved Roads                | %                | 47.3             |
| Access to All-Season-Roads | %                | 61               |
| Road Density               | km/1,000 sq. km. | 1115             |
| <b>Rail Track Length</b>   | <b>Km.</b>       | <b>63,327</b>    |
| <b>No. of Ports</b>        |                  | <b>199</b>       |
| Turnaround time            | Days             | 3                |
| <b>Airports</b>            |                  | <b>125</b>       |
| International              |                  | 11               |

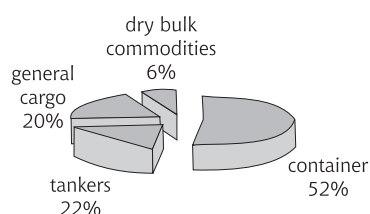
The demand for logistics services in India has been largely driven by the country's vibrant economy, which is projected to grow at 8-10 per cent in the next few years. Section-wise manufacturing is the key area that creates the majority of the demand for logistics services. According to a report by Zinnov Consulting, there are currently about 10 million logistics related outlets in India that cater to the needs of 1000 million people. The Indian logistics industry has generated employment for over 45 million people in the country.

Infrastructure, global trade and industrialization go hand-in-hand and each of the sector cannot exist without the other. Hence it is important that the pace of infrastructure development in India is accelerated.

### Port Handling

Of the total value of the world's seaborne-trade, container shipping accounts for 52 per cent, tankers make up 22 per cent, general cargo 20 per cent and dry-bulk commodities 6 per cent.

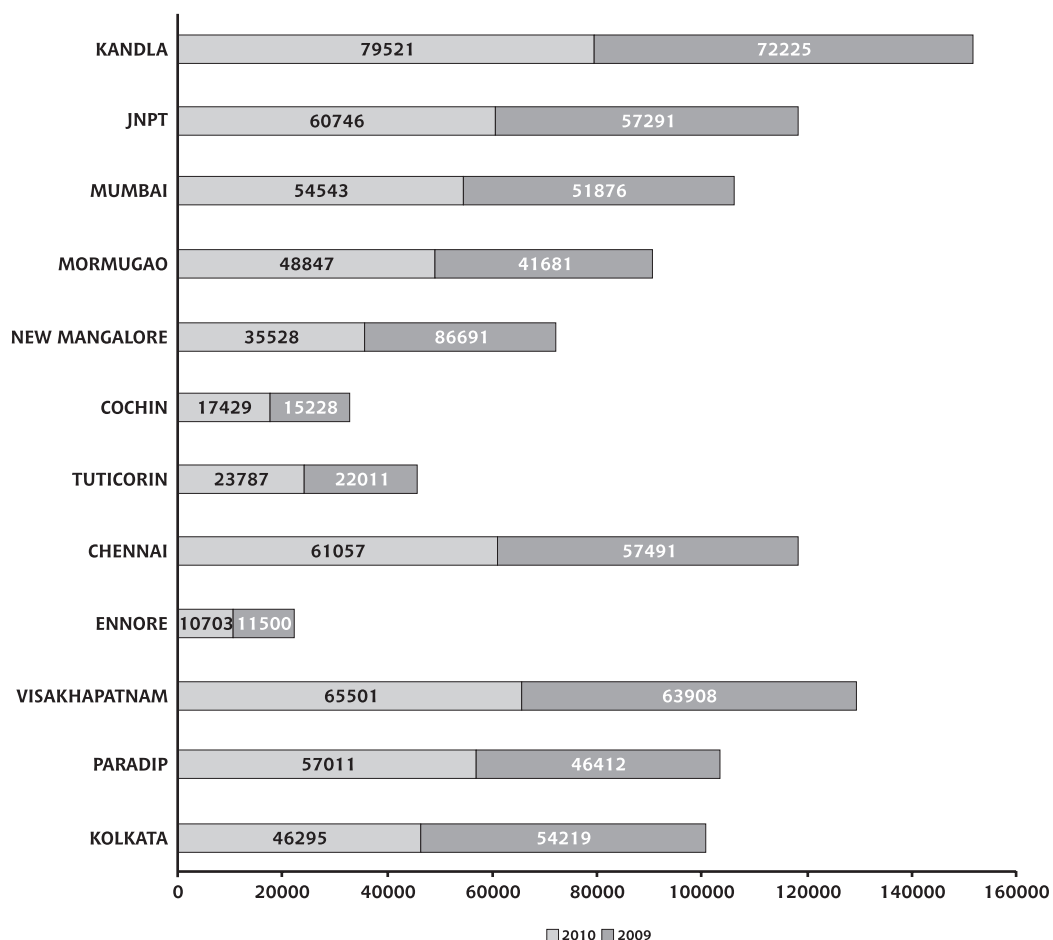
Composition of world's seaborne trade



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT [2009-10]

The traffic handled by the Indian Ports during the financial year 2009-10 as compared to the previous year 2008-09 is furnished below.

|               | (IN '000 TONNES) |        |                     |
|---------------|------------------|--------|---------------------|
| PORTS         | APRIL TO MARCH   |        | % VARIATION AGAINST |
|               | TRAFFIC          |        | PREV. YEAR          |
|               | 2010             | 2009   | TRAFFIC             |
| KOLKATA       | 46295            | 54219  | (14.61)             |
| PARADIP       | 57011            | 46412  | 22.84               |
| VISAKHAPATNAM | 65501            | 63908  | 2.49                |
| ENNORE        | 10703            | 11500  | (6.93)              |
| CHENNAI       | 61057            | 57491  | 6.20                |
| TUTICORIN     | 23787            | 22011  | 8.07                |
| COCHIN        | 17429            | 15228  | 14.45               |
| NEW MANGALORE | 35528            | 36691  | (3.17)              |
| MORMUGAO      | 48847            | 41681  | 17.19               |
| MUMBAI        | 54543            | 51876  | 5.14                |
| JNPT          | 60746            | 57291  | 6.03                |
| KANDLA        | 79521            | 72225  | 10.10               |
| TOTAL         | 560968           | 530533 | 5.74                |



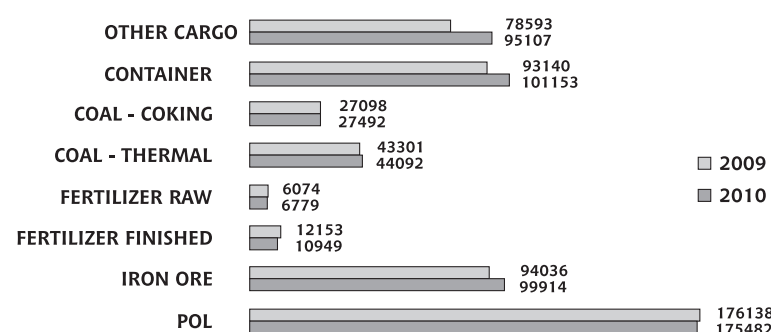
## MANAGEMENT DISCUSSION AND ANALYSIS REPORT [2009-10]

The various commodities handled at the various Indian ports in the year 2010 vs 2009 are furnished below.

(in '000 tonnes)

| COMMODITIES         | 2010   | 2009   |
|---------------------|--------|--------|
| POL                 | 175482 | 176138 |
| IRON ORE            | 99914  | 94036  |
| FERTILIZER FINISHED | 10949  | 12153  |
| FERTILIZER RAW      | 6779   | 6074   |
| COAL - THERMAL      | 44092  | 43301  |
| COAL - COKING       | 27492  | 27098  |
| CONTAINER           | 101153 | 93140  |
| OTHER CARGO         | 95107  | 78593  |
| TOTAL               | 562978 | 532542 |

### COMMODITY HANDLED AT ALL INDIAN PORTS 2010 VS 2009



The category-wise vessel traffic during the year 2010 vs 2009 at various ports in the country is furnished below.

(in Nos.)

| Port           | Period  | Dry Bulk | Liquid Bulk | Break Bulk | Container | Total |
|----------------|---------|----------|-------------|------------|-----------|-------|
| Kolkata        | 2009-10 | 61       | 264         | 396        | 578       | 1299  |
|                | 2008-09 | 41       | 240         | 250        | 526       | 10570 |
| Haldia         | 2009-10 | 892      | 852         | 68         | 433       | 2163  |
|                | 2008-09 | 830      | 1045        | 82         | 512       | 2398  |
| Paradip        | 2009-10 | 1154     | 326         | 40         | 11        | 1531  |
|                | 2008-09 | 1230     | 239         | 58         | 9         | 1536  |
| Vishakhapatnam | 2009-10 | 1275     | 715         | 210        | 206       | 2406  |
|                | 2008-09 | 1162     | 663         | 271        | 251       | 2347  |
| Ennore         | 2009-10 | 195      | 78          | -          | -         | 273   |
|                | 2008-09 | 184      | 55          | -          | -         | 250   |
| Chennai        | 2009-10 | 446      | 493         | 462        | 703       | 2131  |
|                | 2008-09 | 441      | 441         | 486        | 710       | 2078  |
| Tuticorin      | 2009-10 | 451      | 175         | 333        | 455       | 1414  |
|                | 2008-09 | 441      | 172         | 460        | 451       | 1524  |
| Cochin         | 2009-10 | 59       | 380         | 44         | 389       | 872   |
|                | 2008-09 | 53       | 308         | 61         | 335       | 757   |
| New Mangalore  | 2009-10 | 353      | 682         | 74         | 77        | 1186  |
|                | 2008-09 | 404      | 639         | 72         | 69        | 1184  |



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT [2009-10]

| Port      | Period  | Dry Bulk | Liquid Bulk | Break Bulk | Container | Total |
|-----------|---------|----------|-------------|------------|-----------|-------|
| Mormugao  | 2009-10 | 235      | 184         | 8          | 38        | 465   |
|           | 2008-09 | 221      | 170         | 8          | 36        | 435   |
| Mumbai    | 2009-10 | 48       | 870         | 713        | 8         | 1639  |
|           | 2008-09 | 33       | 902         | 665        | 12        | 1612  |
| J.N.P.T.  | 2009-10 | 66       | 496         | 13         | 2521      | 3096  |
|           | 2008-09 | 55       | 408         | 16         | 2494      | 2973  |
| Kandla    | 2009-10 | 663      | 1421        | 437        | 255       | 2776  |
|           | 2008-09 | 636      | 1212        | 448        | 221       | 2517  |
| All Ports | 2009-10 | 5898     | 6936        | 2825       | 5674      | 21251 |
|           | 2008-09 | 5742     | 6494        | 2877       | 5626      | 20668 |

The emerging opportunities at various ports in the country for modernization/expansion are envisaged at the Kandla, Paradip, New Mangalore, Mormugao, Visakhapatnam, Ennore, Tuticorin, Chennai, JNPT, Mumbai, Kolkatta and Cochin at an estimated cost of Rs 20661 Million under Public Private Partnership by the Government. This would provide ample opportunity to participate in the development projects as well as handling the volumes and obtaining exclusive rights on the terminals.

### Rail Traffic

Indian Railways which commanded 89 per cent of the country's freight and nearly 80 per cent of passenger traffic in 1950 is steadily forfeiting its pre-eminence in the country's transport business. With the virtual rail renaissance the world over, it is time the railways rediscover themselves as a vibrant lifeline of the national economy.

The projection of freight traffic in the Eleventh Five Year Plan vis-à-vis achievements in the Ninth and Tenth plans for the railways are furnished below.

|                                      | 2001-02 | 2006-07 | 2011-12 |
|--------------------------------------|---------|---------|---------|
| Originating freight [million tonnes] | 492.5   | 728.4   | 1100    |
| Freight tonne km                     | 332.2   | 475     | 702     |

A snapshot on the Railways network in 2008-09 is given in the following table.

|                    |       |
|--------------------|-------|
| Route length [km]  | 64015 |
| Running track [km] | 86937 |
| No. of stations    | 7030  |

The freight traffic and earnings by Railways during the year under review as compared to the previous year is furnished below.

| Details                                  | 2008-09 | 2009-10 | Growth % |
|--|---------|---------|----------|
| Net tonne km [billion]                   | 538.23  | 584.76  | 8.65     |
| Earnings [Rs. Billion]                   | 531.38  | 575.95  | 8.39     |
| Earnings per million tonne [Rs. Million] | 637.70  | 648.60  | 1.71     |
| Earnings per net tonne km [paise]        | 98.73   | 98.49   | -0.24    |

The various commodities handled by Indian Railways in 2009-10 [in million tonnes] are:

| Commodity                                     | 2009-10       |
|---|---------------|
| Coal  | 396.10        |
| Raw materials for steel plants                | 11.58         |
| Pig iron and finished steel from steel plants | 30.93         |
| Iron ore for export                           | 43.72         |
| Cement  | 93.15         |
| Foodgrains                                    | 37.52         |
| Fertilizer                                    | 43.58         |
| POL   | 39.49         |
| Other goods                                   | 191.92        |
| <b>Total</b>                                  | <b>887.99</b> |

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT [2009-10]

A comparison of Indian Railways with other countries

| Country | Tonnes carried [million] | Tonne km [million] |
|---------|--------------------------|--------------------|
| Russia  | 1304                     | 2400000            |
| China   | 2635                     | 2512729            |
| India   | 794                      | 521371             |
| US      | 1754                     | 2788230            |

Railways have opened up the movement of cargoes through containers to private operators. Prior to this, the movement of cargo by rail was solely handled by Indian Railways. However, movement of cargoes by private container operators is restricted and all the commodities are not available for movement by the PCOs and Railways enjoy the monopoly with reference to movement of the cargoes which are not for transportation by containers. Dedicated freight corridors will lead to a spurt in the industrial growth. The freight corridors will encourage the development of SEZs along its path. SEZs are being offered tax rebates, fiscal incentives and land at subsidized rates. The freight corridors will greatly boost industrialization and economic growth.

### Road Traffic

The average annual growth in road freight has been on the steady increase which provides a signal that the freight on the road movement has been growing depending upon the demand for the commodities that are to be moved from the most remote parts of the country to other places.

The road network structure in India as of March, 2010 is

| Segment              | Length [km]    |
|----------------------|----------------|
| National highways    | 70548          |
| Expressways          | 200            |
| State highways       | 141899         |
| Major district roads | 467763         |
| Rural roads          | 2650000        |
| <b>Total</b>         | <b>3320410</b> |

The various highway projects that are on the anvil under the NHDP and their costs and estimated completion date are furnished below:

| Phase | Length [km] | Description   | Cost [Rs. Billion] | Targeted completion date  |
|-------|-------------|---|--------------------|---|
| I     | 7521        | Comprises 5846 km of Golden Quadrilateral, 981 km of NSEW corridor, 380 km of port connectivity and 315 km of other national highways | 101.98             | 99% of golden quadrilateral has been completed and the balance by 31 March 2010 |
| II    | 6805        | Comprises 6319 km of NSEW corridor and 496 km of other national highways  | 600.78             | December 2010   |
| III   | 12109       | Four laning of 12109 km of national highways in two phases on a BOT basis   | 988.28             | March 2013  |
| IV    | 20000       | Two laning with paved shoulders of 20000 km of national highways on a BOT basis   | 354                | December 2015   |
| V     | 6500        | Six-laning of 6500 km of national highways on a design-build-finance-operate DBFO basis   | 515.35             | December 2012   |
| VI    | 1000        | Construction of 1000 km of expressways on a DBFO basis  | 195                | December 2015   |
| VII   |             | Construction of ring roads, bypasses, flyovers, etc. on a BOT basis   | 166.8              | December 2014   |

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT [2009-10]

A comparison of Indian roads with other major countries are furnished below:

| Country        | Network length<br>[million km] | Paved roads<br>[% share] [billion km] | Freight<br>[billion tonne km] |
|----------------|--------------------------------|---------------------------------------|-------------------------------|
| United States  | 6.54                           | 65.00                                 | 7814                          |
| United Kingdom | 0.40                           | 100.00                                | 736                           |
| China          | 3.45                           | 70.00                                 | 975                           |
| India          | 3.32                           | 47.00                                 | 659                           |

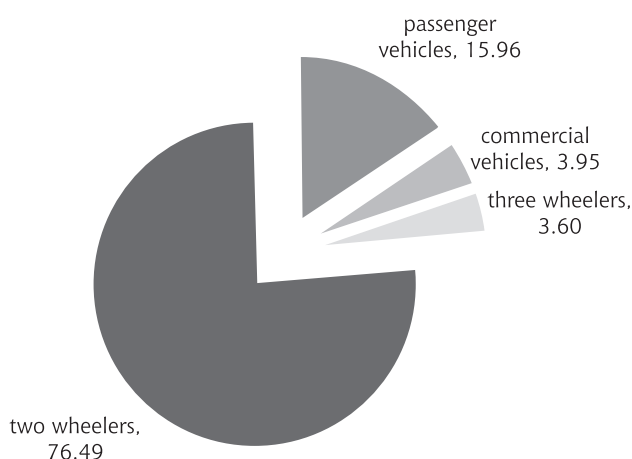
### Automotive Logistics

Outsourcing the logistics activities in automobile and auto components industries is picking up pace. By leaving the non-core logistics functions to specialized 3 PL providers, these industries are gearing up to make it big in the global markets. While most OEMs handled their logistics activities in-house since many years, things are beginning to change as outsourcing is fast catching up. Increasing cost of in-house logistics is driving component manufacturers to outsource these activities. 3PL services in spare parts logistics is also picking up pace with Volvo, GM, Hyundai, Nissan and Ford falling under this segment providing opportunity for import of raw materials/spares and export of the finished cars.

Category-wise market share in 2008-09

|                     | %     |
|---------------------|-------|
| Passenger vehicles  | 15.96 |
| Commercial vehicles | 3.95  |
| Three wheelers      | 3.60  |
| Two wheelers        | 76.49 |
| Total               | 100   |

**Category wise market share in 2008-09**



According to a datamonitor report, insufficient infrastructure and lengthy bureaucratic procedures associated with transporting auto components could stand as constraints to this growing market.

### Sical – an overview

The business divisions of Sical consist of Port Handling, Inland Transportation, CHA, Shipping and Container transportation as well as CFS/ICD operations. The performance of the various divisions during the year under review are given in the succeeding paragraphs.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT [2009-10]

### A. Bulk Logistics – Sical Standalone

#### Financial Performance

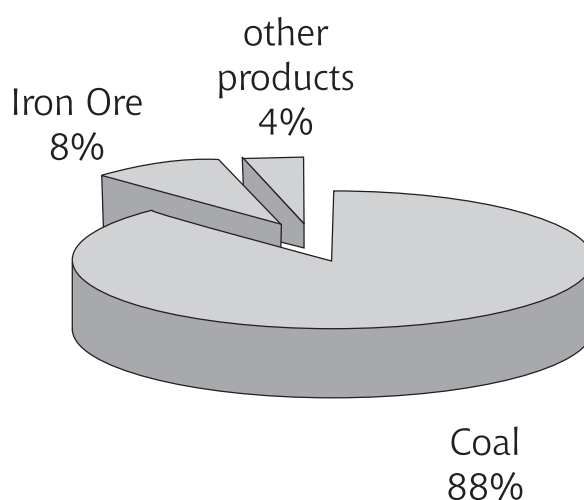
The financial performance of Sical during the year is provided below:

|          | [in Rs. Crores] |         |
|----------|-----------------|---------|
|          | 2009-10         | 2008-09 |
| Turnover | 537.40          | 479.61  |
| EBIDTA   | 44.27           | 41.77   |

On the operational performance, Sical has its presence in almost all the major and minor ports. The motto of Sical is to provide an end-to-end logistics solution to customers.

The total volume handled at various ports in 2009-10 was 25.54 million tonnes. The major commodities handled were:

|                |     |
|----------------|-----|
| Commodity      | %   |
| Coal           | 88  |
| Iron Ore       | 8   |
| other products | 4   |
| Total          | 100 |



Coal is being handled for the TNEB at Ennore and Tuticorin Ports. The Company has an exclusive berth at Chennai Port – the Jawahar Dock – 5. The draft of this berth was increased to 12 metres during the previous year. This has enabled the Company to handle large size vessels in this terminal with varied products. Apart from coal, the company handles various products viz. iron ore, project and miscellaneous cargoes.

CHA division provides services relating to clearing and forwarding of goods through customs for imports and exports. The cargoes handled varies from coal, iron ore, project cargo, containerized cargo, capital goods, raw material, cement, pulses, non ferrous alloys and steel in various forms.

Ship Agency facilitates and ensures quick turnaround of the ships at berth at all major ports. During the year under review, the division improved its performance from the earlier year by handling higher number of vessels at various ports.

Trucking division transports various cargoes ranging from dry bulk to project equipments through own trucks as well as hired trucks. The competition faced from unorganized sectors and frivolling fuel prices impact the performance. The business tends to be less margin.

### B. Container handling

The performance of the Container handling subsidiary of the Company viz. Sical Distriparks Limited (SDL) during the year under review is furnished below.

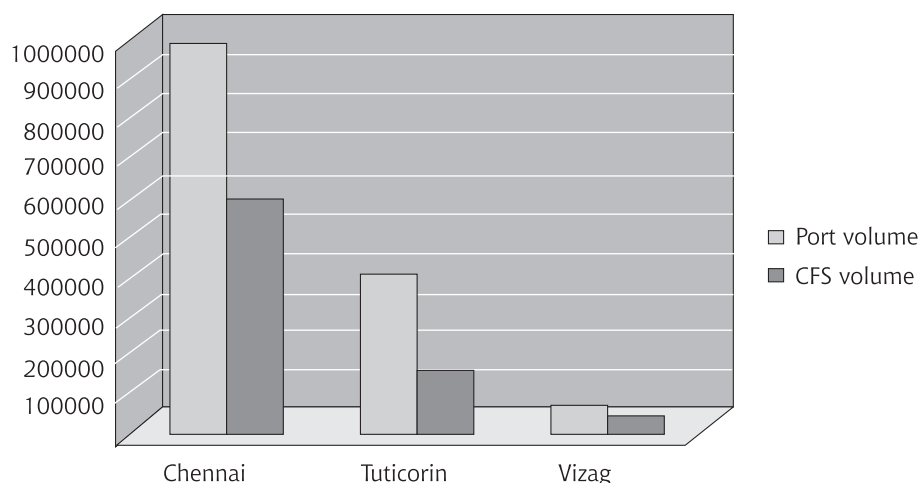
# MANAGEMENT DISCUSSION AND ANALYSIS REPORT [2009-10]

## Financial Performance

|          | [in Rs. Crores] |         |
|----------|-----------------|---------|
|          | 2009-10         | 2008-09 |
| Turnover | 65.53           | 88.39   |
| EBIDTA   | 10.06           | 32.53   |

The total port volume handled at the ports and the CFS volume where SDL has presence during the year under review are furnished below:

| Port      | Port Volume [TEU] | CFS Volume |
|-----------|-------------------|------------|
| Chennai   | 989995            | 593997     |
| Tuticorin | 408000            | 160000     |
| Vizag     | 74000             | 44800      |
| Total     | 1471995           | 798797     |



Certain constraints are being experienced by this Division. The stiff competition across the sector, reduction in imports/exports volume due to the global recession and decreased storage time had an impact on the performance of the division during the previous year. Measures are on to overcome the constraints.

## C. Rail Container Operations

The Rail Container operation is carried through Sical Multimodal and Rail Transport Limited the subsidiary of the Company. Currently, this Company operates 6 rakes in its fold and has more than 1800 own as well as leased containers. The container trains are run on Pan-India basis across the country. Depending upon the traffic, new routes are being introduced as a strategic decision. A snap shot on the performance of this Company during the year 2009-10 is given below:

|        | [in Rs. Crores] |         |
|--------|-----------------|---------|
|        | 2009-10         | 2008-09 |
| Income | 87.55           | 36.49   |
| EBIDTA | [1.49]          | [5.01]  |

The Company has been improving its performance. This project is capital intensive with a long gestation period. SMART has initiated project activities for developing its own rail terminals near Chennai and Bangalore. Acquisition of land has almost been completed. The Company has tied up for term loans with the lenders for the project. Once own terminals are made available, there will be an abundant scope for handling larger volumes and diversified clientele base. Currently the Company operates a JV company at Melpakkam. Dependence on Common Rail Terminals (CRTs) in locations where the company is not having own terminals is considered to be a hindrance in the performance. Once own terminals are made ready, the Company will be in a



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT [2009-10]

position to handle EXIM cargoes also. This would provide rail connectivity between ports and various destinations. The Company faces potential competition from other private container train operators also which has to be overcome.

### Subsidiaries/Joint Ventures

The iron ore terminal project coming up at Ennore is expected to be completed by August, 2010 and commercial operation will begin in September, 2010. The Company has an off-take arrangement with MMTC Limited for handling committed volumes.

The Company has been awarded the project of developing a mechanized iron ore handling facility at the deep draft berth No.14 of the New Mangalore Port on BOT basis. The Project activities have been initiated.

The Company has entered into a JV agreement with Mitsui OSK Lines Limited, Japan for the car yard management at Ennore Port for handling the export of Nissan cars. For this purpose an SPV viz. Ennore Automotive Logistics Limited has been formed. Since lot of automobile manufacturing units of foreign countries are located in and around Chennai, this entry would provide an opportunity to handle the automobiles of various manufacturers in the years to come.

During the year under review, the Company acquired the Goodwill Travels & Cargo Division from Sicagen India Limited effective 01 October 2010. Besides carrying travel agency business, this division has the freight forwarding licence in its fold. By this acquisition, Sical now ventures into the freight forwarding business.

### Sical – Overall Consolidated Financial Performance

The Consolidated financial results for the FY 2009-10 as compared with FY 2008-09 is furnished below:

|        | [in Rs. Crores] |         |
|--------|-----------------|---------|
|        | 2009-10         | 2008-09 |
| Income | 726.73          | 682.82  |
| EBIDTA | 38.16           | 98.54   |
| PBT    | [19.77]         | 46.53   |
| PAT    | [35.27]         | 24.62   |

The higher royalty paid to Tuticorin Port Trust by PSA Sical, the commencement of commercial operation of CITPL and the negative contribution by offshore viz. Bergen and Norseia have impacted the overall performance of the Company during the year. Efforts are underway to improve the performance of various divisions across the Company.

### Challenges

The major challenges faced by the logistics industry are:

- India's roads are congested and are of poor quality.
- Rural areas have poor access.
- The railways are facing severe capacity constraints.
- Urban centres are severely congested
- Ports are congested and inefficient.

### The way forward

The Indian logistics industry is being heralded as the next big service segment with a high growth potential. It is expected to grow at the rate of 15-20 per cent annually reaching revenues worth \$385 billion by 2015. According to ILFS, the industry needs total investments of around Rs 132.75 billion over the next five to ten years. The areas of investment include ICDS, free trade warehousing zones, air cargo centres, agro warehouses and integrated transport centres.

The demand for 3PL business has been gaining ground in India with companies increasing their focus on better management of their supply chain processes in the wake of globalization. The companies are also adopting 3PL systems to increase their penetration levels in the market.

The logistics industry in India offers tremendous opportunities for growth in the coming years. A strong growth is expected on the back of favourable regulatory environment, a greater thrust on reducing logistics spending and a larger market presence of the organized players in the industry.

The freight industry is expected to benefit from the governments recent efforts towards the development and improvement of the road network and tolling system. The Ministry of Road Transport and Highways is planning to introduce an integrated road tolling system and has set up a committee under the Chairmanship of Nandan Nilekani for developing the required technology. The system is expected to bring down operational costs significantly. Construction of more logistics parks and transportation hubs will also contribute to the sector's progress.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT [2009-10]

### Issues and concerns

The main problem for the logistics industry is that it is not governed by a single ministry. Logistics is governed by several ministries leading to lack of coordination among various governmental agencies.

Further, legal procedures are often fragmented and government clearances take a long time. Moreover, customs procedures for transporting goods are long and cumbersome, leading to delays in reaching the destination. Multiple check posts and documentation requirements further delay the delivery of cargo.

The main bottleneck for transport of freight by air is the high dwell time at airports. India's customs EDI portal, has been unable to meet the demands of increased export/import shipments leading to clearance delays.

Lengthy documentation continues to cause delays in the delivery of consignments. Uniform and simple customs procedures will greatly reduce the dwell time of cargo at airports.

Railways no doubt account for a significant portion of the national freight traffic. Certain issues, however, continue to impede the growth of freight traffic. Capacity constraint is a major bottleneck for Indian Railways. Research shows that the increased rail freight performance has primarily been on account of over utilization of the already saturated network.

The lack of adequate rail connectivity to ports and long time lines for rail projects forces the use of roads for transportation. There is a need to equip the major ports with the double line rail connectivity. At present the implementation of rail connectivity projects is slow. This forces iron ore miners to opt for long distance ports thereby increasing costs and reducing competitive advantage.

The prioritized movement of food grains and fertilizers affects the wagon supply for coal in peak production months.

With regard to iron ore, there is currently a mismatch between what the railways can offer and the requirements of the steel plants. This movement is exclusively with the railways. Transportation rates for iron ore for export are frequently hiked, making the logistics costs by rail exorbitant as compared to costs by road.

For Private Container Operators, challenges continue to persist. Compared to road transport, rail haulage charges are higher. About 70-75 per cent of the revenues earned through the bookings of the containers are paid to Indian Railways as haulage charges. Customer orientation also needs to be strengthened. This requires that the Railways focus on customer service not only at the origin but also at the destination end.

Movement of freight through roads is mired in several problems related to infrastructure, inter state operability, taxation, over loading etc. These bottlenecks increase the turnaround time of freight carriers, which increases operational costs.

Due to poor road surfaces average truck and bus speeds in India are far below the international levels. Also commercial vehicles cover half the length per day as compared to developed countries. While check posts result in additional operational and cargo holding costs, congestion at these points imposes costs on other vehicular traffic as well. The government should introduce access controlled highways with proper barricades and crossings to facilitate uninterrupted traffic flow.

Port infrastructure is critical for the efficient working of the Indian ports sector. At present the turnaround time at the Indian ports is almost three times that of Singapore, Hong Kong or Colombo.

Over dependence on the foreign ships for carrying cargo is a major concern for the Indian shipping industry resulting in higher freight cost movements in the carriage of freight trade. In India over 80 per cent of the total freight bill is paid out of the country because of carriage of most of India's overseas trade in foreign flag ships.

Container traffic at the major ports is heavily skewed towards the western coast. Of the total container traffic handled at major ports, only around 18 per cent is handled on the east coast and the major 82 per cent is handled on the west coast. Moreover on the west coast, container traffic is handled mostly by JNPT and the Mumbai Port. This is due to the historically better connectivity enjoyed by these two ports. It is imperative for the overall growth of the sector that all other ports provide similar connectivity at the same levels of competitiveness and with the same intermediate storage facilities.

The average age of Indian vessels remains high at 18.2 years as against a world average of around 11.8 years and vessels over 20 years old account for about 15 per cent in the dry bulk and oil tanker segments. The average age of the vessels is a major concern for ship logistics as it is a general indicator of operational efficiency and charter rates. Higher ages of fleets lead to higher operating expenses, lower charter rates and a greater risk of accidents.

Indian ports suffer from complex and time consuming procedural formalities. The number of documents required for customs clearance or any other related activities are substantially higher compared to Singapore or China. These delays have also substantially affected the growth of Indian ports vis-à-vis foreign ports.

To sum up high logistics cost, fragmented and unorganized market, inadequate infrastructure, lack of capacity, high transit time, inefficiency in operations, lack of IT penetration, low outsourcing logistics, complex tax laws and over regulation, policy level issues, lack of skilled manpower, lack of proper storage facilities are affecting the logistics industry as a whole.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT [2009-10]

Going forward the growth of the logistics industry depends not only on the development of infrastructure but also on the ability of service providers to adapt to situations and optimization of technology.

The logistics business is no longer limited to basic transportation but encompasses a gamut of services.

The effective logistics management helps companies gain competitive advantage through both value enhancement and cost reduction.

### INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has proper and adequate internal control systems and has complied with the various statutes of the Government and statutory authorities. Internal Audit has been entrusted to an external auditor and periodical review is being carried out. The Audit Committee meets regularly to review the adequacy of internal controls.

### HUMAN RESOURCE DEVELOPMENT

Employees are considered the foundation on which the goals of the organization are built. The Company has been availing the services of consultants having wide knowledge and experience in the human resource development. Various initiatives were taken during the year under review. The roles and responsibilities of the Managerial personnel clearly indicating the job description and key result areas for achieving the goal were well defined. The company has the policy of periodical review on the performance. Since imparting training adds more value to the business, Management Development Programs were held for developing core competency of senior and middle management team during the previous year. Employees were also sponsored for various seminars, symposiums and workshops conducted by the external agencies from time to time to enrich their knowledge.

### CAUTIONARY STATEMENT

Except for the historical information contained herein, statements in this Management Discussion and Analysis Report which include words or phrases such as “will”, “aim”, “will likely result”, “would”, “believe”, “may”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “likely”, “project”, “should”, “potential”, “will pursue” and similar expressions or variations of such expressions may constitute “forward-looking statements”. These forward-looking statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. These risks and uncertainties include, but are not limited to our ability to successfully implement our strategy, our growth and expansion plans, obtain regulatory approvals, our provisioning policies, technological changes, investment and business income, cash flow projections, our exposure to market risks as well as other risks.

*[Source for various data: Web sites of Indian Ports Association, Ministry of Railways, Logistics Year Book 2010.]*

# REPORT ON CORPORATE GOVERNANCE

Your company is pleased to present the following report on Corporate Governance for the Financial Year 2009-10 [01 April 2009 - 31 March 2010].

## 1 GOVERNANCE PHILOSOPHY

Sical defines corporate governance as a set of guidelines that are followed by the company's board of directors, management and employees to create value for Sical's various stakeholders: investors, employees, customers, business partners, lenders and the communities we work in and live with.

We strive to conduct our business with integrity, fairness, accountability and transparency in all our dealings with our stakeholders and regulatory authorities.

## 2 BOARD OF DIRECTORS

The composition of the Board of Directors of the Company is as per the provisions of the Companies Act, 1956, Articles of Association of the Company and Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

As on 31 March 2010, the Board comprised of

|  |   |   |
|--|---|---|
| Promoter Directors                       | : | 1 |
| Whole-time Directors/Executive Directors | : | 1 |
| Non-whole time Directors                 | : | 4 |
| Nominee Directors                        | : | 2 |

### BOARD PROCEDURE

Sical's board of directors meet regularly to discuss, apprise and approve matters relating to Sical's strategy, plans, budgets, financials, and operations. The detailed agenda and relevant information is sent to every director in advance of each board/committee meeting. Among other things, the board considers the following:

- Strategy and plans
- Operating and expenditure budgets
- Statutory compliance
- Quarterly/half yearly/annual results

Several board committees have been constituted to deal with specific matters and functional areas.

## 3 NUMBER OF BOARD OF DIRECTORS MEETINGS AND THE DATES ON WHICH HELD DURING THE FINANCIAL YEAR 2009-10.

Total Number of Board Meetings : 6

| I Quarter<br>[April – June 2009] | II Quarter<br>[July – September 2009] | III Quarter<br>[October – December 2009] | IV Quarter<br>[January – March 2010] |
|----------------------------------|---------------------------------------|--|--------------------------------------|
| 05 May 2009                      | 31 July 2009                          | 29 October 2009                          | 28 January 2010                      |
| 17 June 2009                     | 24 September 2009                     |  |                                      |

## REPORT ON CORPORATE GOVERNANCE

## Attendance of Directors at the Board of Directors Meetings held during 2009-10 and the last Annual General Meeting [AGM] held on 16.09.2009 is as follows.

| Director's Name                                       | Category of Membership                        | Attendance Particulars |          | Number of other directorships and committee member/chairmanships |                       |                         |
|---|---|------------------------|----------|--|-----------------------|-------------------------|
|   |   | Board Meetings         | Last AGM | Other Directorship   | Committee Memberships | Committee Chairmanships |
| Ashwin C Muthiah                                      | Chairman<br>[Promoter non-executive Director] | 5                      | ✓        | Chairman 4<br>Vice-Chairman 2<br>Director 4                      | 2                     | -                       |
| Dhananjay N Mungale                                   | Non-executive & independent Director          | 4                      | ✓        | Director 8   | 5                     | 3                       |
| HR Srinivasan   | Non-executive & independent Director          | 6                      | ✓        | Director 2   | 1                     | -                       |
| * Karthik Menon                                       | Promoter non-executive Director               | 2                      | -        | -  | -                     | -                       |
| * Luis Miranda<br>Nominee Director IDFC PE            | Non-executive & independent Director          | 2                      | -        | -  | -                     | -                       |
| Mano Vikrant Singh                                    | Non-executive & independent director          | 1                      | -        | -  | -                     | -                       |
| * Sudhir S Rangnekar<br>Managing Director & Group CEO | Executive Director                            | -                      | -        | -  | -                     | -                       |
| Sanjiv Ralph Noronha                                  | Non-executive & independent director          | 5                      | ✓        | Director 1   | -                     | -                       |
| # Vinod P Giri<br>Nominee Director IDFC PE            | Non-executive & independent Director          | 5                      | ✓        | Director 1   | -                     | -                       |
| # LR Sridhar<br>Managing Director                     | Executive Director                            | 6                      | ✓        | Director 5<br>Whole-time<br>Director 1                           | 1                     | -                       |
| # Shyam Sundar SG<br>Nominee Director – IDFC PE       | Non-executive & independent director          | 1                      | -        | Director 7   | -                     | -                       |

\* Sudhir S Rangnekar, Managing Director & Group CEO resigned from the Board effective 05 May 09.

# Vinod P Giri was inducted into the Board effective 05 May 09 as a nominee director of IDFC PE.

\* LR Sridhar was inducted into the Board effective 05 May 09 and was appointed Managing Director for a period of 3 years.

\* Luis Miranda, Nominee Director - IDFC PE resigned from the Directorship effective 24 Sep 09.

# Shyam Sundar SG was inducted into the Board effective 24 Sep 09 as a Nominee Director of IDFC PE.

\* Karthik Menon, Director resigned from the Directorship effective 28 Jan 10.

**Note**

For reckoning the other Directorships – Private Limited Companies, Foreign Companies and Sec 25 companies have been excluded. For reckoning the Committee Memberships and Committee Chairmanships – Audit Committee and Shareholders/Investors Grievance Committee alone have been considered. Regarding disclosure of all pecuniary relationships/transactions of the non-executive Directors vis-à-vis the Company, as per Clause 49[B] of the Listing Agreement, there were no materially significant related party transactions during the year having conflict with the interests of the Company.

## REPORT ON CORPORATE GOVERNANCE

### 4 AUDIT COMMITTEE

The composition of the Audit Committee as on 31.03.2010 is as follows:

|   |                      |                           |
|---|----------------------|---------------------------|
| 1 | HR Srinivasan        | Chairman of the Committee |
| 2 | Ashwin C Muthiah     | Member                    |
| 3 | Dhananjay N Mungale  | Member                    |
| 4 | Mano Vikrant Singh   | Member                    |
| 5 | Sanjiv Ralph Noronha | Member                    |

The Committee met five times during the year i.e., on 05 May 2009, 17 June 2009, 31 July 2009, 29 October 2009 and 28 January 2010.

Attendance of Directors at the Audit Committee Meetings held during 2009-10.

| Directors Name       | Category of Membership    | Attendance Particulars |            |            |            |            |
|----------------------|---------------------------|------------------------|------------|------------|------------|------------|
|                      |                           | 05.05.2009             | 17.06.2009 | 31.07.2009 | 29.10.2009 | 28.01.2010 |
| HR Srinivasan        | Chairman of the Committee | ✓                      | ✓          | ✓          | ✓          | ✓          |
| Ashwin C Muthiah     | Member                    | ✓                      | ✓          | ✓          | ✓          | ✓          |
| Dhananjay N Mungale  | Member                    | ✓                      | -          | ✓          | -          | ✓          |
| Mano Vikrant Singh   | Member                    | ✓                      | -          | -          | -          | -          |
| Sanjiv Ralph Noronha | Member                    | ✓                      | ✓          | ✓          | ✓          | ✓          |

The broad terms of reference of the Audit Committee are:

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause [2AA] of Sec 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgement by management.
  - Significant adjustments made in the financial statements arising out of audit findings.
  - Compliance with the listing and other legal requirements relating to financial statements.
  - Disclosure of any related party transactions.
  - Qualifications in the draft audit report.
- Reviewing, with the Management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders [in case of non payment of declared dividends] and creditors.
- To review the functioning of the Whistle Blower mechanism, in case the same is existing.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Review of risk management policies and practices including the following:
  - to investigate any activity within its terms of reference.
  - to seek information from any employee.



## REPORT ON CORPORATE GOVERNANCE

[c] to obtain outside legal or other professional advice.

[d] to secure attendance of outsiders with relevant expertise.

As per the terms of reference prescribed by the Board, the Committee performs such duties and tasks as are assigned by the Board and the Committee has access to all records and documents of the Company. The Committee reviews the report of the internal auditors and the statutory auditors and exercises internal control systems and also addresses the requirements of the Companies Act, 1956 and the Listing Agreement with the Stock Exchanges.

### 5 Details of remuneration paid to the Managing Director/Directors for the financial year ended 31.03.2010.

| Name  | (In Rs lakh)                           |                | Variable Component<br>Special Allowance |
|---|--|----------------|---|
|   | Fixed Component<br>Salary & Allowances | Other benefits |   |
| LR Sridhar,<br>Managing Director [w.e.f. 05 May 09] | 22.22                                  | 1.17           | -                                       |

For the financial year 2009-10, a sitting fee of Rs.10,000/= was paid to the non-executive directors for attending each Board and Committee meetings.

Rs 3.00 lacs each was paid to non-executive independent directors viz. Dhananjay N Mungale, HR Srinivasan, Mano Vikrant Singh and Sanjiv Ralph Noronha towards commission for the financial year 2008-09.

### 6 Shareholders/Investors Grievance and Share & Debenture Committee

The Committee comprises as of 31.03.2010

|               |   |                           |
|---------------|---|---------------------------|
| Vinod P Giri  | : | Chairman of the Committee |
| HR Srinivasan | : | Member                    |
| LR Sridhar    | : | Member                    |

As per SEBI Circulars D&CC/FITT/CIR-15/2002 dated 27.12.2002 and D&CC/FITT/CIR-18/2002 dated 12.03.2004, the Company has appointed M/s Cameo Corporate Services Limited, as common agency for shares relating to both electronic and physical segments. The appointment is effective 07.04.2003.

The broad terms of reference of this Committee shall be:

- 1 to oversee the performance of share and debentures transfer and recommend measures to improve the shareholders/investors service.
- 2 to look into the redressal of investors' complaints and requests such as transfer of shares/debentures, non-receipt of dividend, annual report, etc.

The Board of Directors have authorized Chairman of the Committee and the Company Secretary to approve share transfers and resolve shareholders grievances.

The Board of Directors have designated the Company Secretary as Compliance Officer. During the year under report, the Company did not receive any significant complaints from the Shareholders, Investors, Stock Exchanges, Securities and Exchange Board of India or investors associations.

During the year 6 complaints were received and all the complaints were replied/disposed off.

### 7 Operations Oversight Committee & Capex and Investment Committee

The scope of the Operations Oversight Committee and Capex and Investment Committee were combined and a new Committee viz. Management Committee was formed during the year.

### 8 Management Committee

The current composition of this Committee is:

| S No | Name of the Directors | Position                  |
|------|-----------------------|---------------------------|
| 1    | Ashwin C Muthiah      | Chairman of the Committee |
| 2    | Shyam Sundar SG       | Member                    |
| 3    | HR Srinivasan         | Member                    |
| 4    | LR Sridhar            | Member                    |

## REPORT ON CORPORATE GOVERNANCE

The Broad terms of reference of this Committee is:

- 1 To oversee the operations and to review the performance and investments of Sical.
- 2 To approve the Business Plan, Borrowing Plan and investment policy.
- 3 To recommend Delegation of Powers to the Executives [subject to final approval by the Board] to enable day to day operations and
  - a to invest in any class of shares/debentures, stocks, bonds, etc. of other body corporate[s] to the extent of Rs 10 crores [Rupees ten crores only].
  - b to give any guarantee or provide security from time to time in connection with the loan/loans by any other body corporate[s] to the extent of Rs 10 crores [Rupees ten crores only].
  - c to give loan to any other person or any other body corporate[s] to the extent of Rs 10 crores [Rupees ten crores only].
  - d to borrow any sum or sums of monies from any body corporate[s]/Banks/Institutions to the extent of Rs 150 crores [Rupees one hundred and fifty crores only] as and when exigencies arise.
 and the above shall be reviewed by the Committee and the above limits replenished upon approval/ratification by the Board of Directors of the Company at the subsequent Board Meetings.
- 4 To mortgage all or any part of the immovable properties, current assets, inventories with various financial institutions for the purpose of securing any loan facility for the benefit of the company and execute such documents as are required for availing such facility.
- 5 To evaluate and recommend new strategic initiatives and business development for the company and its SPVs.
- 6 To review the justifications and rationale of the investment and capex made in terms of the Delegation of Powers conferred to the executives.
- 7 To recommend to the Board to invest in/advance to the subsidiaries and joint ventures.
- 8 To consider and approve the capital expenditure not covered in the budget.
- 9 To form new companies.
- 10 To review the investment policy, borrowing plans and explore various investment options.
- 11 To consider and approve proposals of acquisitions and mergers of companies/businesses.
- 12 To review the justifications and rationale of the participation and bid in tenders for more than one year and above Rs 10 crores of annual billing made in terms of the Delegation of Powers conferred to the executives.

Quorum for the meeting of this Committee shall be 2 members.

The Committee met on 03 June 2009, 16 September 2009, 09 December 2009 and 15 March 2010.

### 9 INSIDER TRADING

Pursuant to the Securities and Exchange Board of India [Prohibition of Insider Trading] Regulations, 1992, the Company has prescribed a Code of Conduct for Prevention of Insider Trading and a Code of Corporate Disclosure Practices.

### 10 CODE OF CONDUCT

The Company has formulated a Code of Conduct for the Board members and Senior Management Personnel. The same has also been posted on the website of the Company. A declaration by the Managing Director affirming the compliance on the Code of Conduct applicable to the Board members and the Senior Management personnel forms part of this report.

### 11 SECRETARIAL AUDIT

Periodical audits were carried out by a qualified Practising Company Secretary for reconciling the total admitted capital with National Securities Depository Limited [NSDL] and Central Depository Services [India] Limited [CDSL] and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the total number of shares held in physical form and the total number of dematerialized shares held with NSDL and CDSL.

### 12 GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings [AGM] held

| Year | Date & Time                   | Venue   |
|------|-------------------------------|---|
| 2007 | 12 September 2007 at 11.00 am | Rajah Annamalai Hall, Esplanade, Near High Court, Chennai 600 108 |
| 2008 | 24 September 2008 at 3.00 pm  | Rajah Annamalai Hall, Esplanade, Near High Court, Chennai 600 108 |
| 2009 | 16 September 2009 at 3.00 pm  | Rajah Annamalai Hall, Esplanade, Near High Court, Chennai 600 108 |

## REPORT ON CORPORATE GOVERNANCE

The following special resolutions were passed by the members during the past 3 Annual General Meetings:

Annual General Meeting held on 16 September 2009

Appointment of LR Sridhar as Managing Director for a period of 3 years w.e.f. 05 May 09.

Annual General Meeting held on 24 September 2008

None

Annual General Meeting held on 12 September 2007

Appointment of Sudhir S Rangnekar as Managing Director & Group CEO for a period of 03 years from 03 August 2007.

To increase the shareholding of FII's limit under Portfolio Investment Scheme from 24% to 49%.

To pay commission to Directors other than the Whole-time and Managing Directors.

### 13 POSTAL BALLOT

No resolution was passed through Postal Ballot during the previous financial year and hence none are placed before the shareholders for confirmation during the ensuing AGM.

### 14 DISCLOSURES

Disclosures on materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, the directors, the subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large:

- i. There are no materially significant transactions with the related party viz. Promoters, Directors, or the Management, their subsidiaries or relatives that may have potential conflict with the interest of the Company at large.
- ii There are no pecuniary relationships or transactions with the Non-executive Directors of the Company except the remuneration paid to them for services rendered as Directors of the Company.

*Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:*

The Company has complied with the various rules and regulations prescribed by the Stock Exchanges or any statutory authority on all matters related to capital markets during the last three years. No penalties or strictures have been imposed by them on the Company.

### 15 MINUTES OF SUBSIDIARY COMPANIES

The minutes of the meeting of the Board of Directors of the subsidiary companies viz. Sical Infra Assets Limited, Sical Iron Ore Terminals Limited, Sical Multimodal and Rail Transport Limited, Nagpur Sical Gupta Logistics Limited, Nagpur Sical Gupta Road Terminal Limited, Sical Distriparks Limited, Bergen Offshore Logistics Pte. Ltd., Sical Iron Ore Terminal [Mangalore] Limited and Ennore Automotive Logistics Limited were placed before the Board of the holding company i.e. Sical Logistics Limited.

### 16 GENERAL SHAREHOLDERS INFORMATION

#### i Disclosures regarding appointment or re-appointment of directors

According to the Articles of Association, 2 promoter directors and 1 investor director are non-retiring and out of the balance directors one-third of the directors retire by rotation and, if eligible, offer themselves for re-appointment at the Annual General Meeting of shareholders. Accordingly HR Srinivasan and Mano Vikrant Singh, who have been longer in the office shall retire at the ensuing Annual General Meeting. The Board has recommended the re-appointment of the retiring directors. The detailed resume of these directors is provided in the Notice to the Annual General Meeting.

Director Shyam Sundar SG who was co-opted as an additional director on 24 September 2009, seek appointment to the Board. The detailed resume of the director has been provided in the Notice to the Annual General Meeting.

#### ii Committees of Board of Directors

Board has constituted various committees viz. Audit Committee, Shareholders/Investors and Share & Debenture Committee, Management Committee and Remuneration Committee of the Directors. Whenever there is a change in the Directorate and whenever such change warrants induction of new members into these Committees at such times the committees are reconstituted.

#### iii Communication with shareholders

Quarterly/half yearly/annual results and information relating to convening of Annual General Meeting and Extra-ordinary General Meetings are published in leading newspapers and/or posted on the website of the Company and also notified

## REPORT ON CORPORATE GOVERNANCE

to the Stock Exchanges as required under the Listing Agreement. The Balance Sheet, Profit & Loss Account, Directors Report, Auditors Report, Cash Flow Statements, Quarterly and Half Yearly Financial Statements, Corporate Governance Report, Shareholding Pattern, etc. can be retrieved by the investors from the website of the stock exchanges viz. BSE and NSE. Notices relating to Annual General Meeting and Extra-ordinary General Meetings and disclosure of Directors' interest in respect of contracts appointing Director[s] are sent to the members at their registered address.

**iv Date, time and venue for 55th AGM:**

23 September 2010 at 03.05 pm at Rajah Annamalai Hall, Esplanade, Chennai 600108

**v Financial Calendar [2010-11]:**

Financial reporting for the quarter ending [tentative]

|   |                        |   |
|---|------------------------|---|
| 1 | 30 June 2010           | Last week of July 2010                              |
| 2 | 30 September 2010      | Second week of November 2010                        |
| 3 | 31 December 2010       | Second week of February 2010                        |
| 4 | 31 March 2011          | Audited results before last week of May 2011        |
|   | Annual General Meeting | By second/third week of September, 2011 [tentative] |

**vi Dates of Book Closure:**

From: 18.09.2010 To: 23.09.2010 [both days inclusive]

**vii Listing of Equity Shares on the Stock Exchanges and the Trade Name/Stock Code/Series:**

|                            |                               |   |           |              |
|----------------------------|-------------------------------|---|-----------|--------------|
| Particulars                | Bombay Stock Exchange Limited | National Stock Exchange of India Limited  | Bloomberg | ISIN No      |
| Trade Name                 | SICAL                         | SICAL   | SICAL     | INE075B01012 |
| Stock Code/Series          | 520086                        | SICAL   | SICL:IN   |              |
| Listing Fees for 2010-11   | :                             | Paid to all the above stock exchanges   |           |              |
| Depositories               | :                             | National Securities Depository Limited<br>4th Floor, 'A' wing, Trade World, Kamala Mills Compound<br>Senapati Bapat Marg, Lower Parel, Mumbai 400013<br>Central Depository Services [India] Limited<br>PJ Towers, Dalal Street, Fort, Mumbai 400001 |           |              |
| Custodial Fees for 2010-11 | :                             | Paid to all the above depositories  |           |              |

**viii Registered Office**

: South India House, 73 Armenian Street, Chennai 600001  
Website: www.sical.com

**ix Investor Services**

Investor Complaints

|                       | 2009-10  |             | 2008-09  |             |
|-----------------------|----------|-------------|----------|-------------|
|                       | Received | Attended to | Received | Attended to |
| Grievances/complaints | 6        | 6           | 9        | 9           |

Most of the investors grievances/correspondences were attended to within a period of 10 days from the date of receipt of such grievances. The exceptions have been for cases constrained by disputes or legal impediments.

**x Stock Market Data [Share prices on stock exchanges]**

Monthly high and low closing quotation of shares traded on the National Stock Exchange and Bombay Stock Exchange:

| Month & Year   | NSE     |         |         | BSE     |         |         |
|----------------|---------|---------|---------|---------|---------|---------|
|                | High    | Low     | Average | High    | Low     | Average |
|                | Rs. Ps. | Rs. Ps. | Rs. Ps. | Rs. Ps. | Rs. Ps. | Rs. Ps. |
| April 2009     | 29.15   | 21.25   | 25.20   | 28.90   | 21.85   | 25.38   |
| May 2009       | 42.85   | 23.90   | 33.38   | 42.85   | 24.20   | 33.53   |
| June 2009      | 48.60   | 34.90   | 41.75   | 48.60   | 34.60   | 41.60   |
| July 2009      | 42.35   | 31.95   | 37.15   | 43.15   | 32.30   | 37.73   |
| August 2009    | 57.50   | 40.35   | 48.93   | 56.75   | 40.00   | 48.38   |
| September 2009 | 68.40   | 55.40   | 61.90   | 68.55   | 55.05   | 61.80   |
| October 2009   | 71.95   | 60.80   | 66.38   | 71.40   | 60.60   | 66.00   |
| November 2009  | 63.70   | 54.90   | 59.30   | 63.75   | 54.60   | 59.18   |
| December 2009  | 75.15   | 64.15   | 69.65   | 75.15   | 63.95   | 69.55   |
| January 2010   | 102.50  | 77.80   | 90.15   | 101.95  | 77.60   | 89.78   |
| February 2010  | 98.20   | 74.95   | 86.58   | 98.15   | 75.30   | 86.73   |
| March 2010     | 89.40   | 77.25   | 83.33   | 89.20   | 77.45   | 83.33   |

## REPORT ON CORPORATE GOVERNANCE

### xi Registrar and Share Transfer Agents [for Physical and Electronic mode]

Address for communication : Cameo Corporate Services Limited  
 Unit: Sical Logistics Limited  
 Subramanian Building 5th Floor 1 Club House Road Chennai 600002  
 Telephone 044.28461073 Fax 044.28460129  
 e-mail cameo@cameoindia.com

### xii Share Transfer System

Share transfers are effected on requests in Demat form as well as in physical form periodically at frequent intervals.

### xiii Distribution of shareholding as on 31.03.2010

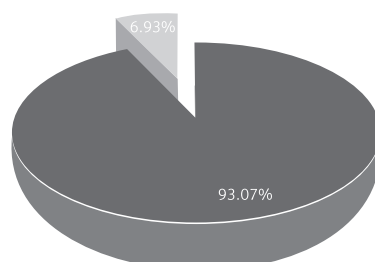
| Number of shares Category | No. of Shareholders | % to total | No. of Shares   | % to total |
|---------------------------|---------------------|------------|-----------------|------------|
| Upto 500                  | 43061               | 94.24807   | 2710624         | 6.858574   |
| 501 – 1000                | 1337                | 2.926306   | 1052623         | 2.663406   |
| 1001 – 2000               | 572                 | 1.251942   | 861695          | 2.180309   |
| 2001 – 3000               | 252                 | 0.551555   | 653473          | 1.653454   |
| 3001 – 4000               | 88                  | 0.192607   | 316073          | 0.799746   |
| 4001 – 5000               | 88                  | 0.192607   | 414924          | 1.049864   |
| 5001 – 10000              | 131                 | 0.286721   | 990476          | 2.506158   |
| 10001 & above             | 160                 | 0.350194   | 32521796        | 82.28849   |
| <b>Total</b>              | <b>45689</b>        | <b>100</b> | <b>39521684</b> | <b>100</b> |

### xiv Shareholding Pattern as on 31.03.2010

| Category                       | Shareholders [No.] | Number of shares held | Voting Strength [%] |
|--------------------------------|--------------------|-----------------------|---------------------|
| <b>PROMOTER HOLDING</b>        |                    |                       |                     |
| Promoters & Associates         | 27                 | 16858851              | 42.66               |
| <b>NON-PROMOTER HOLDING</b>    |                    |                       |                     |
| <i>Institutional Investors</i> |                    |                       |                     |
| Financial Institutions         | 5                  | 228837                | 0.58                |
| FII                            | 13                 | 4438954               | 11.23               |
| Banks                          | 17                 | 598993                | 1.52                |
| Mutual Funds                   | 6                  | 201211                | 0.51                |
| <b>OTHERS</b>                  |                    |                       |                     |
| Other Bodies Corporate         | 783                | 3797934               | 9.61                |
| Trusts                         | 2                  | 1851                  | 0.005               |
| NRIs                           | 243                | 235215                | 0.59                |
| Foreign National               | 1                  | 250                   | 0.00                |
| Venture Capital Funds          | 1                  | 5250000               | 13.28               |
| Clearing Members               | 93                 | 205563                | 0.52                |
| Public                         | 44498              | 7704025               | 19.49               |
| <b>Total</b>                   | <b>45689</b>       | <b>39521684</b>       | <b>100</b>          |

### xv Dematerialisation of Shares

36781008 equity shares representing 93.07% of the paid-up share capital, have been dematerialized upto 31.03.2010. Trading in equity shares of the Company is permitted only in dematerialized form with effect from 28.08.2000 as per SEBI's orders dated 29.05.2000.

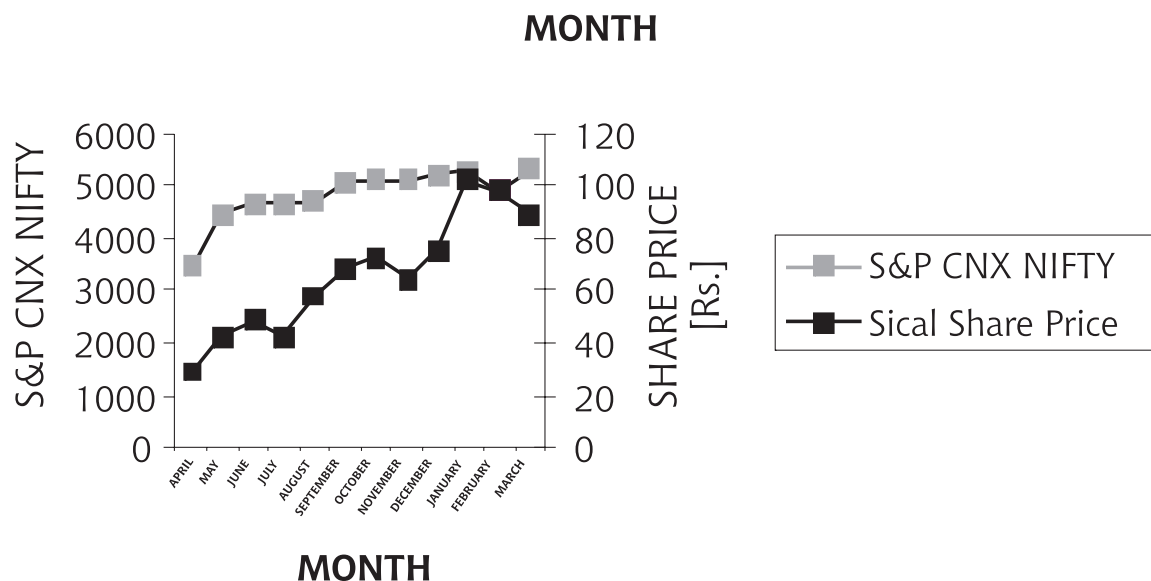


## REPORT ON CORPORATE GOVERNANCE

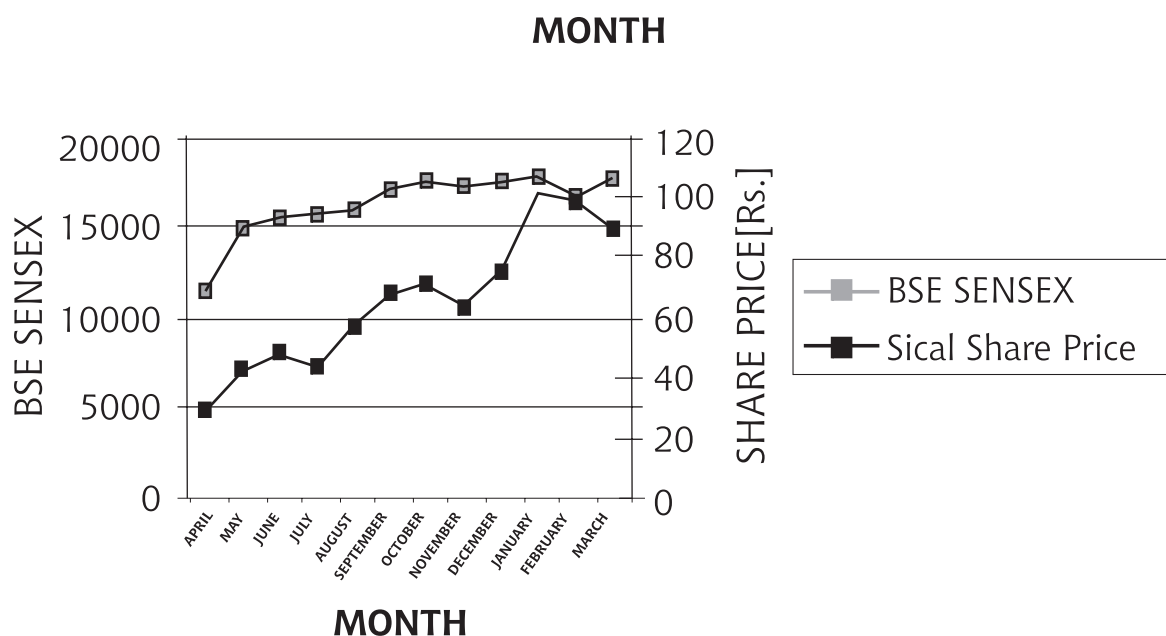
### xvi Nomination of Physical Shares

Members holding shares in physical form are encouraged to nominate a person to whom the shares in the Company shall vest in the event of death. Nomination forms will be sent to the Members on request.

### xvii Performance of SICAL Share price in comparison with National Stock Exchange – S&P CNX NIFTY Index. [highest monthly closing]



### xviii Performance of SICAL Share price in comparison with Bombay Stock Exchange – BSE SENSEX. [highest monthly closing]





## REPORT ON CORPORATE GOVERNANCE

### xix Auditors' certificate on corporate governance

As required by Clause 49 of the Listing Agreement, the auditors certificate is given as an annexure to this report.

### xx CEO/CFO certification

As required by Clause 49 of the Listing Agreement, the CEO/CFO certification was submitted to the Board.

### xxi Compliance with non-mandatory requirements of Clause 49 of the Listing Agreement

Clause 49 of the Listing Agreement mandates the Company to obtain a certificate from either the auditors or practicing company secretaries regarding compliance of conditions of corporate governance as stipulated in the Clause and annex the certificate with the directors report, which is sent annually to all the shareholders. We have obtained a certificate to this effect from our Statutory Auditors and the same is given as an annexure to this report.

#### Compliance with regard to non-mandatory requirement

We comply with the following non-mandatory requirements:

#### Remuneration committee

The Company has constituted a Remuneration Committee on 20.06.2000 and it was reconstituted on 27.06.2001, 24.04.2007 and 24.09.2009 comprising of three independent non-executive Directors viz. Dhananjay N Mungale, Chairman of the Committee, Shyam Sundar SG, Member and HR Srinivasan, Member.

#### Shareholders' rights

The Clause states that a half-yearly declaration of financial performance including summary of the significant events in the last six months, may be sent to each household of shareholders.

Presently, the quarterly, half-yearly and annual results, notice regarding convening of general meetings and such other notices as are required under the listing agreement with the Stock Exchanges are published in English and Tamil dailies [Business Standard and Makkal Kural]. The results are also posted on the company's website.

#### Whistle-blower policy

A mechanism for employees has been established to report concerns about unethical behavior, actual or suspected fraud, or violation of the code of conduct or ethics policy. The mechanism also provides for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. We further affirm that during the financial year 2009-10, no employee has been denied access to the audit committee.

## 17 Investor Correspondence

[For transfer/demat of shares payment of dividend on shares, interest and redemption of debentures, any other query relating to the shares and debentures of the Company]

## Sical Logistics Ltd.

Secretarial Department  
South India House  
73, Armenian Street  
Chennai 600001  
Tel 044 66157016  
Fax 044 66157017  
e-mail [secl@sical.com](mailto:secl@sical.com)  
Website [www.sical.com](http://www.sical.com)

## Cameo Corporate Services Ltd.

Unit: Sical Logistics Ltd.  
Subramanian Building  
V Floor  
No.1, Club House Road  
Chennai 600002  
Tel 044 28461073  
Fax 044 28460129  
e-mail [cameo@cameoindia.com](mailto:cameo@cameoindia.com)

## **COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

### **AUDITORS CERTIFICATE**

[Under Clause 49 of the Listing Agreement]

To

THE MEMBERS OF SICAL LOGISTICS LTD.

We have examined the compliance of the conditions of Corporate Governance by Sical Logistics Limited for the year ended 31 March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we have to state that based on the conditions given by the Registrar and Transfer Agent of the Company, as on 31 March 2010, there was no investor grievance, remaining unattended.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s CNGSN & Associates**  
Chartered Accountants

Place Chennai  
Date 25 May 2010

**CN GANGADARAN**  
Partner  
Membership No. 11205

## **CEO's DECLARATION ON CODE OF CONDUCT**

To

THE MEMBERS OF SICAL LOGISTICS LTD.

This is to certify that all Board Members and Senior Management personnel have affirmed compliance with the Code of Conduct applicable to them for the financial year 2009-10.

Place Chennai  
Date 25 May 2010

For Sical Logistics Limited  
**LR SRIDHAR**  
Managing Director

# AUDITORS' REPORT

## Auditor's Report to the Members of M/s Sical Logistics Limited.

We have audited the attached Balance Sheet of M/s Sical Logistics Limited, as at 31 March 2010 and also the Profit and Loss Account for the year ended on that date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- i We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii In our opinion, proper books of account as required by law have been kept by the company, so far as it appears from our examination of those books;
- iii The Balance Sheet, the Profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- iv In our opinion, the Balance Sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956, to the extent applicable;
- v On the basis of written representations received from the directors, as on 31 March, 2010, and taken on record by the Board of Directors, we report that none of the directors are disqualified as on 31 March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi In our opinion and to the best of our information and according to the explanations given to us the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
  - a In the case of Balance Sheet, of the state of affairs of the company as at 31 March 2010;
  - b In the case of Profit and Loss account, of the PROFIT for the year ended on that date; and
  - c In case of cash flow statement, of the cash flows for the year ended on that date.

For **CNGSN & ASSOCIATES**  
Chartered Accountants

Place Chennai  
Dated 25 May 2010

**CN GANGADARAN**  
Partner  
Membership No. 11205  
FRNo. 004915S

## Annexure: As Referred to in our report of even date.

- 1 a The company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets except in certain divisions which are being updated.
- b All the assets have not been physically verified by the management during the year but, according to the information and explanations given to us, there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- c During the year the company has not disposed off substantial part of the fixed assets and the going concern status of the company is not affected.
- 2 a Inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b In our opinion, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
- c The company has maintained proper records of inventories. The discrepancies noticed on verification between the physical stock and the book records were not material.
- 3 a In our opinion, the company has neither granted nor taken any loans, secured or unsecured from/to the companies, firms or other parties covered in the register maintained under section 301 of the companies Act, 1956. As such the clauses iii(b), iii(c) and iii(d) of paragraph 4 of the Order, are not applicable.
- 4 In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of the inventory. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control.
5. a In our opinion and according to the information and explanation given to us, we are of the opinion that the transaction that needs to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Sec. 301 of the Companies Act, 1956 and exceeding the value of Rs 5,00,000 in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- 6 In our opinion and according to the information and explanation given to us the company has complied with directives issued by the Reserve Bank of India and the provisions of Sec.58A and 58AA of the Companies Act, 1956 and the rules framed there under with regard to deposits accepted from the public. As per the information and explanations given to us no order under the aforesaid sections has been passed by the Company Law Board on the company.
- 7 In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- 8 The company does not come under section 209(1)(d) of the Companies Act.
- 9 a According to the information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect Provident fund, Income Tax, sales tax, customs duty, excise duty, have generally been regularly deposited with the appropriate authorities. In respect of employees' state insurance scheme, contributions have generally been regularly deposited with the appropriate authorities. There are no undisputed statutory dues outstanding for more than 6 months.
- b As at 31 March 2010 according to the records of the Company, the following are the particulars of the disputed dues on account of sales-tax, income-tax, custom duty and wealth-tax matters that have not been deposited:

| Nature of Dues | Amount (Rs Lacs) | Period to which the amount relates<br>(Financial Year) | Forum where dispute is pending |
|----------------|------------------|--|--------------------------------|
| Income Tax     | 81.01            | 2005-2006  | CIT(A) - since adjusted in May |
| Income Tax     | 48.77            | 2001-2002  | CIT(A) - since adjusted in May |
| Income Tax     | 598.49           | 2006-2007  | CIT(A) - since adjusted in May |

## Annexure: As Referred to in our report of even date

|             |        |                        |                       |
|-------------|--------|------------------------|-----------------------|
| Wealth Tax  | 16.56  | 1996-97 to 2000-2001   | CIT(A)                |
| Sales Tax   | 0.95   | 1986-1987              | CTO, HR V             |
| Sales Tax   | 2.47   | 1991-1992 to 1994-1995 | JC Chennai            |
| Sales Tax   | 5.40   | 1986-1987              | STAT                  |
| Sales Tax   | 10.37  | 1989-1990              | STAT                  |
| Sales Tax   | 641.00 | 1982-83 & 1986-87      | JC Vellore [Interest] |
| Service Tax | 843.85 | 2002-2006              | CESTAT                |
| Service Tax | 14.08  | 2006-2007              | CCE(A)                |
| Service Tax | 4.42   | 2002-2006              | CCE (A), Madurai      |
| Service Tax | 961.22 | 2002-2006              | CESTAT [Penalty]      |

- 10 The company has neither accumulated losses as at 31 March 2010 nor it has incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- 11 Based on our audit procedures and on the information and explanations given by management, we are of opinion that the company has not defaulted in repayment of dues to Financial Institutions or bank or debenture holders.
- 12 According to the information and explanation given to us, the company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The provisions of any special statute as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- 14 According to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of Companies (Auditors Report) Order 2003 is not applicable.
- 15 In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institution are not prejudicial to the interest of the company.
- 16 In our opinion, the term loans have been applied for the purpose for which they were raised.
- 17 According to the information and explanation given to us and on overall examination of the balance sheet of the company, short-term funds have not been applied for long term purposes.
- 18 During the year the company has not made any preferential allotment of shares to the parties and the companies covered in the register maintained under Sec. 301 of the Companies Act, 1956. Accordingly, clause 4(xviii) of Companies (Auditors Report) Order 2003 is not applicable.
- 19 The company has not issued debentures during the year and therefore the question of creation of charge or security does not arise.
- 20 The company has not raised any money through public issue of equity shares during the year.
- 21 According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.

Place Chennai  
Date 25 May 2010

For and on behalf of  
M/s CNGSN & Associates  
Chartered Accountants

**CN GANGADARAN**  
Partner  
Membership No. 11205  
FRNo. 0049155



Annual report 2009-10  
Accounts





**BALANCE SHEET AS AT 31 MARCH 2010**

|   |          |                  |                 | (in Rs lakh)     |          |
|---|----------|------------------|-----------------|------------------|----------|
|   | Schedule | on 31 March 2010 |                 | on 31 March 2009 |          |
| <b>I SOURCE OF FUNDS</b>                        |          |                  |                 |                  |          |
| <b>SHAREHOLDERS' FUNDS</b>                      |          |                  |                 |                  |          |
| Capital   | 1        | <b>3953.97</b>   |                 | 3953.97          |          |
| Reserves and Surplus                            | 2        | <b>29138.97</b>  | <b>33092.94</b> | 16031.24         | 19985.21 |
| <b>LOAN FUNDS</b>                               |          |                  |                 |                  |          |
| Secured Loans                                   | 3        | <b>11328.41</b>  |                 | 13281.66         |          |
| Unsecured Loans                                 | 4        | <b>35590.75</b>  | <b>46919.16</b> | 61712.95         | 74994.61 |
| <b>DEFERRED TAX LIABILITIES</b>                 |          |                  | <b>1931.13</b>  |                  | 2130.87  |
| Total   |          |                  | <b>81943.23</b> |                  | 97110.69 |
| <b>II APPLICATION OF FUNDS</b>                  |          |                  |                 |                  |          |
| <b>FIXED ASSETS</b>                             |          |                  |                 |                  |          |
| Gross Block                                     | 5        | <b>29637.34</b>  |                 | 35635.52         |          |
| Less: Depreciation                              |          | <b>8231.48</b>   |                 | 7380.32          |          |
| Net Block                                       |          | <b>21405.86</b>  |                 | 28255.20         |          |
| Capital work-in-progress at Cost                |          | <b>74.93</b>     | <b>21480.79</b> | 74.93            | 28330.13 |
| <b>INVESTMENTS</b>                              | 6        |                  | <b>42509.31</b> |                  | 42854.20 |
| <b>DEFERRED TAX ASSETS</b>                      |          |                  | <b>14.87</b>    |                  | 80.04    |
| <b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>     |          |                  |                 |                  |          |
| Inventories                                     | 7        | <b>317.51</b>    |                 | 237.60           |          |
| Sundry Debtors                                  | 8        | <b>16055.79</b>  |                 | 16229.59         |          |
| Cash and Bank Balances                          | 9        | <b>2501.86</b>   |                 | 11203.61         |          |
| Loans and Advances                              | 10       | <b>30441.64</b>  |                 | 29885.91         |          |
|   |          | <b>49316.80</b>  |                 | 57556.71         |          |
| <b>LESS: CURRENT LIABILITIES AND PROVISIONS</b> | 11       | <b>31378.54</b>  |                 | 31710.39         |          |
| <b>NET CURRENT ASSETS</b>                       |          |                  | <b>17938.26</b> |                  | 25846.32 |
| Total   |          |                  | <b>81943.23</b> |                  | 97110.69 |

Schedules 1 to 11 and Notes in Schedule 19 form part of this Balance sheet and should be read in conjunction therewith.

This is the Balance sheet referred to in our Report of even date.

For and on behalf of  
M/s CNGSN & Associates  
Chartered Accountants

**CN GANGADARAN**  
Partner  
Membership No. 11205  
FRNo. 0049155  
Place Chennai  
Date 25 May 2010

**Ashwin C Muthiah**  
Chairman

**LR Sridhar**  
Managing Director

**HR Srinivasan**  
Director

**V Radhakrishnan**  
Company Secretary

# PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(in Rs lakh)

|   | Schedule | Year ended<br>31 March 2010 |                  | Year ended<br>31 March 2009 |          |
|---|----------|-----------------------------|------------------|-----------------------------|----------|
| <b>INCOME</b>   |          |                             |                  |                             |          |
| Services and sales  | 12       | <b>53612.51</b>             |                  | 47246.67                    |          |
| Other Income  | 13       | <b>127.45</b>               | <b>53739.96</b>  | 714.78                      | 47961.45 |
| <b>EXPENDITURE</b>  |          |                             |                  |                             |          |
| Cost of Goods Sold  | 14       |                             | -                |                             | 2769.76  |
| Cost of Services  | 15       |                             | <b>47062.69</b>  |                             | 38627.21 |
| Salaries, Wages and Other benefits                        | 16       |                             | <b>1465.10</b>   |                             | 1535.93  |
| Manufacturing and other expenses                          | 17       |                             | <b>785.59</b>    |                             | 851.84   |
| Interest & Financial Charges                              | 18       |                             | <b>1719.31</b>   |                             | 1693.65  |
| Depreciation  |          | <b>1162.60</b>              |                  | 1192.73                     |          |
| Less: Transfer from Revaluation Reserve                   |          | -                           | <b>1162.60</b>   | -                           | 1192.73  |
|   |          |                             | <b>52195.29</b>  |                             | 46671.12 |
| <b>PROFIT BEFORE TAXATION AND EXCEPTIONAL ITEMS</b>       |          |                             | <b>1544.67</b>   |                             | 1290.33  |
| Less: Provision for                                       |          |                             |                  |                             |          |
| Current Tax   |          | <b>128.84</b>               |                  | 37.52                       |          |
| Deferred Tax  |          | <b>(134.57)</b>             |                  | (126.96)                    |          |
| Fringe Benefit Tax  |          | -                           | <b>(5.73)</b>    | 23.79                       | (65.65)  |
| <b>PROFIT AFTER TAXATION AND BEFORE EXCEPTIONAL ITEMS</b> |          |                             | <b>1550.40</b>   |                             | 1355.98  |
| <b>EXCEPTIONAL ITEMS (Net of Tax)</b>                     |          |                             | <b>(1086.05)</b> |                             | 809.71   |
| <b>PROFIT AFTER TAXATION AND EXCEPTIONAL ITEMS</b>        |          |                             | <b>2636.45</b>   |                             | 546.27   |
| Prior period adjustments                                  |          |                             | -                |                             | -        |
| Profit after prior period adjustments                     |          |                             | <b>2636.45</b>   |                             | 546.27   |
| Balance brought forward from previous year                |          |                             | <b>14632.77</b>  |                             | 14086.50 |
|   |          |                             | <b>17269.22</b>  |                             | 14632.77 |
| <b>APPROPRIATION</b>                                      |          |                             |                  |                             |          |
| Balance carried to Balance Sheet                          |          |                             | <b>17269.22</b>  |                             | 14632.77 |
|   |          |                             | <b>17269.22</b>  |                             | 14632.77 |
| Basic EPS (Rs) before Exceptional Items                   |          |                             | <b>3.92</b>      |                             | 3.43     |
| Diluted EPS (Rs) before Exceptional Items                 |          |                             | <b>3.48</b>      |                             | 2.98     |
| Basic EPS (Rs) after Exceptional Items                    |          |                             | <b>6.67</b>      |                             | 1.38     |
| Diluted EPS (Rs) after Exceptional Items                  |          |                             | <b>5.92</b>      |                             | 1.20     |

Schedules 12 to 18 and Notes in Schedule 19 form an integral part of this Profit & Loss Account and should be read in conjunction therewith.

For and on behalf of  
M/s CNGSN & Associates  
Chartered Accountants

**CN GANGADARAN**  
Partner  
Membership No. 11205  
FRNo. 0049155  
Place Chennai  
Date 25 May 2010

**Ashwin C Muthiah**  
Chairman

**LR Sridhar**  
Managing Director

**HR Srinivasan**  
Director

**V Radhakrishnan**  
Company Secretary

## SCHEDULES

(in Rs lakh)

on 31 March 2010

on 31 March 2009

### SCHEDULE 1: SHARE CAPITAL

#### AUTHORISED

|   |                 |                 |                 |          |
|---|-----------------|-----------------|-----------------|----------|
| 5,00,00,000 (5,00,00,000) Equity Shares of Rs 10 each       | <b>5000.00</b>  |                 | 5000.00         |          |
| 15,00,00,000 (15,00,00,000) Preference Shares of Rs 10 each | <b>15000.00</b> | <b>20000.00</b> | <u>15000.00</u> | 20000.00 |

#### ISSUED

|   |  |                |  |         |
|---|--|----------------|--|---------|
| 3,95,62,022 (3,95,62,022) Equity Shares of Rs 10 each |  | <b>3956.20</b> |  | 3956.20 |
|---|--|----------------|--|---------|

#### SUBSCRIBED

|   |  |                |  |         |
|---|--|----------------|--|---------|
| 3,95,57,782 (3,95,57,782) Equity Shares of Rs 10 each |  | <b>3955.78</b> |  | 3955.78 |
|---|--|----------------|--|---------|

#### PAID-UP

|   |                |                |             |                |
|---|----------------|----------------|-------------|----------------|
| 3,95,21,684 (3,95,21,684) Equity Shares of Rs 10 each | <b>3952.17</b> |                | 3952.17     |                |
| Add: Forfeited shares                                 | <b>1.80</b>    | <b>3953.97</b> | <u>1.80</u> | 3953.97        |
|   |                | <b>3953.97</b> |             | <u>3953.97</u> |

#### Of the Above

- 9320003 Equity Shares of Rs 10 each were allotted as fully paid up as per the earlier schemes of Amalgamation.
- 9860910 Equity Shares of Rs 10 each were allotted as fully paid up to the share holders of 34513195, 1% Preference Shares on 1/4/1997 in terms of Special Resolution passed by the shareholders on 9/12/1996.
- 47,61,908 Equity shares of Rs 10 each were allotted as fully paid up by way of bonus shares by capitalisation of share premium.

## SCHEDULES

(in Rs lakh)

on 31 March 2010                      on 31 March 2009

### SCHEDULE 2: RESERVES AND SURPLUS

#### CAPITAL RESERVE

|                           |         |  |         |
|---------------------------|---------|--|---------|
| As per last Balance Sheet | 1093.31 |  | 1093.31 |
|---------------------------|---------|--|---------|

#### SECURITIES PREMIUM ACCOUNT

|                               |         |         |   |
|-------------------------------|---------|---------|---|
| As per last Balance Sheet     | -       |         | - |
| Add: Received during the year | 6272.25 | 6272.25 | - |

#### REVALUATION RESERVE

|                           |        |  |        |
|---------------------------|--------|--|--------|
| As per last Balance Sheet | 373.41 |  | 373.41 |
|---------------------------|--------|--|--------|

#### GENERAL RESERVE

|                                       |         |           |         |
|---------------------------------------|---------|-----------|---------|
| As per last Balance Sheet             | 3294.35 | 7947.70   |         |
| Add: Transfer from Bergen Receivables | -       | 449.57    |         |
| Less: Transfer to FCCB Loan           | -       | (3738.68) |         |
| Less: Transfer to FCCB Premium        | -       | (1364.24) | 3294.35 |

#### FOREIGN CURRENCY TRANSLATION RESERVE

|   |           |           |           |
|---|-----------|-----------|-----------|
| As per last Balance Sheet                 | (3362.60) | -         |           |
| Add: Addition during the Year             | 5035.46   | (5043.90) |           |
| Less: Transfer to Profit and Loss Account | (836.43)  | 836.43    | (3362.60) |

#### PROFIT AND LOSS ACCOUNT

|                                      |          |  |          |
|--------------------------------------|----------|--|----------|
| Surplus from Profit and Loss Account | 17269.22 |  | 14632.77 |
|                                      | 29138.97 |  | 16031.24 |

## SCHEDULES

(in Rs lakh)

on 31 March 2010

on 31 March 2009

### SCHEDULE 3: SECURED LOANS

#### LOANS FROM BANKERS

|                            |                |         |
|----------------------------|----------------|---------|
| Working capital facilities | <b>3324.84</b> | 3701.13 |
| Term Loans                 | <b>1514.08</b> | 1949.20 |

#### LOANS FROM FINANCIAL INSTITUTIONS

|            |                |         |
|------------|----------------|---------|
| Term Loans | <b>6147.11</b> | 6858.50 |
|------------|----------------|---------|

#### LOANS AND ADVANCES FROM OTHERS

|                     |                 |          |
|---------------------|-----------------|----------|
| Hire Purchase Loans | <b>342.38</b>   | 772.83   |
|                     | <b>11328.41</b> | 13281.66 |

#### Secured Loans

- Working Capital Facilities from Banks have been secured by way of hypothecation of stocks, book debts, other current assets and equitable mortgage/deposit of title deeds of certain immovable properties on Pari Passu basis.
- Term Loans from Banks/Financial Institutions have been secured by way of mortgage of movable and immovable properties acquired under the respective Loans and hypothecation of current assets as applicable.
- Hire Purchase Loans have been secured by way of hypothecation of respective assets acquired under the hire purchase contracts.

### SCHEDULE 4: UNSECURED LOANS

|   |                 |          |
|---|-----------------|----------|
| Foreign Currency Convertible Bonds (FCCB) | <b>16511.78</b> | 33697.50 |
| Fixed Deposits                            | <b>118.03</b>   | 146.08   |
| Other Loans and Advances                  | <b>12830.46</b> | 9410.63  |
| Provision of FCCB Premium/FCTR            | <b>6130.48</b>  | 18458.74 |
| (Refer Note 19 B Point No 22)             | <b>35590.75</b> | 61712.95 |

#### Note

The Foreign Currency Convertible bonds have been listed on the Singapore Stock Exchange. These Bonds will mature in 5 years and 1 day. Each bond will be convertible to 78.8152 share of Sical Logistics Ltd., the conversion price of each being Rs 563.55. The Bonds are convertible into fully paid equity share on or after 29 May 2006 up to 12 April 2011 by the holders. The company has the option to exercise a call option for the bonds after 18 April 2009, provided a 30% premium has been achieved over the accreted conversion price as of that date. The bonds carry a zero coupon with a Yield-to-Maturity of 6.32% P.A. calculated on a semi-annual basis. From the eligible period for conversion, the Bonds will be treated as dilutive potential equity shares. The current outstanding of FCCB of face value USD 36.75 Million has not been hedged.

## SCHEDULES

### SCHEDULE 5: FIXED ASSETS

(in Rs lakh)

| FIXED ASSETS             | COST              |           |                       | DEPRECIATION      |                   |                   |           | NET BLOCK        |                   |                   |
|--------------------------|-------------------|-----------|-----------------------|-------------------|-------------------|-------------------|-----------|------------------|-------------------|-------------------|
|                          | As on<br>01.04.09 | Additions | Sales/<br>Adjustments | As on<br>31.03.10 | As on<br>01.04.09 | For the<br>Period | Withdrawn | Upto<br>31.03.10 | As on<br>31.03.10 | As on<br>31.03.09 |
| Goodwill                 | 17,086.84         | 95.52     | (8,350.00)            | 8,832.36          | -                 | -                 | -         | -                | 8,832.36          | 17,086.84         |
| Freehold Land            | 1,494.82          | 2,533.53  | -                     | 4,028.35          | -                 | -                 | -         | -                | 4,028.35          | 1,494.82          |
| Buildings                | 811.31            | 0.41      | -                     | 811.72            | 273.01            | 16.74             | -         | 289.74           | 521.97            | 538.30            |
| Plant & Machinery        | 1,574.18          | 9.04      | 3.03                  | 1,586.25          | 809.99            | 88.56             | (4.68)    | 903.23           | 683.02            | 764.20            |
| Office Equipments        | 653.55            | 33.99     | (3.10)                | 684.44            | 416.65            | 84.77             | (7.78)    | 509.20           | 175.24            | 236.90            |
| Furnitures & Fixtures    | 384.27            | 7.81      | -                     | 392.08            | 327.93            | 10.87             | (1.37)    | 340.16           | 51.92             | 56.34             |
| Trucks                   | 3,564.31          | -         | (330.79)              | 3,233.52          | 1,951.14          | 457.47            | 312.63    | 2,095.98         | 1,137.54          | 1,613.18          |
| Vehicles                 | 274.26            | 40.17     | (37.79)               | 276.64            | 213.94            | 19.70             | 12.63     | 221.01           | 55.64             | 60.31             |
| Leased Machinery         | 38.13             | -         | -                     | 38.13             | 38.13             | -                 | -         | 38.13            | -                 | -                 |
| Port Handling Equipment  | 9,753.85          | -         | -                     | 9,753.85          | 3,349.54          | 484.49            | -         | 3,834.03         | 5,919.82          | 6,404.31          |
| Total                    | 35,635.52         | 2,720.47  | (8,718.65)            | 29,637.34         | 7,380.32          | 1,162.60          | 311.43    | 8,231.48         | 21,405.86         | 28,255.20         |
| Capital Work in Progress | 74.93             | -         | -                     | 74.93             | -                 | -                 | -         | -                | 74.93             | 74.93             |
| Previous Year            | 35,461.31         | 1,375.80  | 1,201.59              | 35,635.52         | 6,972.90          | 1,192.73          | 785.31    | 7,380.32         | 28,255.20         | 28,488.41         |

#### NOTES

WDV of the Assets acquired under Hire Purchase agreement included under:

|          | 31-03-10      | 31-03-09 |
|----------|---------------|----------|
|          | in Rs Lakh    |          |
| Vehicles | <b>19.65</b>  | 27.54    |
| Trucks   | <b>752.70</b> | 1,409.53 |



## SCHEDULES

(in Rs lakh)

| No. of<br>Shares/Units | Face Value per<br>Share/Unit | Amount as on<br>31 March 2010 | Amount as on<br>31 March 2009 |
|------------------------|------------------------------|-------------------------------|-------------------------------|
|------------------------|------------------------------|-------------------------------|-------------------------------|

### SCHEDULE 6: INVESTMENTS

#### TRADE INVESTMENT - AT COST

##### IN SUBSIDIARY COMPANIES AT COST

|   |          |       |                 |          |
|---|----------|-------|-----------------|----------|
| In ordinary shares - Fully Paid         |          |       |                 |          |
| Sical Infra Assets Ltd                  | 50000    | 10    | 5.00            | 5.00     |
| Sical Iron Ore Terminals Ltd***         | 69300000 | 10    | 7030.00         | 4195.00  |
| Bergen Offshore Logistics Pte. Ltd      | 19000000 | USD 1 | 8778.41         | 8778.41  |
| Nagpur Sical Gupta Logistics Ltd        | 37500    | 10    | -               | 3.75     |
| Sical Iron Ore Terminal (Managlore) Ltd | 50000    | 10    | 5.00            | -        |
| Ennore Automotive Logistics Limited     | 50000    | 10    | 5.00            | -        |
| <b>Share Application Money</b>          |          |       | <b>18021.33</b> | 18504.31 |

#### OTHERS

|   |          |    |         |         |
|---|----------|----|---------|---------|
| In Ordinary Shares - Fully Paid               |          |    |         |         |
| PSA Sical Terminal Ltd                        | 5625000  | 10 | 654.10  | 654.10  |
| Chennai International Terminals P Ltd (CITPL) | 54000000 | 10 | 5400.00 | 5400.00 |
| Sicagen India Ltd                             | 50000    | 10 | 5.00    | 5.00    |
| Sical Distriparks Ltd                         |          |    | -       | 500.00  |

#### INVESTMENT IN PROPERTY

|                    |  |  |         |         |
|--------------------|--|--|---------|---------|
| Investment In Land |  |  | 2603.96 | 4738.09 |
|--------------------|--|--|---------|---------|

#### In Mutual Funds

|                                  |           |       |      |       |
|----------------------------------|-----------|-------|------|-------|
| DWS short Maturity Fund          | 15112.71  | 10.02 | 1.51 | 1.45  |
| ICICI Prudential Flexible Income | 653405.80 | 10.57 | -    | 69.09 |

#### TOTAL

|                 |                 |
|-----------------|-----------------|
| <b>42509.31</b> | <b>42854.20</b> |
|-----------------|-----------------|

#### Additions/Deletions During the Year

| No. of<br>Shares/Units | Face Value per<br>Share/Unit | Amount as on<br>31 March 2010 | Amount as on<br>31 March 2009 |
|------------------------|------------------------------|-------------------------------|-------------------------------|
|------------------------|------------------------------|-------------------------------|-------------------------------|

#### ADDITIONS

|   |          |       |         |          |
|---|----------|-------|---------|----------|
| Investment In Land                            |          |       | 399.40  | 777.21   |
| DWS short Maturity Fund                       | 589.04   | 10.02 | 0.06    | 1.45     |
| ICICI Prudential Flexible Income              |          |       | -       | 69.09    |
| Share Application Money                       |          |       | -       | 18504.31 |
| Chennai International Terminals P Ltd (CITPL) |          |       | -       | 5399.60  |
| Sical Iron Ore Terminals Ltd                  |          |       | -       | 3560.95  |
| Sical Distriparks Ltd                         |          |       | -       | 500.00   |
| Sical Iron Ore Terminals Ltd                  | 28350000 | 10    | 2835.00 | -        |
| Sical Iron Ore Terminal (Managlore) Ltd       | 50000    | 10    | 5.00    | -        |
| Ennore Automotive Logistics Limited           | 50000    | 10    | 5.00    | -        |

#### TOTAL

|                |                 |
|----------------|-----------------|
| <b>3244.46</b> | <b>28812.61</b> |
|----------------|-----------------|

## SCHEDULES

|   | No. of<br>Shares/Units | Face Value per<br>Share/Unit | Amount as on<br>31 March 2010 | Amount as on<br>31 March 2009 |
|---|------------------------|------------------------------|-------------------------------|-------------------------------|
| <b>SALES/REDEMPTION</b>                 |                        |                              |                               |                               |
| Land Capitalised                        |                        |                              | <b>2533.53</b>                | -                             |
| Sical Distriparks Ltd                   |                        |                              | <b>500.00</b>                 | -                             |
| Share Application Money                 |                        |                              | <b>482.98</b>                 | -                             |
| ICICI Prudential Flexible Income        | 653405.80              | 10.57                        | <b>69.09</b>                  | -                             |
| Nagpur Sical Gupta Logistics Ltd        | 37500                  | 10                           | <b>3.75</b>                   | -                             |
| Sical Multimodal and Rail Transport Ltd |                        |                              | -                             | 469.00                        |
| Nagpur Sical Gupta Road Terminal Ltd    |                        |                              | -                             | 12.05                         |
| Reliance Floating Rate Fund             |                        |                              | -                             | 126.71                        |
| AIG India Treasury Plus Fund            |                        |                              | -                             | 451.38                        |
| Reliance Liquidity Fund 06496           |                        |                              | -                             | 225.98                        |
| Reliance Liquidity Fund SIC-63722       |                        |                              | -                             | 1.02                          |
| Birla Sunlife Interval Income Fund-MP   |                        |                              | -                             | 503.64                        |
| UTI Liquid Plus Fund IP Growth          |                        |                              | -                             | 631.14                        |
| <b>TOTAL</b>                            |                        |                              | <b>3589.35</b>                | <b>2420.92</b>                |

\*\*\* 69299994 equity shares of Rs 10 each have been pledged in favour of Unit Trust of India Investment Advisory Services Ltd., on behalf of the lender against the term loan availed by the subsidiary for the project.

(in Rs lakh)

**on 31 March 2010**      on 31 March 2009

### SCHEDULE 7: INVENTORIES

At lower of cost and net realisable value

|                        |               |               |
|------------------------|---------------|---------------|
| Stores and Spares      | <b>283.20</b> | 205.26        |
| Loose Tools            | <b>28.62</b>  | 26.65         |
| <b>Work-in-Process</b> |               |               |
| Civil Engineering      | <b>5.69</b>   | 5.69          |
|                        | <b>317.51</b> | <b>237.60</b> |

### SCHEDULE 8: SUNDRY DEBTORS

Unsecured

Debts outstanding for a period exceeding six months

|                                    |                 |          |
|------------------------------------|-----------------|----------|
| Considered good                    | <b>8758.08</b>  | 7715.86  |
| Considered doubtful                | <b>378.79</b>   | 378.79   |
|                                    | <b>9136.87</b>  | 8094.65  |
| Less: Provision for doubtful debts | <b>(378.79)</b> | (378.79) |
|                                    | <b>8758.08</b>  | 7715.86  |
| Other debts considered good        | <b>7297.71</b>  | 8513.73  |
|                                    | <b>16055.79</b> | 16229.59 |

## SCHEDULES

(in Rs lakh)

**on 31 March 2010**      on 31 March 2009

### SCHEDULE 9: CASH AND BANK BALANCES

Cash and Cheques on hand, Remittances  
in transit and in foreign currency

**34.72**      23.68

With Scheduled Banks

|                          |               |                |             |         |
|--------------------------|---------------|----------------|-------------|---------|
| On Current Accounts      | <b>705.21</b> |                | 899.86      |         |
| On Deposit Accounts      | <b>606.58</b> |                | 866.97      |         |
| On Margin Money Accounts | <b>934.12</b> |                | 4932.78     |         |
| On Dividend Accounts     | <b>11.40</b>  |                | 11.53       |         |
| On Debenture Account     | <b>0.38</b>   | <b>2257.69</b> | <u>0.38</u> | 6711.52 |

With Non-Scheduled Bank

|  |               |                |                |                 |
|--|---------------|----------------|----------------|-----------------|
| Overseas Chinese Banking Corporation Ltd<br>Current Account<br>(Maximum amount outstanding: Rs 17.54 Lakhs ) | <b>13.49</b>  |                | 17.54          |                 |
| United Overseas Bank<br>Current Account<br>(Maximum amount outstanding: Rs 8.69 Lakhs)                       | <b>7.70</b>   |                | 8.69           |                 |
| RBS-Coutts Bank Ltd<br>(Maximum amount outstanding: Rs 4442.18 Lakhs)  | <b>188.26</b> | <b>209.45</b>  | <u>4442.18</u> | 4468.41         |
|  |               | <b>2501.86</b> |                | <u>11203.61</u> |

## SCHEDULES

(in Rs lakh)  
on 31 March 2010      on 31 March 2009

### SCHEDULE 10: LOANS AND ADVANCES

|  |                          |                   |
|--|--------------------------|-------------------|
| Advances to subsidiaries   | <b>7211.29</b>           | 7556.09           |
| Advances recoverable in cash or kind or for value to be received |                          |                   |
| Considered good  | <b>10860.83</b>          | 11671.03          |
| Considered doubtful  | <u>-</u>                 | <u>-</u>          |
|  | <b>10860.83</b>          | 11671.03          |
| Less: Provision for doubtful advances                            | <u>-</u> <b>10860.83</b> | <u>-</u> 11671.03 |
| Advance payment of Income-tax                                    | <b>10642.61</b>          | 9401.04           |
| Balance with Central Excise, Customs and Port Trust Authorities  | <b>925.06</b>            | 875.56            |
| Deposits   | <b>801.85</b>            | 382.19            |
|  | <u><b>30441.64</b></u>   | <u>29885.91</u>   |

### SCHEDULE 11: CURRENT LIABILITIES AND PROVISIONS

#### CURRENT LIABILITIES

|                                       |                              |                |
|---------------------------------------|------------------------------|----------------|
| Acceptances                           | -                            | 61.35          |
| Sundry Creditors                      | <b>23075.87</b>              | 24144.75       |
| Unclaimed Dividend                    | <b>11.40</b>                 | 11.53          |
| Unclaimed Debentures                  | <b>0.38</b>                  | 0.38           |
| Interest accrued but not due on loans | <b>36.62</b> <b>23124.27</b> | 37.40 24255.41 |

#### PROVISIONS

|                        |                         |                  |
|------------------------|-------------------------|------------------|
| Provision for gratuity | <b>166.16</b>           | 161.34           |
| Provision for Taxation | <b>8088.11</b>          | 7293.64          |
| Other Provisions       | <u>-</u> <b>8254.27</b> | <u>-</u> 7454.98 |
|                        | <u><b>31378.54</b></u>  | <u>31710.39</u>  |

## SCHEDULES

(in Rs lakh)

on 31 March 2010      on 31 March 2009

### SCHEDULE 12: SERVICES AND SALES

|  |                        |                        |
|--|------------------------|------------------------|
| Transportation   | <b>24429.93</b>        | 18896.10               |
| Clearing & Handling Charges                            | <b>4043.96</b>         | 1147.51                |
| Warehousing Rent, Freight, Stevedoring & Coal Handling | <b>24907.27</b>        | 23710.41               |
| Offshore Services                                      | -                      | 62.21                  |
| Agency Fees  | <b>145.76</b>          | 116.78                 |
| Others   |                        |                        |
| Manufactured goods                                     | -                      | 3603.28                |
| Less: Excise Duty                                      | -                      | (294.31)               |
| Net sales  | <u>-</u>               | 3308.97                |
| Others including by-products                           | <b>85.59</b>           | 4.69                   |
|  | <b><u>53612.51</u></b> | <b><u>47246.67</u></b> |

(Tax Deducted at Source on the above Rs 428.72 Lakhs (397.13 Lakhs))

### SCHEDULE 13: OTHER INCOME

|   |                      |                      |
|---|----------------------|----------------------|
| Profit on sale of assets, net   | <b>93.55</b>         | 144.94               |
| Rent including Lease Rent and Service charges<br>(Tax Deducted at source Rs 1.51 Lakhs (Rs 2.10 Lakhs)) | <b>9.50</b>          | 10.97                |
| Miscellaneous Income  | <b>24.40</b>         | 558.87               |
|   | <b><u>127.45</u></b> | <b><u>714.78</u></b> |

## SCHEDULES

On 31 March 2010

(in Rs lakh)  
On 31 March 2009

### SCHEDULE 14: COST OF GOODS SOLD

Consumption of Raw Materials:

|   |   |         |   |         |
|---|---|---------|---|---------|
| Stock as on 1st April   | - | -       |   |         |
| WIP   | - | -       |   |         |
| Add: Purchases  | - | 2769.76 |   |         |
|   | - | 2769.76 |   |         |
| Less: Stock as on 31st March  | - | -       | - | 2769.76 |
| Purchases less Turnover discounts - Trading Stock                       | - | -       | - | -       |
| Increase/decrease in Work-in-Process, Finished Goods and Trading Stocks |   |         |   |         |
| Stock as on 1st April   |   |         |   |         |
| Work-in-Process   | - | -       |   |         |
| Finished and Trading Stocks   | - | -       |   |         |
|   | - | -       |   |         |
| Less: Stock as on 31st March  |   |         |   |         |
| Work-in-Process   | - | -       |   |         |
| Finished and Trading Stocks   | - | -       |   |         |
|   | - | -       | - | -       |
|   | - | -       | - | 2769.76 |

### SCHEDULE 15: COST OF SERVICES

|                                      |          |          |
|--------------------------------------|----------|----------|
| Freight Paid                         | 18715.06 | 14421.56 |
| Port charges                         | 577.49   | 602.24   |
| Handling and Transportation Expenses | 27253.92 | 23028.45 |
| Warehousing expenses                 | 24.41    | 47.27    |
| Workshop Expenses                    | 0.20     | 0.33     |
| Expenditure on Contracts             | 250.58   | 166.66   |
| Operation and Maintenance            | 241.03   | 290.30   |
| Stores Consumed                      | -        | 70.40    |
| Less: Work in process                | -        | -        |
|                                      | 47062.69 | 38627.21 |



## SCHEDULES

(in Rs lakh)

On 31 March 2010

On 31 March 2009

### SCHEDULE 16: SALARIES, WAGES AND OTHER BENEFITS

|  |                |         |
|--|----------------|---------|
| Salaries, Wages and Bonus including Directors Remuneration | <b>1294.24</b> | 1336.00 |
| Contribution to Provident Fund                             | <b>58.58</b>   | 77.36   |
| Contribution to Gratuity and Superannuation Fund           | <b>17.45</b>   | 4.82    |
| Welfare Expenses   | <b>94.83</b>   | 117.75  |
|  | <b>1465.10</b> | 1535.93 |

### SCHEDULE 17: MANUFACTURING AND OTHER EXPENSES

|  |               |        |
|--|---------------|--------|
| Rent including Lease Rent              | <b>55.58</b>  | 92.56  |
| Rates, Taxes, Licenses and Filing Fees | <b>59.57</b>  | 76.71  |
| Insurance                              | <b>19.53</b>  | 30.27  |
| Power and Fuel                         | <b>59.02</b>  | 96.66  |
| Repairs and Maintenance                |               |        |
| Plant & Machinery                      | <b>25.77</b>  | 9.30   |
| Building                               | <b>7.58</b>   | 4.58   |
| Vehicles                               | <b>8.19</b>   | 4.75   |
| Others                                 | <b>18.69</b>  | 22.46  |
|  | <b>60.23</b>  | 41.09  |
| Travelling and Coveyance               | <b>214.11</b> | 232.58 |
| Directors' Sitting Fees                | <b>9.10</b>   | 7.10   |
| Payment to Auditors                    |               |        |
| Audit                                  | <b>16.55</b>  | 16.55  |
| Tax Audit                              | <b>4.41</b>   | 4.41   |
| Other services                         | -             | -      |
| Certification                          | <b>7.63</b>   | 6.77   |
| Expenses                               | <b>5.17</b>   | 1.17   |
|  | <b>33.76</b>  | 28.90  |
| Consumable Stores and Tools            | <b>76.05</b>  | 107.06 |
| Miscellaneous Expenses                 | <b>129.69</b> | 126.05 |
| Bad Debts Written Off                  | <b>51.66</b>  | -      |
| Less: Written off against provision    | -             | -      |
|  | <b>51.66</b>  | -      |
| Assets discarded, written-off          | <b>0.23</b>   | -      |
| Rebates, Discount and Commission       | <b>1.52</b>   | 0.38   |
| Commission to Directors                | <b>15.54</b>  | 12.48  |
|  | <b>785.59</b> | 851.84 |

## SCHEDULES

On 31 March 2010

(in Rs lakh)  
On 31 March 2009

### SCHEDULE 18: INTEREST & FINANCIAL CHARGES

|  |                 |                 |                   |
|--|-----------------|-----------------|-------------------|
| On Fixed Loans   | <b>1786.77</b>  |                 | 2143.25           |
| Others   | <b>166.80</b>   |                 | 211.47            |
|  | <b>1953.57</b>  |                 | 2354.72           |
| Less: Interest on Deposits                               | <b>(169.92)</b> |                 | (500.87)          |
| Less: Interest from Others                               | <b>(64.34)</b>  | <b>(234.26)</b> | (160.20) (661.07) |
| (Tax Deducted at source Rs 17.62 Lakhs (Rs 76.12 Lakhs)) |                 | <b>1719.31</b>  | 1693.65           |

## SCHEDULES

### SCHEDULE 19A: SIGNIFICANT ACCOUNTING POLICIES

#### 1 Method of Accounting:

The financial statements have been prepared under the historical convention on an accrual basis of accounting in accordance with generally accepted accounting standards as notified under section 211(3C) of the Companies Act 1956 and the relevant provisions thereof except in the case of certain fixed assets which were revalued as stated below.

#### 2 Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises of the purchase price and any attributable cost for bringing the assets into its working condition for its intended use.

Assets which were revalued on 31 March 1989, 31 March 1994 and 31 March 1995 are stated at revalued amounts. The resultant increase on revaluation was credited to Revaluation Reserve.

Other assets including the additions subsequent to revaluation are shown at cost, which includes capitalization of pre-operative expenses and net of CENVAT credit availed wherever applicable.

With regard to assets acquired under hire purchase, the cost of the assets are capitalized while the annual charges are charged to revenue.

#### 3 Borrowing Cost

Borrowing costs are capitalized as part of qualifying fixed assets wherever it is possible that they will result in future economic benefits. Other borrowing costs are expensed.

#### 4 Depreciation

Depreciation is consistently provided at the rates prescribed under Schedule XIV of the Companies Act, 1956 on the following methods:

- a Assets of logistics division at written down value method except assets of transportation & warehousing divisions at straight-line method. Port handling equipments are written off over the period of BOT Scheme.
- b Assets of Civil Engineering & Property Development divisions at straight-line method.
- c Depreciation on certain premises are provided on composite cost where it is not possible to segregate the land cost.
- d Assets costing less than Rs 5000 are fully depreciated.

#### 5 Investments (Long Term)

Investments in shares and debentures are stated at cost, net of permanent diminution in value wherever necessary. Cost includes interest attributable to funds borrowed for acquisition of investments.

#### 6 Inventories

- a Stores and Spares used for running of trucks and other machineries valued at lower of cost and net realizable value.
- b Loose tools are valued after writing off certain percentage of cost.

#### 7 Excise Duty

CENVAT credit on materials purchased for production are taken into account at the time of purchase and CENVAT credit on purchase of capital items wherever applicable are taken into account as and when the assets are installed, to the credit of respective purchase and assets accounts. The CENVAT credits so taken are utilized for payment of excise duty on goods manufactured. The unutilized CENVAT credit is carried forward in the books.

#### 8 Revenue Recognition

- a Revenue is recognized and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.
- b Service Income:
  - i Net earnings on voyage/contracts on completion.
  - ii Other services on completion of services and billed.
  - iii Expenditure incurred on incomplete voyages and contracts are included under "Advances Recoverable".
- c Coal handling charges up to January 2001 is net of shortage cover retained by the Tamil Nadu Electricity Board. Additional claim, if any, that may be determined on the closure of the contract will be recognized when the claim is made.

## SCHEDULES

### 9 Foreign Currency transactions

Foreign currency transactions are recorded in the books at the rates prevailing on the date of transaction.

Foreign currency monetary items as on balance sheet date are reinstated to its acquisition/commencing date, the resultant difference transferred to General reserve account. The exchange difference arose on reporting of long term foreign currency monetary items as on Balance sheet date transferred to Foreign currency translation reserve account and half of such amount amortized during the year and remaining balance to the tune of Rs 836.43 Lakh (Previous year (Rs 3362.60 Lakh)) to be amortized on the forthcoming year-2010-11, as per AS-11(R) issued by the Central government vide their notification no GSR 226(E) Dt. 31 March 2009.

### 10 Retirement Benefits

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Post employment and other long term employee benefits are charged off in the year in which the employee has rendered service. The amount charged off is recognised at the present value of the amounts payable determined using actuarial valuation method. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

### 11 Contingent Liabilities & Provisions

All known liabilities of material nature have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value in the notes on accounts in accordance with Accounting Standard-29. As regards Provisions, it is only those obligations arising from past events existing independently of an enterprise's future actions that are recognized as provisions.

### 12 Segment reporting

The accounting policies adopted for Segment reporting are in line with the Accounting Standard-17.

### 13 Discontinuing Operations

Discontinuing Operations have been recognized and disclosed as per Accounting Standard-24.

### 14 Impairment of Assets

The Company recognizes impairment of all assets other than the assets, which are specifically excluded under Accounting Standard-28 on Impairment of Assets after comparing the asset's recoverable value with its carrying amount in the books. In case the carrying amount exceeds recoverable value, impairment losses are provided for.

The company has introduced a policy of measuring impairment of its goodwill on an annual basis .While testing for impairment the company shall pay heed to market prospects ,company profitability, EPS and performance indicators in determining the same. Any upward movement in goodwill shall not be considered on account of prudence.

### 15 Deferred Taxes

- a Current Tax is determined in accordance with the Income tax Act, 1961.
- b Deferred tax is recognized for all the timing differences. Deferred tax assets are recognized when considered prudent.

## SCHEDULES

### SCHEDULE 19B: NOTES ON ACCOUNTS

- 1 Claims against the Company not acknowledged as debts Rs 467.82 Lakhs (Previous Year: Rs 686.62 Lakhs).
- 2 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 1.34 crores (Previous Year: Rs 1.34 crores).
- 3 In accordance with Accounting Standard-29, the following are considered as Contingent Liabilities and Provisions:
  - a Sales Tax, Service Tax, Customs, Wealth Tax and Income Tax demands together with penalties under appeal amounts to Rs 4868.12 Lakhs (Previous Year: Rs 2,373.10 Lakhs.)
  - b Guarantees given by the Company against loans availed by the subsidiary companies for the purpose of executing the projects which are under construction are Rs 47509.00 Lakhs (Previous Year: Rs 6214.00 Lakhs).
  - c Guarantees given by bankers for Performance of Contracts & others Rs 3925.63 Lakhs (Previous Year: Rs 3878.46 Lakhs).
- 4 Sundry Debtors, Loans and Advances and Deposits include certain overdue and unconfirmed balances. Some of the accounts are under reconciliation. These include:
  - a Retention money retained as per terms of contract Rs 7069.22 Lakhs (Previous Year: Rs 6,998.92 Lakhs).
  - b Rs 2338.68 Lakhs (Previous year: Rs 2,338.68 Lakhs) is due from ONGC, has been referred to an Outside Expert committee formed for the purpose of resolving the pending issues.
  - c With regard to IMFL division which has been sold during the year 2001-02:
    - i Rs 172.44 Lakhs (Previous Year: Rs 172.44 Lakhs) receivable from Sales Tax authorities on Sales Tax remitted both by the Company and its customer relating to the sales made in earlier years. A writ has been filed before the Hon'ble High Court of Madras for recovering the amount remitted in excess.
- 5 Deposit with Bank in pursuance of Rule 3A of the Companies (Acceptance of Deposit) Rules, 1975 include Rs 52.61 Lakhs (Previous Year: Rs 46.09 Lakhs) under fixed deposits with banks.
- 6 Balance with the Central Excise Authorities includes unutilised Cenvat Credits of Rs 25.32 Lakhs (Previous Year: Rs 116.70 Lakhs).
- 7 The provision for Taxation includes Rs 1.00 Lakh (Previous Year: Rs 1.00 Lakh) towards Wealth tax.
- 8 Letters of confirmation of balances in personal account of suppliers, debtors and principals, loans and advances and in-operative bank accounts have been called for and wherever not received is being followed up.
- 9 Sundry Creditors include Rs Nil (Previous Year: Rs Nil Lakh) due to small scale industrial undertakings to the extent such parties have been identified by the Management and relied upon by the auditors. The Company has normally made payments to Small Scale Industrial units in due time and also there being no claim from the parties, interest, if any, on overdue payments is unascertainable and thus not provided for.
- 10 **Micro, Small and Medium Enterprises Development Act, 2006**  
 The management is currently in the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of medium and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. Accordingly, the disclosure in respect of the amounts payable to such medium and small enterprises as at 31 March 2010 has not been made in the financial statements. However, the management is of the view that the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.
- 11 **Employee Benefits**  
 Disclosures required under Accounting Standard 15 on Employee Benefits are given below:  
 (in Rs lakh)  

|  |       |
|--|-------|
| Defined Contribution Plan:                     |       |
| Employer's Contribution to Provident Fund      | 27.61 |
| Employer's Contribution to Superannuation Fund | 4.90  |
| Employer's Contribution to Pension Scheme      | 24.58 |

## SCHEDULES

The Company has obtained exemption for its Provident Fund under Section 17 of the Employee's Provident Fund and Miscellaneous Provisions Act, 1952.

Defined Benefit Plan:

Employees' Gratuity fund scheme managed by the Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using Projected Unit Credit Method, which recognises each period of service giving rise to additional unit of employee entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

As per the transitional provisions specified in the Standard, the difference in the liability as per the existing policy followed by the Company and that arising on adoption of this standard is required to be charged to opening reserves and surplus account. However, there is no significant impact on adoption of the Standard which is required to be adjusted to the opening balance of reserves and surplus.

| <b>Actuarial Assumptions</b>                             | <b>Gratuity</b> | <b>Leave</b> |
|--|-----------------|--------------|
| Encashment (Unfunded)                                    |                 |              |
| a Assumptions  |                 |              |
| Discount Rate  | 8.00%           | 8.00%        |
| Salary Escalation  | 6.00%           | 6.00%        |
| Attrition rate   | 2.00%           | 2.00%        |
| Expected Rate of Return on Plan Assets                   | 9.25%           | -            |
|  | (Rs in '000)    | (Rs in '000) |
| b Table showing changes in present value of obligation   |                 |              |
| Present value of obligation as at beginning of the year  | 16,778          | 3,239        |
| Current service cost                                     | 1,660           | 689          |
| Interest cost  | 1,157           | 217          |
| Actuarial (Gain)/Loss on obligation                      | -               | -            |
| Benefit paid   | (2,700)         | (687)        |
| Actuarial loss/(gain) on obligation (Balancing figure)   | (279)           | (267)        |
| Present value of obligation as at end of the year        | 16,616          | 3,191        |
| c Table showing changes in the fair value of Plan assets |                 |              |
| Fair value of plan assets as at beginning of the year    | 7,989           | -            |
| Actuarial (Gain)/Loss on Plan assets                     | 204             | -            |
| Contributions  | 2,996           | 687          |
| Benefits Paid  | (2,701)         | (687)        |
| Expected return on plan assets                           | 610             | -            |
| Fair value of plan assets as at end of the year          | 9,098           | -            |
| d Reconciliation of fair value of assets and obligations |                 |              |
| Fair value of plan assets as at end of the year          | 9,098           | -            |
| Less: Present value of obligation as at end of the year  | 16,616          | -            |
| Net Assets/(Liability) recognised in balance sheet       | (7,518)         | -            |
| e Expenses recognised during the year                    |                 |              |
| Current service cost                                     | 1,660           | 689          |
| Interest cost  | 1,157           | 217          |
| Expected return on plan assets                           | (610)           | -            |
| Net actuarial (Gain)/Loss recognised in the year         | (483)           | (267)        |
| Expenses recognized                                      | 1,724           | 639          |



## SCHEDULES

### 12 a Managerial Remuneration

| Particulars                                       | 2009-10 | (in Rs lakh)<br>2008-09 |
|---|---------|-------------------------|
| Salaries & Allowances                             | 45.56   | 30.74                   |
| Contribution to Provident and Other Funds         | 0.94    | 1.98                    |
| Perquisites                                       | 1.17    | 5.21                    |
| Terminal benefits (Insurance & Club subscription) | -       | 12.30                   |
| Total   | 47.67   | 50.23                   |

### b Commission Payable to Directors

| Particulars                              | 2009-10  | (in Rs lakh)<br>2008-09 |
|--|----------|-------------------------|
| PBT as per P & L before Exceptional Item | 1,544.66 | 1,290.33                |
| Add:                                     |          |                         |
| Salary & Allowances to Directors         | 45.56    | 30.74                   |
| PF Contribution                          | 0.94     | 1.98                    |
| Perks to Directors                       | 1.17     | 17.51                   |
| Directors Sitting Fees                   | 9.10     | 7.10                    |
| Commission to Directors                  | 15.54    | 12.48                   |
| Depreciation as per book                 | 1,162.60 | 1,192.73                |
| Assets W/O                               | -        | -                       |
|  | 1,234.91 | 1,262.54                |
|  | 2,779.57 | 2,552.87                |
| Less:                                    |          |                         |
| Depreciation as per Sec. 350             | 1,131.36 | 1,158.97                |
| Provision for wealth tax                 | 1.00     | 1.00                    |
| Profit on sale of Asset                  | 93.33    | 144.94                  |
|  | 1,225.69 | 1,304.91                |
| Profit Computed U/s 349 of Companies Act | 1,553.88 | 1,247.96                |
| 1% of the above                          | 15.54    | 12.48                   |

### 13 Amount debited to Work-in-progress which are to be transferred to cost of sales at the time of income recognition on jobs include the following:

| Particulars         | 2009-10 | (in Rs lakh)<br>2008-09 |
|---------------------|---------|-------------------------|
| Labour charges      | -       | 2.09                    |
| Consultancy charges | -       | -                       |
| Other Expenses      | -       | 3.12                    |
| Total               | -       | 5.21                    |

### 14 a Value of Imports calculated on C.I.F

| Particulars   | 2009-10 | (in Rs lakh)<br>2008-09 |
|---------------|---------|-------------------------|
| Raw materials | -       | 758.91                  |

### b Expenditure in Foreign Currency during the financial Year.

| Particulars             | 2009-10 | 2008-09 |
|-------------------------|---------|---------|
| Travel                  | 4.25    | 68.91   |
| Listing Fees            | -       | 1.95    |
| Bank Charges            | 4.87    | 0.42    |
| Repairs and Maintenance | 50.91   | -       |
| Others                  | 5.83    | 21.92   |
| Total                   | 65.86   | 93.20   |

## SCHEDULES

### c Value of raw materials, spare parts and components consumed during the year

| Particulars  | 2009-10                         |                    | 2008-09                         |                    |
|--------------|---------------------------------|--------------------|---------------------------------|--------------------|
|              | Percentage to total consumption | Value (in Rs lakh) | Percentage to total consumption | Value (in Rs lakh) |
| Imported     | -                               | -                  | 27.40%                          | 758.91             |
| Indigenous   | -                               | -                  | 72.60%                          | 2010.85            |
| <b>Total</b> |                                 | -                  |                                 | <u>2769.76</u>     |

### d Earnings in foreign exchange (received during the year)

| Particulars  | (in Rs lakh)         |              |
|--------------|----------------------|--------------|
|              | 2009-10              | 2008-09      |
| Other Income |                      |              |
| Agency fees  | <b>126.84</b>        | 99.27        |
| Commission   | <b>0.22</b>          | -            |
| Interest     | <b>0.30</b>          | -            |
| <b>Total</b> | <u><b>127.36</b></u> | <u>99.27</u> |

## 15 Related Party disclosure

### I Related parties where control exists

#### Subsidiary Companies

- Sical Infra Assets Ltd and its subsidiaries Sical Distriparks Ltd., Sical Multimodal and Rail Transport Ltd., Nagpur Sical Gupta Road Terminal Ltd. & Nagpur Sical Gupta Logistics Ltd.
- Bergen Offshore Logistics Pte. Ltd. & its subsidiary Norse Global Offshore Pte. Ltd.
- Sical Iron Ore Terminals Ltd.
- Ennore Automotive Logistics Ltd.
- Sical Iron Ore Terminal (Mangalore) Ltd.

### II Other related parties with whom trade transactions have taken place during the year

#### Joint Ventures

PSA Sical Terminals Ltd.

Chennai International Terminals Private Limited

#### Key Management Personnel

LR Sridhar Managing Director

## SCHEDULES

### Related Party transactions

| Transactions             | Subsidiaries         | Associates/Joint<br>Venture<br>Companies | (in Rs lakh)<br>Key<br>Management<br>Personnel |
|--------------------------|----------------------|--|--|
| Rendering of services    | 122.09<br>(246.26)   | 268.22<br>(257.88)                       |  |
| Receiving services       | 1605.54<br>(1905.29) |  |  |
| Reimbursement of expense | 2171.28              |  |  |
| Loans and advances       | -<br>4430.01         |  |  |
| Investment in equity     | -<br>2845.00         |  |  |
| Managerial Remuneration  |                      |  | 47.67<br>(50.23)                               |
| Closing Balances         |                      |  |  |
| Loans and Advances       | 7114.38<br>(8002.98) |  |  |
| Debtors                  | 33.51<br>(34.58)     | 34.59<br>(11.26)                         |  |
| Creditors                | 142.17<br>(465.11)   |  |  |

Note: Figures in brackets relate to previous year

## SCHEDULES

### 16 Segment Information for the Year ended 31 March 2010 Information about Primary Business Segment

| Business Segments                          | Logistics | Discontinuing Operations | Eliminations | (in Rs lakh)<br>Consolidated Total |
|--|-----------|--------------------------|--------------|------------------------------------|
| <b>REVENUE</b>                             |           |                          |              |                                    |
| External Sales                             | 53612.50  | -                        | -            | 53612.50                           |
| Inter Segment Sales                        | -         | -                        | -            | -                                  |
| Total Revenue                              | 53612.50  | -                        | -            | 53612.50                           |
| <b>RESULT</b>                              |           |                          |              |                                    |
| Segment Result                             | 3954.64   | (25.79)                  | -            | 3928.84                            |
| Unallocated Corporate Expenses             |           |                          |              | 664.86                             |
| Operating Profit                           |           |                          |              | 3263.98                            |
| Interest expense                           |           |                          |              | 1953.57                            |
| Interest/Dividend income                   |           |                          |              | 234.26                             |
| Income Taxes                               |           |                          |              | (5.73)                             |
| Profit from Ordinary Activities            |           |                          |              | 1550.40                            |
| Exceptional Items-Net of tax               |           |                          |              | 1,086.05                           |
| Net Profit                                 |           |                          |              | 2636.45                            |
| <b>OTHER INFORMATION</b>                   |           |                          |              |                                    |
| Segment Assets                             | 38735.30  | 660.16                   |              | 39395.46                           |
| Unallocated Corporate Assets               |           |                          |              | 77041.92                           |
| Total Assets                               | 38735.30  | 660.16                   |              | 116437.38                          |
| Segment Liabilities                        | 26047.60  | 660.27                   |              | 26707.87                           |
| Unallocated Corporate Liabilities          |           |                          |              | 56636.59                           |
| Total Liabilities                          | 26047.60  | 660.27                   |              | 83344.44                           |
| Capital Expenditure                        |           |                          |              | 2960.78                            |
| Depreciation                               | 1054.25   | -                        |              | 1054.25                            |
| Unallocated Corporate Depreciation         |           |                          |              | 108.35                             |
| Non Cash Charges - other than depreciation |           | -                        |              | -                                  |

## SCHEDULES

### Information about Secondary Business Segment

|                                | India    | Outside India | (in Rs Lakh)<br>Total |
|--------------------------------|----------|---------------|-----------------------|
| Revenue by Geographical Market | 53612.50 | -             | 53612.50              |
| Segment Assets                 | 39395.46 | -             | 39395.46              |
| Capital Expenditure            | 2960.78  | -             | 2960.78               |

### 17 a Sales Turnover-Finished Goods

|   |      | 2009-10  |       | 2008-09   |         |
|---|------|----------|-------|-----------|---------|
| Particulars   | Unit | Quantity | Value | Quantity  | Value   |
| Barrels   | Nos. | -        | -     | 218869.00 | 2745.43 |
| DC Motors for Industrial and Automotive Application | Nos. | -        | -     | -         | 499.78  |
| <b>Total</b>  |      |          | -     |           | 3245.21 |

### 17 b Raw Materials Consumed

|              |      | 2009-10  |       | 2008-09  |         |
|--------------|------|----------|-------|----------|---------|
| Particulars  | Unit | Quantity | Value | Quantity | Value   |
| CR Coils     | M T  | -        | -     | 4573.92  | 1740.28 |
| <b>Total</b> |      |          | -     |          | 1740.28 |

### 17 c Opening and Closing Stock of Goods Purchased and Produced

|              |      | 2009-10  |       | 2008-09  |       |
|--------------|------|----------|-------|----------|-------|
| Particulars  | Unit | Quantity | Value | Quantity | Value |
| Barrels      | Nos. | -        | -     | 1119     | 11.10 |
| <b>Total</b> |      |          | -     |          | 11.10 |

### 17 d Class of Goods Manufactured and Purchased

| Particulars | Unit | Licenced Capacity | Installed Capacity | Actual Production | Purchase | (in Rs lakh)<br>Value |
|-------------|------|-------------------|--------------------|-------------------|----------|-----------------------|
| Barrels     | Nos. | -                 | -                  | (218943)          | -        | -                     |

Note: Figures in brackets relate to previous year.

## SCHEDULES

### 18 a Deferred tax Asset arising out of timing difference relating to

|       |                         |              |                                       | (in Rs lakh) |
|-------|-------------------------|--------------|---------------------------------------|--------------|
| S.No. | Particulars             | Opening      | Current Year<br>Adjustments/Additions | Closing      |
| 1     | Provision for Bad Debts | 50.30        | (50.30)                               | 0            |
| 2     | VRS Earlier years       | 29.75        | (14.88)                               | 14.87        |
|       | <b>Total</b>            | <b>80.05</b> | <b>(65.18)</b>                        | <b>14.87</b> |

### 18 b Deferred tax liability arising out of timing difference relating to

| S.No. | Particulars          | Opening        | Current Year<br>Adjustments/Additions | Closing        |
|-------|----------------------|----------------|---------------------------------------|----------------|
| 1     | Depreciation         | 2081.78        | (168.76)                              | 1913.02        |
| 2     | Pre-closure interest | 51.65          | (30.99)                               | 20.66          |
| 3     | Technical know how   | (2.55)         | 0                                     | (2.55)         |
|       | <b>Total</b>         | <b>2130.88</b> | <b>(199.75)</b>                       | <b>1931.13</b> |

### 19 Earnings per share

|  |                 |                 |
|--|-----------------|-----------------|
| <b>Particulars</b>   | <b>31.03.10</b> | <b>31.03.09</b> |
| Profit before Exceptional Items as per Profit & Loss Account                               | <b>1550.40</b>  | 1355.98         |
| Profit After Prior Period adjustments as per Profit & Loss Account                         | <b>2636.45</b>  | 546.27          |
| Number of Shares Used in computing Earning Per Share - For Basic                           | <b>39521684</b> | 39521684        |
| Number of Shares Used in computing Earning Per Share - For Diluted                         | <b>44565587</b> | 45432824        |
| Earning Per Share - Basic (in Rs) - Before Exceptional item and Prior Period Adjustments   | <b>3.92</b>     | 3.43            |
| Earning Per Share - Diluted (in Rs) - Before Exceptional item and prior period adjustments | <b>3.48</b>     | 2.98            |
| Earning Per Share - Basic (in Rs) - After Exceptional Item and Prior Period Adjustments    | <b>6.67</b>     | 1.38            |
| Earning Per Share - Diluted (in Rs) - After Exceptional Item and Prior Period Adjustments  | <b>5.92</b>     | 1.20            |
| Face Value Per Share   | <b>10.00</b>    | 10.00           |



## SCHEDULES

### 20 Discontinuing Operations

The following statement shows the revenue and expenses of discontinuing operations as per AS-24. Discontinuing Operations consist of – Auto Components, VRW, INDRAD & Property Development Divisions.

| Particulars  | 2009-10 | (in Rs lakh)<br>2008-09 |
|--|---------|-------------------------|
| Sales and Services                                     | -       | 3308.97                 |
| Other Income   | -       | 0.32                    |
| Operating Expenses                                     | 0.39    | 3008.27                 |
| Pre Tax Profit (Loss) before interest and Depreciation | (25.79) | 301.02                  |
| Depreciation   | -       | 19.47                   |
| Interest Expenses                                      | -       | 8.88                    |
| Profit (Loss) before Exceptional Items and tax         | (25.79) | 272.67                  |

### 21 Exceptional Items

| Particulars   | 2009-10        | (In Rs lakh)<br>2008-09 |
|---|----------------|-------------------------|
| Profit on buy back of FCCB after impairment of goodwill | 1416.09        | -                       |
| Foreign currency translation reserve written off        | 836.43         | -                       |
| Loss on sale of Beta Division                           | -              | (69.81)                 |
| Foreign Exchange Fluctuation Difference                 | (500.84)       | (739.90)                |
| <b>Total Exceptional Income</b>                         | <b>1751.68</b> | <b>(809.71)</b>         |
| Tax on the above-Credit/(charge) on Current Tax         | 665.63         | -                       |
| <b>Total</b>  | <b>1086.05</b> | <b>(809.71)</b>         |

### 22 Foreign Currency Convertible Bonds:

The company had raised USD 75 million during the year 2006-07 by way of issue of Foreign Currency Convertible Bonds, and the amount so raised have been used towards capital expenditure and investments in foreign subsidiaries, the balance unutilized is Rs Nil Lakh. (Rs 2705.04 Lakhs). During the FY 2009-10, the company had bought back 38250 Nos. of FCCBs of face value USD 38.25 million out of the total issued FCCBs

### 23 Previous year's figures have been regrouped and rearranged wherever necessary.

For and on behalf of  
M/s CNGSN & Associates  
Chartered Accountants

#### CN GANGADARAN

Partner

Membership No. 11205

FRNo. 0049155

Place Chennai

Date 25 May 2010

**Ashwin C Muthiah**  
Chairman

**LR Sridhar**  
Managing Director

**HR Srinivasan**  
Director

**V Radhakrishnan**  
Company Secretary

## SCHEDULES

### 24 Balance Sheet Abstract and Company's general business profile

|   |                             |   |              |   |   |   |   |            |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|---|-----------------------------|---|--------------|---|---|---|---|------------|---|---|---|---|--------------|---|---|---|---|---|--|--|---|---|---|--|
| Registration details  | Registration details        | <table border="1"><tr><td></td><td>2</td><td>4</td><td>3</td><td>1</td></tr></table>  |              | 2   | 4 | 3 | 1 | State code | <table border="1"><tr><td>1</td><td>8</td></tr></table> | 1 | 8 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | 2                           | 4   | 3            | 1   |   |   |   |            |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
| 1   | 8                           |   |              |   |   |   |   |            |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
| Capital raised during the year<br>(Amount in '000s)   | Balance sheet date          | <table border="1"><tr><td>3</td><td>1</td><td></td><td>0</td><td>3</td><td></td><td>2</td><td>0</td><td>1</td><td>0</td></tr></table>   | 3            | 1   |   | 0 | 3 |            | 2   | 0 | 1 | 0   | Public issue | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table> |   |   |   |   |  |  | N | I | L |  |
| 3   | 1                           |   | 0            | 3   |   | 2 | 0 | 1          | 0   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   |              |   |   | N | I | L          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   | Rights issue | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table> |   |   |   |            |   |   | N | I   | L            |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   |              |   |   | N | I | L          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   | Bonus issue  | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table> |   |   |   |            |   |   | N | I   | L            |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   |              |   |   | N | I | L          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Private placement (Net)     |   |              | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table> |   |   |   |            |   |   | N | I   | L            |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   |              |   |   | N | I | L          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
| Mobilisation and deployment<br>of funds   | Total liabilities           | <table border="1"><tr><td></td><td></td><td>8</td><td>1</td><td>9</td><td>4</td><td>3</td><td>2</td><td>3</td></tr></table>   |              |   | 8 | 1 | 9 | 4          | 3   | 2 | 3 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             | 8   | 1            | 9   | 4 | 3 | 2 | 3          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Total assets                | <table border="1"><tr><td></td><td></td><td>8</td><td>1</td><td>9</td><td>4</td><td>3</td><td>2</td><td>3</td></tr></table>   |              |   | 8 | 1 | 9 | 4          | 3   | 2 | 3 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             | 8   | 1            | 9   | 4 | 3 | 2 | 3          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
| (Amount in '000s)   | Paid up capital             | <table border="1"><tr><td></td><td></td><td></td><td>3</td><td>9</td><td>5</td><td>3</td><td>9</td><td>7</td></tr></table>  |              |   |   | 3 | 9 | 5          | 3   | 9 | 7 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   | 3            | 9   | 5 | 3 | 9 | 7          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Reserves and surplus        | <table border="1"><tr><td></td><td></td><td>2</td><td>9</td><td>1</td><td>3</td><td>8</td><td>9</td><td>7</td></tr></table>   |              |   | 2 | 9 | 1 | 3          | 8   | 9 | 7 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             | 2   | 9            | 1   | 3 | 8 | 9 | 7          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Secured loans               | <table border="1"><tr><td></td><td></td><td>1</td><td>1</td><td>3</td><td>2</td><td>8</td><td>4</td><td>1</td></tr></table>   |              |   | 1 | 1 | 3 | 2          | 8   | 4 | 1 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             | 1   | 1            | 3   | 2 | 8 | 4 | 1          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Unsecured loans             | <table border="1"><tr><td></td><td></td><td>3</td><td>5</td><td>5</td><td>9</td><td>0</td><td>7</td><td>5</td></tr></table>   |              |   | 3 | 5 | 5 | 9          | 0   | 7 | 5 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             | 3   | 5            | 5   | 9 | 0 | 7 | 5          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
| Application of funds  | Net fixed assets            | <table border="1"><tr><td></td><td></td><td>2</td><td>1</td><td>4</td><td>8</td><td>0</td><td>7</td><td>9</td></tr></table>   |              |   | 2 | 1 | 4 | 8          | 0   | 7 | 9 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             | 2   | 1            | 4   | 8 | 0 | 7 | 9          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Investments                 | <table border="1"><tr><td></td><td></td><td>4</td><td>2</td><td>5</td><td>0</td><td>9</td><td>3</td><td>1</td></tr></table>   |              |   | 4 | 2 | 5 | 0          | 9   | 3 | 1 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             | 4   | 2            | 5   | 0 | 9 | 3 | 1          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Net current assets          | <table border="1"><tr><td></td><td></td><td>1</td><td>7</td><td>9</td><td>3</td><td>8</td><td>2</td><td>6</td></tr></table>   |              |   | 1 | 7 | 9 | 3          | 8   | 2 | 6 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             | 1   | 7            | 9   | 3 | 8 | 2 | 6          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Miscellaneous expenditure   | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>   |              |   |   |   |   |            | N   | I | L |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   |              |   |   | N | I | L          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Accumulated losses          | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>   |              |   |   |   |   |            | N   | I | L |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   |              |   |   | N | I | L          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
| Performance of Company<br>(Amount in '000s)   | Turnover                    | <table border="1"><tr><td></td><td></td><td>5</td><td>3</td><td>7</td><td>3</td><td>9</td><td>9</td><td>6</td></tr></table>   |              |   | 5 | 3 | 7 | 3          | 9   | 9 | 6 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             | 5   | 3            | 7   | 3 | 9 | 9 | 6          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Total expenditure           | <table border="1"><tr><td></td><td></td><td>5</td><td>2</td><td>1</td><td>9</td><td>5</td><td>2</td><td>9</td></tr></table>   |              |   | 5 | 2 | 1 | 9          | 5   | 2 | 9 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             | 5   | 2            | 1   | 9 | 5 | 2 | 9          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Profit/(Loss) before tax    | <table border="1"><tr><td></td><td></td><td>1</td><td>5</td><td>4</td><td>4</td><td>6</td><td>7</td></tr></table>   |              |   | 1 | 5 | 4 | 4          | 6   | 7 | + | <table border="1"><tr><td></td><td></td></tr></table> |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             | 1   | 5            | 4   | 4 | 6 | 7 |            |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   |              |   |   |   |   |            |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Profit/(Loss) after tax     | <table border="1"><tr><td></td><td></td><td>1</td><td>5</td><td>5</td><td>0</td><td>4</td><td>0</td></tr></table>   |              |   | 1 | 5 | 5 | 0          | 4   | 0 | + | <table border="1"><tr><td></td><td></td></tr></table> |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             | 1   | 5            | 5   | 0 | 4 | 0 |            |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   |              |   |   |   |   |            |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Earning per share in Rupees | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td>6</td><td>.</td><td>6</td><td>7</td></tr></table>  |              |   |   |   |   | 6          | .   | 6 | 7 |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   |              |   | 6 | . | 6 | 7          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Dividend rate %             | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>I</td><td>L</td></tr></table>   |              |   |   |   |   |            | N   | I | L |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   |              |   |   | N | I | L          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
| Generic names of three principal<br>products/services of the Company<br>(as per monetary terms) | Item Code No                | <table border="1"><tr><td></td><td></td><td></td><td></td><td></td><td></td><td>N</td><td>A</td></tr></table>   |              |   |   |   |   |            | N   | A |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   |                             |   |              |   |   | N | A |            |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
|   | Product description         | <table border="1"><tr><td>L</td><td>O</td><td>G</td><td>I</td><td>S</td><td>T</td><td>I</td><td>C</td><td>S</td></tr><tr><td>&amp;</td><td></td><td>S</td><td>A</td><td>L</td><td>E</td><td>S</td><td></td><td></td></tr></table> | L            | O   | G | I | S | T          | I   | C | S | &   |              | S   | A | L | E | S |  |  |   |   |   |  |
| L   | O                           | G   | I            | S   | T | I | C | S          |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |
| &   |                             | S   | A            | L   | E | S |   |            |   |   |   |   |              |   |   |   |   |   |  |  |   |   |   |  |

For and on behalf of  
M/s CNGSN & Associates  
Chartered Accountants

**CN GANGADARAN**

Partner

Membership No. 11205

FRNo. 0049155

Place Chennai

Date 25 May 2010

**Ashwin C Muthiah**  
Chairman

**LR Sridhar**  
Managing Director

**HR Srinivasan**  
Director

**V Radhakrishnan**  
Company Secretary

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010**

|  | Year ended<br>31 March 2010 | (in Rs lakh)<br>Year ended<br>31 March 2009 |
|--|-----------------------------|---|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>                                 |                             |   |
| Net Profit before tax before Exceptional Items                               | 1544.67                     | 1290.33                                     |
| Adjustments for:   |                             |   |
| Depreciation   | 1162.60                     | 1192.73                                     |
| (Profit)/Loss on sale of fixed assets (net)                                  | (93.79)                     | (144.94)                                    |
| Interest Paid (net)  | 1719.31                     | 1693.65                                     |
|  | <u>2788.12</u>              | <u>2741.44</u>                              |
| Operating Profit before Working Capital Changes                              | 4,332.79                    | 4,031.77                                    |
| Adjustments for:   |                             |   |
| Trade and other Receivables  | 318.45                      | 2860.82                                     |
| Inventories  | (79.91)                     | (110.36)                                    |
| Trade Payables   | (1675.87)                   | (4946.63)                                   |
|  | <u>(1437.33)</u>            | <u>(2196.17)</u>                            |
| Cash Generated from Operations   | 2,895.46                    | 1,835.60                                    |
| Tax Paid   | (128.84)                    | (591.49)                                    |
| Net Cash from Operating activities   | <u>2,766.62</u>             | <u>1,244.11</u>                             |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>                                 |                             |   |
| Purchase of Fixed Assets (Including Capital Work in Progress)                | (67.92)                     | (1525.34)                                   |
| Investments made (Net)   | (1789.24)                   | (26391.69)                                  |
| Proceeds from Sale of Fixed Assets   | 130.37                      | 319.64                                      |
| Loans and Advances   | (2042.32)                   | 19432.71                                    |
| Net Cash used in Investing Activities before Extraordinary items             | <u>(3,769.11)</u>           | <u>(8,164.68)</u>                           |
| Net Proceeds from sale of undertakings/assets under discontinuing operations | -                           | 860.00                                      |
| Net Cash used in Investing Activities after Extra-ordinary Items             | <u>(3,769.11)</u>           | <u>(7,304.68)</u>                           |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                                 |                             |   |
| (Repayment) of Long Term Borrowings  | 1868.97                     | (1653.77)                                   |
| (Repayment) of Short Term Borrowings   | (430.45)                    | (2130.09)                                   |
| Interest Received  | 234.26                      | 661.07                                      |
| Interest Paid  | (1953.57)                   | (2354.72)                                   |
| Premium/Issue Expense/Forex Fluctuation on Bonds                             | -                           | 11625.20                                    |
| FCCB -Payment for purchase   | (7418.47)                   | 0.00  |
| Net Cash used in Financing Activities  | <u>(7,699.26)</u>           | <u>6,147.69</u>                             |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>          | <u>(8,701.75)</u>           | <u>87.11</u>                                |
| Cash and cash equivalents as at (opening) 1 April 2009                       | 11203.61                    | 11118.55                                    |
| Less: Cash and cash equivalents transferred on Sale of undertakings          | -                           | (2.05)                                      |
| Cash and cash equivalents as at (opening) 1 April 2009                       | 11203.61                    | 11116.50                                    |
| <b>Cash and cash equivalents as at (closing) 31 March 2010</b>               | <u>2,501.86</u>             | <u>11203.61</u>                             |

For and on behalf of  
M/s CNGSN & Associates  
Chartered Accountants

**CN GANGADARAN**

Partner

Membership No. 11205

FRNo. 0049155

Place Chennai

Date 25 May 2010

**Ashwin C Muthiah**  
Chairman

**LR Sridhar**  
Managing Director

**HR Srinivasan**  
Director

**V Radhakrishnan**  
Company Secretary

## AUDITORS' CERTIFICATE

We have examined the above Cash Flow Statement of Sical Logistics Limited for the year ended 31 March 2010.

The Statement has been prepared by the Company in accordance with the requirements of the listing agreement—Clause 32 with Stock Exchanges and is based on and is in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our Report of even date to the Members of the Company.

Place Chennai  
Date 25 May 2010

For and on behalf of  
**M/s CNGSN & ASSOCIATES**  
Chartered Accountants

**CN GANGADARAN**  
Partner

Membership No. 11205

FRNo. 0049155

## STATEMENT OF PARTICULARS OF SUBSIDIARIES PURSUANT TO SECTION 212[1][e] OF THE COMPANIES ACT, 1956

| Particulars   | Sical Infra<br>Assets Ltd. # | Sical Iron Ore<br>Terminals Ltd.* | Bergen<br>Offshore<br>Logistics Pte.<br>Ltd. | Sical Iron Ore<br>Terminal<br>(Mangalore)<br>Ltd.* | Ennore<br>Automotive<br>Logistics<br>Ltd.* |
|---|------------------------------|-----------------------------------|--|--|--|
| 1 Financial year of the subsidiary ended on   | 31.05.2010**                 | 31.03.2010                        | 31.03.2010                                   | 31.03.2010   | 31.03.2010                                 |
| 2 Share of the subsidiary held by the company on the above date:  |                              |                                   |  |  |  |
| a Number of Equity shares and Face value  | 50000<br>Rs 10 Each          | 69300000<br>Rs 10 Each            | 19000000<br>USD 1 Each                       | 50000<br>Rs 10 Each                                | 50000<br>Rs 10 Each                        |
| b Extent of holding   | 74%                          | 63%                               | 100%   | 100%   | 100%                                       |
| 3 Net aggregate amount of Profits/(Losses) for the above financial year of the subsidiary so far as they concern members of the company                                 |                              |                                   |  |  |  |
| a Dealt with in the Accounts of the company for the year ended 31 March 2010 (in Rs Lakhs)  | Nil                          | Nil                               | Nil  | Nil  | Nil  |
| b Not dealt with in the Accounts of the company for the year ended 31 March 2010 (in Rs Lakhs)  | (14.57)                      | Nil                               | (5,489.01)                                   | Nil  | Nil  |
| 4 Net aggregate amount of profits/(Losses) for previous financial years of the subsidiary, since it became a subsidiary, so far as they concern members of the company. |                              |                                   |  |  |  |
| a Dealt with in the Accounts of the company as at 31 March 2010 (in Rs Lakhs)   | Nil                          | Nil                               | Nil  | Nil  | Nil  |
| b Not dealt with in the Accounts of the Company as at 31 March 2010 (in Rs Lakhs)   | 1052.79                      | Nil                               | 557.20                                       | Nil  | Nil  |

\* Company yet to commence business

\*\* Financial year extended upto 31 May 2010.

# Details as at 31 March 2010

For and on behalf of  
M/s CNGSN & Associates  
Chartered Accountants

**CN GANGADARAN**  
Partner  
Membership No. 11205  
FRNo. 0049155  
Place Chennai  
Date 25 May 2010

**Ashwin C Muthiah**  
Chairman

**LR Sridhar**  
Managing Director

**HR Srinivasan**  
Director

**V Radhakrishnan**  
Company Secretary



Annual report 2009-10  
Consolidated accounts



## AUDITORS' REPORT

Auditors' report to the Board of Directors on the Consolidated Financial Statements of M/s Sical Logistics Limited.

We have examined the attached consolidated Balance Sheet of M/s Sical Logistics Limited and its subsidiaries Sical Infra Assets Ltd, Sical Iron Ore Terminals Ltd., Bergen Offshore Logistics Pte Ltd., Sical Iron Ore Terminal (Mangalore) Ltd., Ennore Automotive Logistics Ltd., and Joint Ventures PSA Sical Terminals Ltd, and Chennai International Terminals Pvt Ltd., as at 31 March 2010 and the Consolidated Profit & Loss Account for the year ended on that date and the Consolidated Cash flow statement for the year ended on that date.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiaries Sical Infra Assets Ltd, Sical Iron Ore Terminals Ltd., Bergen Offshore Logistics Pte Ltd., Sical Iron Ore Terminal (Mangalore) Ltd., Ennore Automotive Logistics Ltd., and Joint Ventures PSA Sical Terminals Ltd, and Chennai International Terminals Pvt Ltd, whose financial statements reflect the Group's share of total assets of Rs 99888.76 Lakhs as at 31 March 2010 and Group's share of total revenues of Rs 20666.93 Lakhs for the year ended 31 March 2010. These financial statements and other information have been audited by other auditors whose reports have been furnished to us and our opinion so far, as it relates to the amounts included in respect of the subsidiaries, is based solely on the report of the other auditors and other unaudited report.

The consolidated financial statements have been prepared based on the audited financial statements of the subsidiaries Sical Iron Ore Terminals Ltd., Bergen Offshore Logistics Pte Ltd., Sical Iron Ore Terminal (Mangalore) Ltd., Ennore Automotive Logistics Ltd., and unaudited financial statements of Sical Infra Assets Ltd., and Joint venture PSA Sical Terminals Ltd for the year ended 31 March 2010. The financial Statements of Chennai International Terminals Pvt Ltd included herein are as on 31 December 2009 and have been audited till that date.

We report that the consolidated financial statements have been prepared by the company in accordance with the requirements of Accounting Standards (AS) 21, Consolidated financial statements (B) Accounting Standards (AS) 27, Financial Reporting of interest in joint ventures issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Sical Logistics Ltd and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanation given to us, and on the consideration of separate audit reports on individual audited financial statements of M/s Sical Logistics Ltd and its aforesaid subsidiaries, we are of the opinion that,

- i The Consolidated Balance Sheet gives a true and fair view of the Consolidated state of affairs of M/s Sical Logistics Limited, its subsidiaries and its joint ventures as at 31 March 2010;
- ii The Consolidated Profit and Loss Account gives a true and fair view of the Consolidated result of operations of M/s Sical Logistics Limited, its subsidiaries and its joint ventures as at 31 March 2010;
- iii The Consolidated Cash Flow Statement gives a true and fair view of the Consolidated Cash Flows for the year ended on that date.

For **M/s CNGSN & Associates**  
Chartered Accountants

**CN GANGADARAN**

Partner  
Membership No. 11205  
FRNo. 0049155

Place Chennai  
Date 25 May 2010



# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2010

(in Rs lakh)

|  | Schedule | on 31 March 2010  | on 31 March 2009 |
|--|----------|-------------------|------------------|
| <b>I SOURCE OF FUNDS</b>                 |          |                   |                  |
| SHAREHOLDERS' FUNDS                      |          |                   |                  |
| Paid up Share Capital                    | 1        | 3,953.97          | 3,953.97         |
| Reserves & Surplus                       | 2        | 29,030.55         | 23,099.47        |
|  |          | <b>32,984.52</b>  | 27,053.44        |
| LOAN FUNDS                               |          |                   |                  |
| Secured Loans                            | 3        | 36,883.41         | 27,503.45        |
| Unsecured Loans                          | 4        | 45,381.28         | 66,518.17        |
| Minority Interest                        |          | 5,103.25          | 3,662.38         |
| Deferred Tax Liabilities                 |          | 2,569.79          | 2,808.77         |
| <b>Total</b>                             |          | <b>122,922.25</b> | 127,546.21       |
| <b>II APPLICATION OF FUNDS</b>           |          |                   |                  |
| FIXED ASSETS:                            |          |                   |                  |
| Gross Block                              | 5        | 80,861.13         | 86,103.90        |
| Less: Depreciation                       |          | 15,855.14         | 15,045.17        |
| Net Block                                |          | 65,005.99         | 71,058.73        |
| Capital Work-in-progress at cost         |          | 30,282.25         | 15,502.28        |
|  |          | <b>95,288.24</b>  | 86,561.01        |
| INVESTMENTS                              | 6        | 8,778.90          | 10,368.61        |
| Deferred Tax Assets                      |          | 14.87             | 80.04            |
| CURRENT ASSETS, LOANS & ADVANCES         |          |                   |                  |
| Inventories                              | 7        | 433.03            | 324.62           |
| Sundry Debtors                           | 8        | 19,237.98         | 19,156.60        |
| Cash and Bank Balances                   | 9        | 8,609.91          | 18,290.03        |
| Loans and Advances                       | 10       | 30,792.68         | 29,614.90        |
|  |          | 59,073.60         | 67,386.15        |
| LESS: CURRENT LIABILITIES AND PROVISIONS | 11       | 41,150.04         | 36,904.23        |
| NET CURRENT ASSETS                       |          | 17,923.56         | 30,481.92        |
| MISCELLANEOUS EXPENDITURE                | 12       | 916.68            | 54.63            |
| (To the extent not written off)          |          |                   |                  |
| <b>Total</b>                             |          | <b>122,922.25</b> | 127,546.21       |

Schedules 1 to 12 and Notes in Schedule 20 form an integral part of this Balance Sheet and should be read in conjunction therewith.

For and on behalf of  
M/s CNGSN & Associates  
Chartered Accountants

**CN GANGADARAN**  
Partner

Membership No. 11205

FRNo. 0049155

Place Chennai

Date 25 May 2010

**Ashwin C Muthiah**  
Chairman

**LR Sridhar**  
Managing Director

**HR Srinivasan**  
Director

**V Radhakrishnan**  
Company Secretary

# CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2010

(in Rs lakh)

|   | Schedule | Year Ended<br>31 March 2010 |            | Year Ended<br>31 March 2009 |            |
|---|----------|-----------------------------|------------|-----------------------------|------------|
| <b>INCOME</b>   |          |                             |            |                             |            |
| Services and Sales  | 13       | 72,201.00                   |            | 67,454.65                   |            |
| Other Income  | 14       | 472.26                      | 72,673.26  | 827.74                      | 68,282.39  |
|   |          |                             | 72,673.26  |                             | 68,282.39  |
| <b>EXPENDITURE</b>  |          |                             |            |                             |            |
| Cost of Goods Sold  | 15       |                             | -          |                             | 2,769.76   |
| Cost of Services  | 16       |                             | 62,269.86  |                             | 48,892.20  |
| Salaries, Wages and Other benefits                        | 17       |                             | 2,678.56   |                             | 2,761.42   |
| Manufacturing and other expenses                          | 18       |                             | 3,907.93   |                             | 4,005.36   |
| Interest and Financial charges                            | 19       |                             | 2,265.04   |                             | 1,593.43   |
| Depreciation  |          | 3,528.83                    |            | 3,606.81                    |            |
| Less: Transfer from Revaluation Reserve                   |          | -                           | 3,528.83   | -                           | 3,606.81   |
|   |          |                             | 74,650.22  |                             | 63,628.98  |
| <b>PROFIT BEFORE TAXATION</b>                             |          |                             | (1,976.96) |                             | 4,653.41   |
| Less: Provision for                                       |          |                             |            |                             |            |
| - Current Tax   |          | 243.71                      |            | 404.60                      |            |
| - Deferred Tax  |          | (173.86)                    |            | 179.95                      |            |
| Fringe benefit Tax  |          | 0.36                        | 70.21      | 43.17                       | 627.72     |
| <b>PROFIT AFTER TAXATION AND BEFORE EXCEPTIONAL ITEMS</b> |          |                             | (2,047.17) |                             | 4,025.69   |
| <b>EXCEPTIONAL ITEMS</b> (Net of Tax)                     |          |                             | (1,511.62) |                             | (1,252.07) |
| <b>PROFIT AFTER TAXATION AND AFTER EXCEPTIONAL ITEMS</b>  |          |                             | (3,558.79) |                             | 2,773.62   |
| Prior Period Adjustments                                  |          |                             | (31.38)    |                             | (311.69)   |
| Profit after Prior Period Adjustments                     |          |                             | (3,527.41) |                             | 2,461.93   |
| Minority Interest   |          |                             | 35.67      |                             | 660.73     |
| Profit after Minority Interest                            |          |                             | (3,563.08) |                             | 1,801.20   |
| Balance brought forward from Previous year                |          |                             | 18,707.80  |                             | 16,905.90  |
|   |          |                             | 15,144.72  |                             | 18,707.80  |
| <b>APPROPRIATION</b>                                      |          |                             |            |                             |            |
| Proposed Dividend on Equity Shares                        |          |                             | 8.63       |                             | -          |
| Tax on Proposed Dividend/Dividend paid                    |          |                             | 1.33       |                             | -          |
| General Reserve   |          |                             | -          |                             | -          |
| Balance carried to Balance Sheet                          |          |                             | 15,134.76  |                             | 18,707.80  |
|   |          |                             | 15,134.76  |                             | 18,707.80  |
| Earning per Share (Basic & Diluted) (Rs/P)                |          |                             |            |                             |            |
| Basic EPS Rs before Exceptional Items                     |          |                             | (5.18)     |                             | 8.51       |
| Diluted EPS Rs before Exceptional Items                   |          |                             | (4.59)     |                             | 7.41       |
| Basic EPS Rs after Exceptional Items                      |          |                             | (9.00)     |                             | 5.35       |
| Diluted EPS Rs after Exceptional Items                    |          |                             | (7.99)     |                             | 4.65       |

Schedules 13 to 19 and Notes in Schedule 20 form an integral part of this Profit & Loss Account and should be read in conjunction therewith.

For and on behalf of  
M/s CNGSN & Associates  
Chartered Accountants

**CN GANGADARAN**

Partner

Membership No. 11205

FRNo. 0049155

Place Chennai

Date 25 May 2010

**Ashwin C Muthiah**

Chairman

**LR Sridhar**

Managing Director

**HR Srinivasan**

Director

**V Radhakrishnan**

Company Secretary

## SCHEDULES

(in Rs lakh)

**on 31 March 2010**      on 31 March 2009

### SCHEDULE 1: SHARE CAPITAL

#### AUTHORISED

|   |                        |                 |                        |          |
|---|------------------------|-----------------|------------------------|----------|
| 5,00,00,000 (5,00,00,000) Equity Shares of Rs 10 each       | <b>5000.00</b>         |                 | 5000.00                |          |
| 15,00,00,000 (15,00,00,000) Preference Shares of Rs 10 each | <b><u>15000.00</u></b> | <b>20000.00</b> | <b><u>15000.00</u></b> | 20000.00 |

#### ISSUED

|   |  |                |  |         |
|---|--|----------------|--|---------|
| 3,95,62,022 (3,95,62,022) Equity Shares of Rs 10 Each |  | <b>3956.20</b> |  | 3956.20 |
|---|--|----------------|--|---------|

#### SUBSCRIBED

|   |  |                |  |         |
|---|--|----------------|--|---------|
| 3,95,57,782 (3,95,57,782) Equity Shares of Rs 10 Each |  | <b>3955.78</b> |  | 3955.78 |
|---|--|----------------|--|---------|

#### PAID-UP

|   |                    |                       |             |                |
|---|--------------------|-----------------------|-------------|----------------|
| 3,95,21,684 (3,95,21,684) Equity Shares of Rs 10 Each | <b>3952.17</b>     |                       | 3952.17     |                |
| Add: Forfeited shares                                 | <b><u>1.80</u></b> |                       | <u>1.80</u> |                |
|   |                    | <b><u>3953.97</u></b> |             | <u>3953.97</u> |
|   |                    | <b><u>3953.97</u></b> |             | <u>3953.97</u> |

#### Of the Above

- 93,20,003 Equity Shares of Rs 10 each were allotted as fully paid up as per the earlier schemes of Amalgamation.
- 98,60,910 Equity Shares of Rs 10 each were allotted as fully paid up to the share holders of 3,45,13,195, 1% Preference Shares on 1/4/1997 in terms of the special resolution passed by the shareholders on 9/12/1996.
- 47,61,908 Equity shares of Rs 10 each were allotted as fully paid up by way of bonus shares by capitalisation of share premium.

## SCHEDULES

|  | (in Rs lakh)     |                  |
|--|------------------|------------------|
|  | on 31 March 2010 | on 31 March 2009 |
| <b>SCHEDULE 2: RESERVES AND SURPLUS</b>            |                  |                  |
| <b>CAPITAL RESERVE</b>                             |                  |                  |
| As per last Balance Sheet                          | 2293.19          | 1626.35          |
| Add: Pre-acquisition profit (Negative Goodwill)    | 118.84           | 666.84           |
|  | <b>2412.03</b>   | 2293.19          |
| <b>SECURITIES PREMIUM ACCOUNT</b>                  |                  |                  |
| As per last Balance Sheet                          | 6.48             | 6.48             |
| Additions during the year                          | 6272.25          | -                |
|  | <b>6278.73</b>   | 6.48             |
| <b>REVALUATION RESERVE</b>                         |                  |                  |
| As per last Balance Sheet                          | 373.41           | 373.41           |
| Less: Transfer to General Reserve                  | -                | -                |
| Less: Transfer to Profit & Loss Account            | -                | -                |
|  | <b>373.41</b>    | 373.41           |
| <b>FOREIGN EXCHANGE RESERVE</b>                    |                  |                  |
| As per last Balance Sheet                          | 1469.71          | 25.49            |
| Add: Profit/(Loss) on Reinstatement of Investments | (1086.70)        | 1444.22          |
|  | <b>383.01</b>    | 1469.71          |
| <b>FOREIGN CURRENCY TRANSLATION RESERVE</b>        |                  |                  |
| As per last Balance Sheet                          | (3362.60)        | -                |
| Add: Addition during the year                      | 5035.46          | (5043.90)        |
| Less: Transfer to Profit and Loss Account          | (836.43)         | 1681.30          |
|  | <b>836.43</b>    | (3362.60)        |
| <b>GENERAL RESERVE</b>                             |                  |                  |
| As per last Balance Sheet                          | 3612.18          | 8265.53          |
| Add: Transfer from Bergen Receivable               | -                | 449.57           |
| Add: Transfer from FCCB Loan & Premium Account     | -                | (5102.92)        |
|  | <b>3612.18</b>   | 3612.18          |
| <b>PROFIT AND LOSS ACCOUNT</b>                     |                  |                  |
| Surplus from Profit and Loss Account               | 15134.76         | 18707.80         |
|  | <b>29030.55</b>  | 23099.47         |

## SCHEDULES

(in Rs lakh)  
on 31 March 2010      on 31 March 2009

### SCHEDULE 3: SECURED LOANS

#### LOANS FROM BANKERS

|                            |                 |                 |                 |          |
|----------------------------|-----------------|-----------------|-----------------|----------|
| Working capital facilities | <b>3812.13</b>  |                 | 4004.43         |          |
| Term Loans                 | <b>19824.00</b> | <b>23636.13</b> | <u>13176.19</u> | 17180.62 |

#### LOANS FROM FINANCIAL INSTITUTIONS

|            |  |                 |  |         |
|------------|--|-----------------|--|---------|
| Term Loans |  | <b>11308.61</b> |  | 7675.00 |
|------------|--|-----------------|--|---------|

#### LOANS AND ADVANCES FROM OTHERS

|                         |                |                 |                |                 |
|-------------------------|----------------|-----------------|----------------|-----------------|
| Hire Purchase Loans     | <b>896.78</b>  |                 | 1558.10        |                 |
| Share of Joint Ventures | <b>1041.89</b> | <b>1938.67</b>  | <u>1089.73</u> | <u>2647.83</u>  |
|                         |                | <b>36883.41</b> |                | <u>27503.45</u> |

#### Notes

- a Working Capital Facilities from Banks have been secured by way of hypothecation of stocks, book debts and other current assets, plant and machinery of certain divisions, equitable mortgage/deposit of title deeds of certain immovable properties on exclusive/pari passu basis and by a pari passu second charge on movable and immovable assets.
- b Term Loans from Banks/Financial institutions have been secured by way of mortgage of movable and immovable property acquired under the respective Loans, hypothecation of current assets and pledge of equity shares, as applicable.
- c Hire Purchase Loans have been secured by way of hypothecation of respective assets acquired under the hire purchase contracts.

## SCHEDULES

(in Rs lakh)

**on 31 March 2010**      on 31 March 2009

### SCHEDULE 4: UNSECURED LOANS

|   |                        |                 |
|---|------------------------|-----------------|
| Foreign Currency Convertible Bonds (FCCB) | <b>16511.78</b>        | 33697.50        |
| Fixed Deposits                            | <b>118.03</b>          | 146.08          |
| Compulsorily Convertible Debentures       | <b>10239.96</b>        | 10,239.96       |
| Other Loans and Advances                  | <b>1402.32</b>         | 133.71          |
| Provision For FCCB Premium                | <b>6130.48</b>         | 18458.74        |
| Share of Joint Ventures                   | <b>10978.71</b>        | 3842.18         |
|   | <b><u>45381.28</u></b> | <u>66518.17</u> |

#### Notes

- 1 The Company raised US\$75 Million through issue of Foreign Currency Convertible Bonds (FCCB) on 18 April 2006. The bonds have been listed on the Singapore Stock Exchange. These Bonds will mature in 5 years and 1 day. Each bond will be convertible in to 78.8152 shares of Sical Logistics Ltd., the conversion price of each being Rs 563.55. The Bonds are convertible into fully paid equity shares on or after 29 May 2006 up to 12 April 2011 by the holders. The company has the option to exercise a call option for the bonds after 18 April 2010, provided a 30% premium has been achieved over the accreted conversion price as of that date. The bonds carry a zero Coupon with a Yield-to-Maturity of 6.32% P.A calculated on a semi-annual basis. From the eligible period for conversion, the Bonds will be treated as dilutive potential equity shares. The current outstanding of face value USD 36.75 Million has not been hedged.
- 2 Sical Infra Assets Limited one of the subsidiary has issued 10239959 compulsorily convertible debentures of Rs 100 each to Old Lane Mauritius IV Limited on 31 December 2007, convertible into equity shares upon completion of the conditions as stipulated in the shareholders agreement and decided by the Board.

# SCHEDULES

## SCHEDULE 5: FIXED ASSETS

(in Rs lakh)

|                                      | COST              |                  |                    |                       |                   | DEPRECIATION     |                   |                    |                 |                  | NET BLOCK         |                   |
|--------------------------------------|-------------------|------------------|--------------------|-----------------------|-------------------|------------------|-------------------|--------------------|-----------------|------------------|-------------------|-------------------|
|                                      | On<br>01.04.09    | Additions        | Transfer<br>in/out | Sales/<br>Adjustments | On<br>31.03.10    | On<br>01.04.09   | For the<br>period | Transfer<br>in/out | Withdrawn       | Upto<br>31.03.10 | As on<br>31.03.10 | As on<br>31.03.09 |
| Goodwill                             | 17,086.84         | 95.52            | -                  | (8,350.00)            | 8,832.36          | -                | -                 | -                  | -               | -                | 8,832.36          | 17,086.84         |
| Freehold Land                        | 1,896.02          | 2,533.53         | -                  | (1.52)                | 4,428.03          | -                | -                 | -                  | -               | -                | 4,428.03          | 1,896.02          |
| Buildings                            | 5,215.59          | 764.24           | -                  | -                     | 5,979.83          | 617.86           | 102.76            | -                  | -               | 720.62           | 5,259.21          | 4,597.73          |
| Leasehold Improvements               | 2.35              | -                | -                  | -                     | 2.35              | 0.79             | 0.79              | -                  | -               | 1.58             | 0.77              | 1.56              |
| Plant & Machinery                    | 6,268.20          | 2,582.36         | 3.03               | -                     | 8,853.59          | 1,187.91         | 381.95            | -                  | (4.68)          | 1,574.54         | 7,279.05          | 5,080.29          |
| Office Equipments                    | 878.37            | 74.31            | (3.03)             | (0.24)                | 949.41            | 504.23           | 120.53            | -                  | (7.85)          | 632.61           | 316.80            | 374.14            |
| Furniture & Fixtures                 | 523.93            | 14.90            | -                  | -                     | 538.83            | 373.20           | 29.55             | -                  | (1.37)          | 404.12           | 134.71            | 150.73            |
| Ship                                 | 28,774.74         | -                | -                  | (17,411.73)           | 11,363.01         | 2,993.48         | 977.96            | -                  | 2,401.25        | 1,570.19         | 9,792.82          | 25,781.25         |
| Trucks                               | 3,564.33          | -                | -                  | (330.79)              | 3,233.54          | 1,951.14         | 457.47            | -                  | 312.63          | 2,095.98         | 1,137.56          | 1,613.20          |
| Vehicles                             | 739.96            | 40.65            | -                  | (50.66)               | 729.95            | 268.15           | 74.27             | -                  | 18.83           | 323.59           | 406.36            | 471.80            |
| Leased Machinery                     | 38.13             | -                | -                  | -                     | 38.13             | 38.13            | -                 | -                  | -               | 38.13            | -                 | -                 |
| Port Handling Equipment              | 9,753.85          | -                | -                  | -                     | 9,753.85          | 3,349.54         | 484.49            | -                  | -               | 3,834.03         | 5,919.82          | 6,404.31          |
| Licence Fee                          | 5,000.00          | -                | -                  | -                     | 5,000.00          | 267.66           | 249.86            | -                  | -               | 517.52           | 4,482.48          | 4,732.34          |
| <b>Total</b>                         | <b>79,742.31</b>  | <b>6,105.51</b>  | <b>-</b>           | <b>(26,144.94)</b>    | <b>59,702.88</b>  | <b>11,552.10</b> | <b>2,879.63</b>   | <b>-</b>           | <b>2,718.81</b> | <b>11,712.91</b> | <b>47,989.97</b>  | <b>68,190.21</b>  |
| Goodwill on Investment in Subsidiary | 1,022.33          | 17.46            | -                  | (43.96)               | 995.83            | -                | -                 | -                  | -               | -                | 995.83            | 1,022.33          |
| Goodwill on Investment in JV         | 159.51            | -                | -                  | -                     | 159.51            | -                | -                 | -                  | -               | -                | 159.51            | 159.51            |
| Share in Joint Venture Assets        | 5,179.75          | 14,823.20        | -                  | (0.04)                | 20,002.91         | 3,493.07         | 649.20            | -                  | 0.05            | 4,142.23         | 15,860.68         | 1,686.68          |
| <b>Grand Total</b>                   | <b>86,103.90</b>  | <b>20,946.17</b> | <b>-</b>           | <b>(26,188.94)</b>    | <b>80,861.13</b>  | <b>15,045.17</b> | <b>3,528.83</b>   | <b>-</b>           | <b>2,718.86</b> | <b>15,855.14</b> | <b>65,005.99</b>  | <b>71,058.73</b>  |
| Capital Work in Progress             | 8,022.06          | 22,308.21        | -                  | (48.02)               | 30,282.25         | -                | -                 | -                  | -               | -                | 30,282.25         | 8,022.06          |
| Share in Joint Venture CWIP          | 7,480.22          | -                | -                  | (7,480.22)            | -                 | -                | -                 | -                  | -               | -                | -                 | 7,480.22          |
| <b>Total</b>                         | <b>15,502.28</b>  | <b>22,308.21</b> | <b>-</b>           | <b>(7,528.24)</b>     | <b>30,282.25</b>  | <b>-</b>         | <b>-</b>          | <b>-</b>           | <b>-</b>        | <b>-</b>         | <b>30,282.25</b>  | <b>15,502.28</b>  |
| <b>Current Year</b>                  | <b>101,606.18</b> | <b>43,254.38</b> | <b>-</b>           | <b>(33,717.18)</b>    | <b>111,143.38</b> | <b>15,045.17</b> | <b>3,528.83</b>   | <b>-</b>           | <b>2,718.86</b> | <b>15,855.14</b> | <b>95,288.24</b>  | <b>86,561.01</b>  |
| <b>Previous Year</b>                 | <b>79,217.29</b>  | <b>7,906.46</b>  | <b>5,094.84</b>    | <b>1,583.51</b>       | <b>101,606.18</b> | <b>11,882.07</b> | <b>3,606.81</b>   | <b>470.51</b>      | <b>914.22</b>   | <b>15,045.17</b> | <b>86,561.01</b>  | <b>67,335.21</b>  |

### NOTES

WDV of the Assets acquired under Hire Purchase agreement included under :

| <b>As on 31.03.2010</b> |        | <b>As on 31.03.2009</b> |  |
|-------------------------|--------|-------------------------|--|
|                         |        | in Rs Lakh              |  |
| Vehicles                | 19.65  | 27.54                   |  |
| Trucks                  | 752.70 | 1,409.53                |  |



# SCHEDULES

## SCHEDULE 6: INVESTMENTS

|   |                     | (in Rs lakh)              |                  |                  |
|---|---------------------|---------------------------|------------------|------------------|
| Name of the Body Corporate                  | No. of Shares/Units | Face Value per Share/Unit | On 31 March 2010 | On 31 March 2009 |
| <b>TRADE INVESTMENT - AT COST</b>           |                     |                           |                  |                  |
| Sicagen India Limited                       | 50000               | 10                        | 5.00             | 5.00             |
| <b>Share Application Money</b>              |                     |                           |                  |                  |
| Share Application Money                     |                     |                           | 1.20             | 136.09           |
| <b>Investment in Land</b>                   |                     |                           |                  |                  |
|   |                     |                           | 2,603.96         | 4,738.09         |
| <b>NON TRADE INVESTMENT - AT COST</b>       |                     |                           |                  |                  |
| <b>In Mutual Funds</b>                      |                     |                           |                  |                  |
| DWS Short Maturity Fund                     | 15112.71            | 10.02                     | 1.51             | 1.45             |
| Reliance Medium Term Fund                   | 107220.41           | 17.10                     | 18.33            | 900.00           |
| UTI Treasury Advantage Fund-IP DDO          | 10103.43            | 1,000.21                  | 101.06           | -                |
| ICICI Prudential Flexible Income Plan       | 653405.80           | 10.57                     | -                | 69.06            |
| Birla Sunlife Mutual Fund                   | 11957079.22         | 10.44                     | -                | 1,249.08         |
| DWS Fixed Term Fund                         | 5000000             | 10.00                     | -                | 500.00           |
| ICICI Prudential Flexible Income Plan       | 1500000             | 10.00                     | -                | 150.00           |
| Reliance Money Manager Fund                 | 4053.77             | 1,001.14                  | -                | 40.58            |
| UTI Guilt Fund                              | 20000000            | 10.00                     | -                | 2,000.00         |
| Temp. Investment (HDFC)                     | -                   | -                         | -                | 700.00           |
| HDFC CMF -Tap                               | 10165681.10         | 10.00                     | 1,019.77         | -                |
| HSBC Floating RF-LTP                        | 4526074.92          | 10.00                     | 508.27           | -                |
| Reliance STF-Retail Plan                    | 4731308.71          | 10.00                     | 503.70           | -                |
| UTI Floating Rate-STP                       | 50338.74            | 10.00                     | 503.78           | -                |
| HDFC CMF -Tap                               | 5021144.71          | 10.00                     | 503.70           | -                |
| IDFC Money Manager F-TAP                    | 4998076.51          | 10.00                     | 503.30           | -                |
| ICICI Prudential-FIP                        | 501725.84           | 10.00                     | 503.13           | -                |
| HDFC CMF -Tap                               | 4989270.00          | 10.00                     | 500.50           | -                |
| Reliance Short Term Fund-RP                 | 4703763.41          | 10.00                     | 500.77           | -                |
| ICICI Prudential-FIP                        | 473348.06           | 10.00                     | 500.49           | -                |
| IDFC Money Manager F-TAP                    | 4969582.37          | 10.00                     | 500.43           | -                |
|   |                     |                           | 8778.90          | 10489.35         |
| <b>Less: Diminution Value of Investment</b> |                     |                           | -                | 120.74           |
| <b>Net Investment</b>                       |                     |                           | 8778.90          | 10368.61         |
| <b>Market Value of Quoted Investment</b>    |                     |                           |                  |                  |
| DWS Short Maturity Fund                     | 14523.66            | 10.02                     | -                | 1.45             |
| ICICI Prudential Flexible Income            | 653405.80           | 10.57                     | -                | 69.06            |
| Birla Sunlife Mutual Fund                   | 12031207.88         | 10.44                     | -                | 1,247.84         |
| DWS Fixed Term Fund                         | 5000000             | 10.62                     | -                | 500.00           |
| ICICI Prudential Flexible Income Plan       | 1431229.09          | 10.57                     | -                | 150.00           |
| Reliance Money Manager Fund                 | 4053.77             | 1,001.14                  | -                | 40.58            |
| Reliance Medium Term Fund                   | 4984327.06          | 18.17                     | -                | 900.00           |
| UTI Guilt Fund                              | 16265724.53         | 11.55                     | -                | 2,000.00         |
| <b>Addition/Deletion During the Year</b>    |                     |                           |                  |                  |
| <b>Additions</b>                            |                     |                           |                  |                  |
| Investment in Land                          |                     |                           | 399.40           | 777.21           |
| DWS Short Maturity Fund                     | 589.04              | 10.02                     | 0.06             | 1.45             |
| UTI Treasury Advantage Fund-IP DDO          | 10103.427           | 1,000.21                  | 101.06           | -                |
| ICICI Prudential Flexible Income            | 653405.80           | 10.57                     | -                | 69.09            |
| Birla Sunlife Mutual Fund                   | 11957079.22         | 10.436                    | -                | 1,247.84         |
| DWS Fixed Term Fund                         | 5000000             | 10                        | -                | 500.00           |
| ICICI Prudential Flexible Income Plan       | 1500000             | 10                        | -                | 150.00           |

## SCHEDULES

|   |             |          |                 |                 |
|---|-------------|----------|-----------------|-----------------|
| Reliance Money Manager Fund   | 4053.77     | 1,001.14 | -               | 40.58           |
| Reliance Medium Term Fund   | 4984327.06  | 18.0566  | -               | 900.00          |
| UTI Guilt Fund  | 20000000    | 10       | -               | 2,000.00        |
| Share Application Money   |             |          |                 | 136.09          |
| HDFC CMF -Tap   | 10165681.10 |          | <b>1,019.77</b> | -               |
| HSBC Floating RF-LTP  | 4526074.92  |          | <b>508.27</b>   | -               |
| Reliance STF-Retail Plan  | 4731308.71  |          | <b>503.70</b>   | -               |
| UTI Floating Rate-STP   | 50338.74    |          | <b>503.78</b>   | -               |
| HDFC CMF -Tap   | 5021144.71  |          | <b>503.70</b>   | -               |
| IDFC Money Manager F-TAP  | 4998076.51  |          | <b>503.30</b>   | -               |
| ICICI Prudential-FIP  | 501725.84   |          | <b>503.12</b>   | -               |
| HDFC CMF -Tap   | 4989270.00  |          | <b>500.50</b>   | -               |
| Reliance Short Term Fund-RP   | 4703763.41  |          | <b>500.77</b>   | -               |
| ICICI Prudential-FIP  | 473348.06   |          | <b>500.49</b>   | -               |
| IDFC Money Manager F-TAP  | 4969582.37  |          | <b>500.43</b>   | -               |
| <b>Total</b>  |             |          | <b>6,548.35</b> | <b>5,822.26</b> |
| <b>Sales/Redemption</b>   |             |          |                 |                 |
| Land Capitalised  |             |          | <b>2533.53</b>  | -               |
| Share Application Money   |             |          | <b>134.90</b>   | -               |
| <b>In Mutual Funds</b>  |             |          |                 |                 |
| ICICI Prudential Flexible Income                                    |             |          | <b>69.06</b>    | -               |
| Birla Sunlife Mutual Fund   |             |          | <b>1,249.06</b> | -               |
| DWS Fixed Term Fund   |             |          | <b>500.00</b>   | -               |
| ICICI Prudential Flexible Income Plan                               |             |          | <b>150.00</b>   | -               |
| Reliance Money Manager Fund   |             |          | <b>40.58</b>    | -               |
| Reliance Medium Term Fund   |             |          | <b>881.67</b>   | -               |
| UTI Guilt Fund  |             |          | <b>2,000.00</b> | -               |
| Temp.Investment(HDFC)   |             |          | <b>700.00</b>   | -               |
| Reliance Floating Rate Fund   |             |          | -               | 126.71          |
| AIG India Treasury Plus Fund  |             |          | -               | 451.38          |
| Reliance Liquidity Fund 06496                                       |             |          | -               | 225.98          |
| Reliance Liquidity Fund SIC-63722                                   |             |          | -               | 1.02            |
| Birla Sunlife Interval Income Fund - MP                             |             |          | -               | 503.64          |
| UTI Liquid Plus Fund IP Growth                                      |             |          | -               | 631.14          |
| AIG Short Term Fund   |             |          | -               | 2012.07         |
| DWS Credit Opportunities Fund                                       |             |          | -               | 1005.90         |
| DWS Money Plus Fund   |             |          | -               | 1005.13         |
| ING Liquid Plus Fund  |             |          | -               | 185.53          |
| Reliance Short Term   |             |          | -               | 1509.18         |
| Templeton India Short Term  |             |          | -               | 1505.75         |
| UTI Monthly Interval Plan   |             |          | -               | 503.02          |
| UTI Fixed Maturity Plan   |             |          | -               | 503.05          |
| UTI HFMP  |             |          | -               | 501.63          |
| UTI Liquid Plus Fund  |             |          | -               | 1006.65         |
| UTI MIP Series  |             |          | -               | 1008.88         |
| UTI QFMP  |             |          | -               | 502.53          |
| UTI Liquid Plus Fund  |             |          | -               | 75.21           |
| Lotus India liquid plus fund - weekly dividend (Reinvestment plan)* |             |          | -               | 103.45          |
| *NAV as on 31.03.08 is Rs 1,03,43,847.68                            |             |          |                 |                 |
| SBI Mutual Fund - Short term growth                                 |             |          | -               | 10.00           |
| IDBI - BG Money   |             |          | -               | 5.00            |
| <b>Total</b>  |             |          | <b>8258.80</b>  | <b>13382.84</b> |

## SCHEDULES

(in Rs lakh)

on 31 March 2010      on 31 March 2009

### SCHEDULE 7: INVENTORIES

At lower of cost and net realisable value

|                             |               |        |
|-----------------------------|---------------|--------|
| Stores and Spares           | <b>284.54</b> | 206.47 |
| Loose Tools                 | <b>28.62</b>  | 26.65  |
| Raw Materials               |               |        |
| Civil engineering contracts | <b>5.69</b>   | 5.69   |
| Share of Joint Ventures     | <b>114.18</b> | 85.81  |
|                             | <b>433.03</b> | 324.62 |

### SCHEDULE 8: SUNDRY DEBTORS

Unsecured

Debts outstanding for a period exceeding six months

|                                    |                 |          |
|------------------------------------|-----------------|----------|
| Considered good                    | <b>9310.71</b>  | 8158.60  |
| Considered doubtful                | <b>405.12</b>   | 385.47   |
|                                    | <b>9715.83</b>  | 8544.07  |
| Less: Provision for Doubtful debts | <b>402.12</b>   | 385.47   |
| Other debts - Considered good      | <b>9784.83</b>  | 10818.59 |
| Share of Joint Ventures            | <b>139.44</b>   | 179.41   |
|                                    | <b>19237.98</b> | 19156.60 |

## SCHEDULES

### SCHEDULE 9: CASH AND BANK BALANCES

|  | (in Rs lakh)     |                  |
|--|------------------|------------------|
|  | on 31 March 2010 | on 31 March 2009 |
| Cash and Cheques on hand, Remittances in transit and in foreign currency                               | 36.16            | 25.66            |
| With Scheduled Banks   |                  |                  |
| On Current Accounts  | 3505.32          | 1673.23          |
| On Deposit Accounts  | 2057.66          | 4776.80          |
| On Margin Money Accounts   | 1182.87          | 5041.95          |
| On Dividend Accounts   | 11.40            | 11.53            |
| On Debenture Account   | 0.38             | 0.38             |
|  | <b>6757.63</b>   | 11503.89         |
| With Non-Scheduled Bank  |                  |                  |
| On Current Account with Overseas Chinese Banking Corpn Ltd (Maximum amount outstanding Rs 17.54 Lakhs) | 13.49            | 17.54            |
| United Overseas Bank Current Account (Maximum amount outstanding Rs 8.69 Lakhs)                        | 7.70             | 8.69             |
| On Current account with RBS Coutts Bank Ltd. (Maximum amount outstanding Rs 4442.18 Lakhs)             | 188.25           | 4442.18          |
|  | <b>209.44</b>    | 4468.41          |
| Share of Joint Ventures  | 1606.68          | 2292.07          |
|  | <b>8609.91</b>   | 18290.03         |

## SCHEDULES

(in Rs lakh)  
on 31 March 2010      on 31 March 2009

### SCHEDULE 10: LOANS AND ADVANCES

Advances recoverable in cash or in kind or for value to be received

|   |                             |                       |
|---|-----------------------------|-----------------------|
| Considered good   | <b>14220.32</b>             | 16676.39              |
| Less: Provision for doubtful advances                           | <u>-    <b>14220.32</b></u> | <u>-    16,676.39</u> |
| Advance payment of Income-tax/TDS                               | <b>11459.75</b>             | 10154.94              |
| Balance with Central Excise, Customs and Port Trust Authorities | <b>1689.12</b>              | 1174.81               |
| Others  | <b>496.95</b>               | 10.09                 |
| Deposits  | <b>1457.19</b>              | 529.91                |
| Share of Joint Ventures   | <b>1469.35</b>              | 1068.76               |
|   | <u><b>30792.68</b></u>      | <u>29614.90</u>       |

### SCHEDULE 11: CURRENT LIABILITIES AND PROVISIONS

#### CURRENT LIABILITIES

|                                       |                        |                 |
|---------------------------------------|------------------------|-----------------|
| Acceptances                           | -                      | 61.35           |
| Sundry Creditors                      | <b>28791.25</b>        | 27262.78        |
| Unclaimed Dividend                    | <b>11.40</b>           | 11.53           |
| Unclaimed Debentures                  | <b>0.38</b>            | 0.38            |
| Interest accrued but not due on Loans | <b>36.62</b>           | 37.40           |
|                                       | <u><b>28839.65</b></u> | <u>27373.44</u> |

#### PROVISIONS

|                         |                        |                 |
|-------------------------|------------------------|-----------------|
| Provision for Gratuity  | <b>166.16</b>          | 161.34          |
| Provision for Taxation  | <b>8674.04</b>         | 7921.05         |
| Other Provisions        | <u><b>1923.45</b></u>  | <u>-</u>        |
|                         | <b>10763.65</b>        | 8082.39         |
| Share of Joint Ventures | <b>1546.74</b>         | 1448.40         |
|                         | <u><b>41150.04</b></u> | <u>36904.23</u> |

## SCHEDULES

(in Rs lakh)  
on 31 March 2010      on 31 March 2009

### SCHEDULE 12: MISCELLANEOUS EXPENDITURE

(to the extent not written off)

|                         |               |              |
|-------------------------|---------------|--------------|
| Preliminary Expenses    | 337.61        | 49.11        |
| Pre-operative Expenses  | 578.46        | 5.52         |
| Share of Joint Ventures | 0.61          | -            |
|                         | <u>916.68</u> | <u>54.63</u> |

### SCHEDULE 13: SERVICES AND SALES

#### SERVICES

|  |                 |                 |
|--|-----------------|-----------------|
| Transportation   | 31518.21        | 20341.42        |
| Clearing & Handling Charges                                    | 7733.20         | 5786.14         |
| Warehousing Rent, Freight On Lorry, Stevedoring, Coal Handling | 27685.93        | 27958.98        |
| Offshore Earnings  | 1005.68         | 6334.33         |
| Agency Fees  | 145.76          | 116.78          |
|  | <u>68088.78</u> | <u>60537.65</u> |

#### OTHERS

|  |                 |                 |
|--|-----------------|-----------------|
| Manufactured Goods   | -               | 3308.97         |
| Less: Excise Duty  | -               | -               |
| Net Sales  | -               | 3308.97         |
| Others - including by products   | 85.58           | 4.69            |
| Share of Joint Ventures<br>(Tax Deducted at Source on the above Rs 521.87 Lakhs (Rs 379.13 Lakhs)) | 4026.64         | 3603.34         |
|  | <u>72201.00</u> | <u>67454.65</u> |

### SCHEDULE 14: OTHER INCOME

|  |               |               |
|--|---------------|---------------|
| From Non-Trade Investments   | -             | 0.78          |
| Profit on sale of Investments (Net)  | -             | 144.94        |
| Profit on sale of fixed assets   | 93.56         | -             |
| Exchange fluctuation difference  | 83.23         | -             |
| Rent including Lease Rent and Service charges<br>(Tax Deducted at Source Rs 1.51 Lakhs (Previous Year: Rs 2.10 Lakhs)) | 9.50          | 10.97         |
| Miscellaneous Income   | 48.74         | 641.61        |
| Share of Joint ventures  | 237.23        | 29.44         |
|  | <u>472.26</u> | <u>827.74</u> |

## SCHEDULES

(in Rs lakh)

**On 31 March 2010**      On 31 March 2009

### SCHEDULE 15: COST OF GOODS SOLD

|                              |       |         |
|------------------------------|-------|---------|
| Consumption of Raw Materials |       |         |
| Stock as on 1st April        | -     | 346.93  |
| Add: Purchases               | -     | 2422.83 |
|                              | <hr/> | <hr/>   |
|                              |       | 2769.76 |
| Less: Stock as on 31st March | -     | -       |
|                              | <hr/> | <hr/>   |
|                              |       | 2769.76 |

### SCHEDULE 16: COST OF SERVICES

|                                      |          |          |
|--------------------------------------|----------|----------|
| Freight Paid                         | 25030.67 | 17567.20 |
| Port Charges                         | 577.49   | 602.24   |
| Handling and Transportation expenses | 29688.32 | 22571.12 |
| Warehousing expenses                 | 24.41    | 47.27    |
| Workshop Expenses                    | 0.20     | 0.33     |
| Expenditure on Contracts             | 250.58   | 166.66   |
| Operation and Maintenance expenses   |          |          |
| Operation and Maintenance            | 3718.60  | 5735.46  |
| Stores Consumed                      | -        | 70.40    |
|                                      | <hr/>    | <hr/>    |
|                                      | 3718.60  | 5805.86  |
| Share of Joint Ventures              | 2979.59  | 2131.52  |
|                                      | <hr/>    | <hr/>    |
|                                      | 62269.86 | 48892.20 |

### SCHEDULE 17: SALARIES, WAGES AND OTHER BENEFITS

|  |         |         |
|--|---------|---------|
| Salaries, Wages and Bonus including Directors remuneration | 2204.09 | 2289.68 |
| Contribution to Provident Fund                             | 72.48   | 91.68   |
| Contribution to Gratuity and Superannuation Fund           | 26.21   | 6.67    |
| Welfare Expenses   | 145.99  | 165.67  |
| Share of Joint Ventures                                    | 229.79  | 207.72  |
|  | <hr/>   | <hr/>   |
|  | 2678.56 | 2761.42 |



## SCHEDULES

(in Rs lakh)

On 31 March 2010

On 31 March 2009

### SCHEDULE 18: MANUFACTURING AND OTHER EXPENSES

|                                       |        |         |         |
|---------------------------------------|--------|---------|---------|
| Rent including Lease Rent             | 107.07 |         | 151.32  |
| Rates, Taxes, Licence and Filing fees | 69.56  |         | 84.89   |
| Insurance                             | 41.07  |         | 51.26   |
| Power and Fuel                        | 69.48  |         | 101.53  |
| Repairs and Maintenance               |        |         |         |
| Plant & Machinery                     | 48.95  |         | 45.21   |
| Building                              | 38.74  |         | 24.10   |
| Vehicles                              | 8.65   |         | 4.80    |
| Others                                | 43.99  | 140.33  | 39.55   |
| Travelling and Conveyance             |        | 301.01  | 334.00  |
| Directors' Sitting Fees               |        | 9.14    | 7.20    |
| Payment to Auditors                   |        |         |         |
| Audit                                 | 38.58  |         | 37.23   |
| Tax Audit                             | 5.41   |         | 5.96    |
| Certification                         | 7.63   |         | 7.87    |
| Expenses                              | 9.26   | 60.88   | 1.47    |
| Consumable Stores and Tools           |        | 76.05   | 107.06  |
| Selling Expenses                      |        | 874.78  | 622.05  |
| Miscellaneous Expenses                |        | 1212.04 | 1101.34 |
| Bad Debts written off                 | 138.48 |         | 6.68    |
| Less: Written off against Provision   | -      | 138.48  | -       |
| Provisions for doubtful debts         |        | 16.99   | -       |
| Assets discarded/written off          |        | 1.75    | 5.24    |
| Rebates, Discount and Commission      |        |         | 415.21  |
| Commission to Directors               |        | 15.54   | 49.62   |
| Share of Joint Ventures               |        | 773.76  | 801.77  |
|                                       |        | 3907.93 | 4005.36 |

### SCHEDULE 19: INTEREST & FINANCIAL CHARGES

|  |          |         |          |
|--|----------|---------|----------|
| On Fixed Loans   | 2133.73  |         | 2640.27  |
| Others   | 266.58   |         | 343.42   |
|  | 2400.31  |         | 2983.69  |
| Less: Interest on Deposits   | (196.23) |         | (550.41) |
| Interest from Others   | (257.62) | 1946.46 | (847.53) |
| (Tax Deducted at Source Rs 23.80 Lakhs<br>(Previous Year: Rs 76.12 Lakhs)) |          |         |          |
| Share of Joint Ventures  |          | 318.58  | 7.68     |
|  |          | 2265.04 | 1593.43  |

## SCHEDULES

### SCHEDULE 20A: SIGNIFICANT ACCOUNTING POLICIES

#### 1 Basis of Preparation

The consolidated financial statements are prepared in accordance with accounting standard-21 on consolidated financial statements and accounting standard-27 financial reporting of interest in Joint ventures in consolidated financial statements issued by The Institute of Chartered Accountants of India. The Consolidated Financial statements comprise the financial statement of Sical Logistics Ltd. and its subsidiaries.

The list of subsidiary and its subsidiary companies and joint venture companies which are included in consolidation are as under.

##### Subsidiary Companies

- a Sical Infra Assets Ltd., and its subsidiaries Sical Distriparks Ltd., Sical Multimodal and Rail Transport Ltd., Nagpur Sical Gupta Road Terminal Ltd. & Nagpur Sical Gupta Logistics Ltd.
- b Bergen Offshore Logistics Pte. Ltd. & its subsidiary Norse Global Offshore Private Ltd.
- c Sical Iron Ore Terminals Ltd.
- d Ennore Automotive Logistics Ltd.
- e Sical Iron Ore Terminal (Mangalore) Ltd.

##### Joint ventures

PSA Sical Terminals Ltd.

Chennai International Terminals Private Ltd.

#### 2 Basis of Consolidation

The financial statements are consolidated in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard-21 and as per Accounting Standard-27 (in respect of Joint Ventures).

Interests In Joint Ventures:

| Name  | Percentage of ownership interest as at 31 March 2010 | Country of Incorporation | Financial Statements drawn up to |
|---|--|--------------------------|----------------------------------|
| PSA Sical Terminals Limited                     | 37.50%   | India                    | 31.03.10                         |
| Chennai International Terminals Private Limited | 27.00%   | India                    | 31.12.09                         |

Joint Venture disclosures:

|  |              |
|--|--------------|
| a Income   | (in Rs Lakh) |
| i Sales & Service                                | 3679.61      |
| ii Other Income                                  | 230.27       |
| b Total Expenditure                              | 4640.99      |
| c Profit before Tax                              | (731.11)     |
| Less: Provision for taxation- Current & Deferred | -            |
| d Profit/(Loss) after tax                        | (731.11)     |

#### 3 Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

Assets which were revalued on 31 March 1989, 31 March 1994 and 31 March 1995 are stated at revalued amounts. The resultant increase on revaluation was credited to Revaluation Reserve account.

Other assets including the additions subsequent to revaluation are shown at cost, which includes capitalization of pre-operative expenses and net of CENVAT credit availed wherever applicable.

With regard to assets acquired under hire purchase, the cost of the assets is capitalized while the annual charges are charged to revenue.

## SCHEDULES

### 4 Borrowing Cost

Borrowing costs are capitalized as part of qualifying fixed assets wherever it is possible that they will result in future economic benefits. Other borrowing costs are expensed.

### 5 Depreciation

Depreciation is consistently provided at the rates prescribed under Schedule XIV of the Companies Act, 1956 on the following methods:

- Assets of logistics division at written down value method except assets of transportation & warehousing divisions at straight-line method. Port handling equipments are written off over the period of BOT Scheme.
- Assets of Civil Engineering & Property Development divisions at straight-line method.
- Depreciation on certain premises is provided on composite cost where it is not possible to segregate the land cost.
- Depreciation on leased assets is provided on straight-line method over the primary period of lease.
- Improvements on leasehold premises are depreciated over the tenure of lease.
- Assets costing less than Rs 5000 are fully depreciated.
- In respect of the Subsidiaries, Depreciation is provided on both WDV & SLM basis at the rate prescribed in Schedule XIV of the Companies Act, 1956.
- In respect of one of the Joint Ventures, Depreciation on fixed assets other than Freehold land are depreciated on Straight Line method at the rates prescribed under Schedule XIV of the Companies Act, 1956 and in respect of another, depreciation is provided on straight-line basis from the month of acquisition/installation so as to write off the cost of the assets over their estimated useful lives as below:

| Category of Assets     | Estimated useful life (in years) |
|------------------------|----------------------------------|
| Building               | 10 and 30                        |
| Plant & Machinery      | 10 to 20                         |
| Furniture and fixtures | 10                               |
| Computers              | 4                                |
| Office Equipment       | 10                               |
| Vehicles               | 5 and 10                         |

### 6 Investments

Investments in shares and debentures are stated at cost, net of permanent diminution in value wherever necessary. Cost includes interest attributable to funds borrowed for acquisition of investments.

Dividends are accounted for when the right to receive the payment is established.

### 7 Inventories

- Stores and Spares are valued at cost, computed on first in first out basis.
- Loose Tools are valued after writing off certain percentage on cost.

### 8 Excise Duty

- CENVAT credit on materials purchased for production are taken into account at the time of purchase and CENVAT credit on purchase of capital items wherever applicable are taken into account as and when the assets are installed, to the credit of respective purchase and assets accounts. The CENVAT credits so taken are utilized for payment of excise duty on goods manufactured. The unutilized CENVAT credit is carried forward in the books.
- Excise duty payable on manufactured goods held in the factories is included in valuation of such stocks.

### 9 Revenue Recognition

- Revenue is recognised and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.
- Service Income:
  - Net earnings on voyage/contracts on completion.
  - Other services on completion of services and billed.
  - Expenditure incurred on incomplete voyages and contracts are included under "Advances Recoverable".

## SCHEDULES

- c Warranty Liability on account of after-sales service is recognized for the best estimate of the cost of making good under the warranty of products sold before the Balance Sheet date in accordance with Accounting Standard-29 on Provisions, Contingent Liabilities and Contingent Assets issued by The Institute of Chartered Accountants of India
- d Coal handling charges up to January 2001 is net of shortage cover retained by Tamil Nadu Electricity Board. Additional claim, if any, that may be determined on the closure of the contract will be recognized when the claim is made.

### 10 Foreign Currency Transactions

Foreign currency monetary items as on Balance Sheet date are reinstated to its acquisition/ commencing date and the resultant difference is transferred to General Reserve account. The exchange difference arose on reporting of long term foreign currency monetary items as on Balance sheet date are transferred to foreign currency translation reserve account and half of such amount amortized during the year and remaining balance to the tune of Rs 836.43 Lakhs (Previous year Rs 3362.60 Lakhs) to be amortized in the forthcoming year as per AS-11(R) issued by Central government vide their notification no G.S.R 226(E) Dt. 31 March 2009.

The exchange difference arose on translation of monetary, non-monetary and income and expenses items of a non-integral foreign subsidiary was transferred to foreign exchange reserve account.

### 11 Retirement Benefits

Short term employee benefits are charged off at the undiscounted amount in the year in which the related service is rendered.

Post employment and other long term employee benefits are charged off in the year in which the employee has rendered service. The amount charged off is recognized at the present value of the amounts payable determined using actuarial valuation method. Actuarial gains and losses in respect of post employment and other long term benefits are charged to Profit and Loss Account.

### 12 Miscellaneous Expenditure

In respect of one of the Joint Ventures, Preliminary expenses, Share Issue expenses and Pre-operative expenses are written off over a period of 8 years commencing from the first full year of commercial Operations and in respect of other Expenditure on account of front-end royalty is amortized over a period of 10 years and other deferred expenditure is amortized over a period of 2 to 5 years.

### 13 Subsidy

Lump sum capital subsidies not relating to any specific fixed asset received from the State Governments for setting up new projects are accounted as Capital Reserve.

### 14 Contingent Liabilities & Provisions

All known liabilities of material nature have been provided for in the accounts except liabilities of a contingent nature, which have been disclosed at their estimated value in the notes on accounts in accordance with Accounting Standard-29. As regards Provisions, it is only those obligations arising from past events existing independently of an enterprise's future actions that are recognized as provisions.

### 15 Segment Reporting

The accounting policies adopted for Segment reporting are in line with the Accounting Standard-17.

### 16 Discontinuing Operations

Discontinuing Operations have been recognized and disclosed in line with Accounting Standard-24.

### 17 Impairment of Assets

The Company recognizes impairment of all assets other than the assets, which are specifically excluded under Accounting Standard-28 on Impairment of Assets after comparing the asset's recoverable value with its carrying amount in the books. In case the carrying amount exceeds recoverable value, impairment losses are provided for.

### 18 Deferred Taxes

- a Current Tax is determined in accordance with the Income tax Act, 1961.
- b Deferred tax is recognized for all the timing differences. Deferred tax assets are recognised when considered prudent.

## SCHEDULES

### SCHEDULE 20B: NOTES ON ACCOUNTS

- 1 Claims against the Company not acknowledged as debts Rs 468.02 Lakhs (Previous Year: Rs 686.62 Lakhs).
- 2 Estimated amount of contracts remaining to be executed on capital account and not provided for Rs 24,747 Lakhs (Previous Year: Rs 31,657.91 Lakhs).
- 3 In accordance with Accounting Standard-29, the following are considered as Contingent liabilities and Provisions:
  - a Sales Tax, Service Tax, Customs, Wealth Tax and Income Tax demands together with penalties under appeal amounts to Rs 4,868.12 Lakhs (Rs 3,404.64 Lakhs).
  - b Guarantees given by the Company for loans taken by other bodies corporate for the purpose of executing the projects which are under construction are Rs 49,211 Lakhs (Previous Year Rs 6,214.00 Lakhs)
  - c Guarantees given by bankers for Performance of Contracts & others Rs 11,338.11 Lakhs (Previous Year: Rs 3,878.46 Lakhs).
- 4 Investments
 

Provision has been made for shortfall in the market value of certain quoted investments ascertained on individual basis amounting to Nil Lakh (Previous Year: Rs 120.74 Lakhs).
5. Sundry Debtors, Loans and Advances and Deposits include certain overdue and unconfirmed balances. Some of the accounts are under reconciliation. These include:
  - a Retention money retained as per terms of contracts Rs 7069.22 Lakhs (Previous Year: Rs 6,998.93 Lakhs).
  - b Rs 2338.68 Lakhs (Previous year: Rs 2,338.68 Lakhs) is due from ONGC, is referred for formation of Outside Expert committee to resolve the pending issues.
  - c With regard to IMFL division which has been sold during the year 2001-02:
    - i Rs 172.44 Lakhs (Previous year: Rs 172.44 Lakhs) receivable from Sales Tax Authorities on Sales Tax remitted both by the Company and its customer relating to the sales made in earlier years. A writ has been filed before the Honourable High Court of Madras, for recovering the amount remitted in excess.
- 6 **Related Party disclosure**
  - I Related parties where control exists Nil
  - II Other related parties with whom trade transactions have taken place during the year

#### Joint Ventures

PSA Sical Terminals Ltd.  
Chennai International Terminals Private Limited

#### Key Management Personnel

LR Sridhar

Managing Director

| Transaction             | Joint venture & Associates | Key management personnel | (in Rs lakh) |
|-------------------------|----------------------------|--------------------------|--------------|
|                         |                            |                          |              |
| Rendering services      | 268.22                     | -                        |              |
|                         | (257.88)                   | -                        |              |
| Managerial remuneration | -                          | 47.67                    |              |
|                         | -                          | (50.23)                  |              |
| Closing balances:       |                            |                          |              |
| Debtors                 | 34.59                      | -                        |              |
|                         | (11.26)                    | -                        |              |

Notes: Figures in brackets relate to previous year.

## SCHEDULES

### 7 Consolidated Segment Information

#### Information about Primary Business Segments

| (in Rs lakh)                                |           |                          |              |                    |
|---|-----------|--------------------------|--------------|--------------------|
| Business Segments                           | Logistics | Discontinuing Operations | Eliminations | Consolidated Total |
| <b>REVENUE</b>                              |           |                          |              |                    |
| External Sales                              | 72191.69  | -                        | -            | 72191.69           |
| Inter Segment Sales                         | 1727.63   | -                        | 1727.63      | -                  |
| Total Revenue                               | 73919.32  | -                        | 1727.63      | 72191.69           |
| <b>RESULT</b>                               |           |                          |              |                    |
| Segment Result                              | 1091.95   | -25.79                   |              | 1066.16            |
| Unallocated Corporate Expenses              |           |                          |              | 778.06             |
| Operating Profit                            |           |                          |              | 288.10             |
| Interest expense                            |           |                          |              | 2718.88            |
| Interest/Dividend income                    |           |                          |              | 453.85             |
| Income Taxes                                |           |                          |              | 70.22              |
| Profit from Ordinary Activities             |           |                          |              | (2047.15)          |
| Exceptional Items-Net of Tax                |           |                          |              | (1511.62)          |
| Net Profit                                  |           |                          |              | (3558.77)          |
| <b>OTHER INFORMATION</b>                    |           |                          |              |                    |
| Segment Assets                              | 56893.03  | 660.16                   |              | 57553.19           |
| Unallocated Corporate Assets                |           |                          |              | 105602.43          |
| Total Assets                                | 56893.03  | 660.16                   |              | 163155.62          |
| Segment Liabilities                         | 63525.79  | 660.27                   |              | 64186.06           |
| Unallocated Corporate Liabilities           |           |                          |              | 66901.73           |
| Total Liabilities                           | 63525.79  | 660.27                   |              | 131087.79          |
| Capital Expenditure                         |           |                          |              | 6105.50            |
| Depreciation                                | 3387.99   |                          |              | 3387.99            |
| Unallocated Corporate Depreciation          |           |                          |              | 140.84             |
| Non Cash Charges<br>other than depreciation |           |                          |              | -                  |

#### Information about Secondary Business Segments

|                                | India     | Outside India | (Rs in lakh)<br>Total |
|--------------------------------|-----------|---------------|-----------------------|
| Revenue by Geographical Market | 71186.01  | 1005.68       | 72191.69              |
| Segment Assets                 | 152128.70 | 11026.92      | 163155.62             |
| Capital Expenditure            | 6105.16   | 0.34          | 6105.50               |

### 8 a Deferred Tax Asset arising out of timing difference relating to:

(Rs in lakh)

| S No | Particulars             | Opening | Additions on<br>account of change<br>in shareholding | Current year<br>Adjustments/<br>Additions | Closing |
|------|-------------------------|---------|--|---|---------|
| 1    | Provision for Bad Debts | 50.30   | -  | (50.30)                                   | -       |
| 2    | VRS Earlier years       | 29.75   | -  | (14.88)                                   | 14.87   |
|      | Total                   | 80.05   | -  | (65.18)                                   | 14.87   |

## SCHEDULES

### b Deferred Tax liability arising out of timing difference relating to:

(Rs in lakh)

| S No | Particulars         | Opening | Additions on account of change in shareholding | Current year Adjustments/ Additions | Closing |
|------|---------------------|---------|--|-------------------------------------|---------|
| 1    | Depreciation        | 2081.78 | -  | (168.76)                            | 1913.02 |
| 2    | Others              | 40.65   | -  | (30.99)                             | 9.66    |
| 3    | Share of Subsidiary | 686.34  | -  | (39.23)                             | 647.11  |
|      | Total               | 2808.77 | -  | (238.98)                            | 2569.79 |

### 9 Earnings per share

| Particulars   | 31.03.2010 | 31.03.2009 |
|---|------------|------------|
| Profit Before Exceptional Items/Prior period  | (2047.17)  | 3364.97    |
| Adjustments as per profit & loss Account (Rs Lakhs)                                       |            |            |
| Profit After Exceptional Items as per profit & loss Account (Rs Lakhs)                    | (3558.79)  | 2112.90    |
| Number of Shares used In Computing Earning per Share-Basic                                | 39521684   | 39521684   |
| Number of Shares used In Computing Earning per Share-for Diluted                          | 44565587   | 45432824   |
| Earnings per Share-Basic (in Rs) Before Exceptional Item and Prior Period Adjustments     | (5.18)     | 8.51       |
| Earnings per Share - Diluted (in Rs) Before Exceptional Item and Prior Period Adjustments | (4.59)     | 7.41       |
| Earning per Share - Basic (in Rs) After Exceptional item and Prior Period Adjustments     | (9.00)     | 5.35       |
| Earning per Share - Diluted (in Rs) After Exceptional item and Prior Period Adjustments   | (7.99)     | 4.65       |
| Face value per Share  | 10.00      | 10.00      |

### 10 Discontinuing Operations

The following statement shows the revenue and expenses of discontinuing operations as per AS-24.

| Particulars  | 2009-10 | (in Rs lakh)<br>2008-09 |
|--|---------|-------------------------|
| Sales and Services                                     | -       | 3308.97                 |
| Other Income   | -       | 0.32                    |
| Operating Expenses                                     | 25.79   | 3008.27                 |
| Pre Tax Profit (Loss) before Interest and Depreciation | (25.79) | 301.02                  |
| Depreciation   | -       | 19.47                   |
| Interest Expenses                                      | -       | 8.88                    |
| Profit (Loss) before Exceptional Items and Tax         | (25.79) | 272.67                  |

### 11 Exceptional Items



## SCHEDULES

| Particulars  | (in Rs lakh)     |                  |
|--|------------------|------------------|
|  | 2009-10          | 2008-09          |
| Loss on Sale of Ship                                     | (2141.02)        | -                |
| Profit on buy back of FCCB after impairment of goodwill  | 1416.09          | -                |
| Foreign currency translation reserve written off         | 836.43           | -                |
| One time cost of Shifting of Dredger from China to Saudi | (456.65)         | (442.36)         |
| Loss on sale of Beta Division                            | -                | (69.81)          |
| Foreign Exchange Fluctuation Difference                  | (500.84)         | (739.90)         |
| <b>Total Exceptional Income (a)</b>                      | <b>(845.99)</b>  | <b>(1252.07)</b> |
| Total Exceptional Expenditure (b)                        | -                | -                |
| <b>Net (c) = (a)-(b)</b>                                 | <b>(845.99)</b>  | <b>(1252.07)</b> |
| Tax on the above-Credit/(charge) on Current Tax          | 665.63           | -                |
| <b>Total</b>   | <b>(1511.62)</b> | <b>(1252.07)</b> |

### 12 Foreign Currency Convertible Bonds

The company had raised US\$ 75 million during the year 2006-07 by way of issue of Foreign Currency Convertible Bonds, and the amount so raised have been used towards capital expenditure and the balance unutilized is Rs Nil Lakh. (Rs 2,705.04 Lakhs). During the FY 2009-10, out of the total issued FCCB the Company had bought back 38250 Nos of FCCB of face value US\$38.25 million.

13 Previous year's figures have been regrouped and rearranged wherever necessary.

For and on behalf of  
M/s CNGSN & Associates  
Chartered Accountants

**CN GANGADARAN**  
Partner

Membership No. 11205

FRNo. 0049155

Place Chennai

Date 25 May 2010

**Ashwin C Muthiah**  
Chairman

**LR Sridhar**  
Managing Director

**HR Srinivasan**  
Director

**V Radhakrishnan**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

(in Rs lakh)

**Year ended  
31 March 2010**

Year ended  
31 March 2009

### A CASH FLOW FROM OPERATING ACTIVITIES

|  |                  |           |
|--|------------------|-----------|
| Net Profit before tax and before Exceptional Items | <b>(1976.96)</b> | 4653.41   |
| Adjustments for:                                   |                  |           |
| Depreciation                                       | <b>3528.83</b>   | 3606.81   |
| (Profit)/Loss on sale of fixed assets (Net)        | <b>(99.96)</b>   | (139.71)  |
| Interest Paid (Net)                                | <b>2318.26</b>   | 1593.41   |
| Bad debts written off                              | <b>155.47</b>    | 6.68      |
| Diminution in value of Investment                  | -                | 120.74    |
| Other Income                                       | <b>(194.95)</b>  | (0.78)    |
| Operating Profit before Working Capital Changes    | <b>3,730.69</b>  | 9,840.56  |
| Adjustments for:                                   |                  |           |
| Trade and other Receivables                        | <b>(1196.33)</b> | 2167.80   |
| Inventories  | <b>(160.23)</b>  | (112.52)  |
| Trade Payable                                      | <b>2762.73</b>   | (1643.28) |
|  | <b>1406.17</b>   | 412.00    |
| Cash Generated from Operations                     | <b>5,136.86</b>  | 10,252.56 |
| Tax (Paid)/Refund                                  | <b>(195.07)</b>  | (1542.38) |
| Net Cash from Operating activities                 | <b>4,941.79</b>  | 8,710.18  |

### B CASH FLOW FROM INVESTING ACTIVITIES

|  |                    |             |
|--|--------------------|-------------|
| Purchase of Fixed Assets (including Capital Work in Progress)                | <b>(12428.85)</b>  | (18880.10)  |
| Investments made (Net)   | <b>(608.84)</b>    | 6860.17     |
| Miscellaneous Expenditure (Not Written off)                                  | <b>(685.51)</b>    | -           |
| Proceeds from Sale of Fixed Assets   | <b>10181.42</b>    | 324.01      |
| Deposits   | <b>(81.21)</b>     | -           |
| Interest Income  | <b>276.31</b>      | -           |
| Project Advance  | <b>(19252.08)</b>  | -           |
| Loans and Advances   | <b>(6999.65)</b>   | (131.88)    |
| Net Cash used in Investing Activities before Exceptional items               | <b>(29,598.41)</b> | (11,827.80) |
| Net Proceeds from Sale of undertakings/assets under discontinuing operations | -                  | 860.00      |
| Net Cash used in Investing Activities after Extraordinary Items              | <b>(29,598.41)</b> | (10,967.80) |

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

|   | Year ended<br>31 March 2010 | (in Rs lakh)<br>Year ended<br>31 March 2009 |
|---|-----------------------------|---|
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>                        |                             |   |
| (Repayment) of Long Term Borrowings                                 | 719.00                      | 595.06                                      |
| (Repayment) of Short Term Borrowings                                | 194.50                      | 2653.76                                     |
| Interest Received   | 403.18                      | 1458.37                                     |
| Interest Paid   | (4261.40)                   | (3051.78)                                   |
| Equity Share Capital Contribution                                   | 1665.00                     | -   |
| Term loans received   | 22000.00                    | -   |
| Premium/Issue Expense/Forex Fluctuation                             | 1674.69                     | (878.72)                                    |
| FCCB - Payment for redemption                                       | (7,418.47)                  | -   |
| Net Cash used in Financing Activities                               | <u>14,976.50</u>            | <u>776.69</u>                               |
| Net increase/(decrease) in cash and cash equivalents (A+B+C)        | <u>(9,680.12)</u>           | <u>(1,480.93)</u>                           |
| Cash and cash equivalents as at (opening) 1 April 2009              | 18290.03                    | 19821.39                                    |
| Less: Cash and cash equivalents transferred on Sale of Undertakings | -                           | (50.43)                                     |
| Cash and cash equivalents as at (opening) 1 April 2009              | 18290.03                    | 19770.96                                    |
| Cash and cash equivalents as at(closing) 31 March 2010              | <u>8609.91</u>              | <u>18290.03</u>                             |

For and on behalf of  
M/s CNGSN & Associates  
Chartered Accountants

**CN GANGADARAN**  
Partner

Membership No. 11205  
FRNo. 004915S  
Place Chennai  
Date 25 May 2010

**Ashwin C Muthiah**  
Chairman

**LR Sridhar**  
Managing Director

**HR Srinivasan**  
Director

**V Radhakrishnan**  
Company Secretary

**INFORMATION DISCLOSED IN ACCORDANCE WITH THE GOVERNMENT OF INDIA, MINISTRY OF CORPORATE AFFAIRS,  
ORDER NO: 47/511/2010-CL-111 DATED 14 MAY 2010**

| Particulars  | Bergen Offshore<br>Logistics Pte. Ltd.,<br>Singapore | Sical Iron<br>Ore<br>Terminals<br>Limited | Sical Multimodal<br>and Rail<br>Transport<br>Limited | Nagpur<br>Sical<br>Gupta<br>Logistics<br>Limited | Nagpur<br>Sical<br>Gupta<br>Road Terminal<br>Limited | Sical Infra<br>Assets<br>Limited  | Sical Distriparks<br>Limited    | Ennore<br>Automotive<br>Logistics<br>Limited | Sical Iron<br>Ore Terminal<br>(Mangalore)<br>Limited | Sical Rail<br>Terminal<br>(Anupampattur)<br>Limited |
|--|--|---|--|--|--|-----------------------------------|---------------------------------|--|--|---|
| Financial year of the<br>Subsidiary Companies<br>Ended/Ending on | 31 Mar 2010<br>Amount<br>in USD                      | 31 Mar 2010<br>Rupees<br>in lac           | 31 Mar 2010<br>Rupees<br>in lac                      | 31 Mar 2010<br>Rupees<br>in lac                  | 31 Mar 2010<br>Rupees<br>in lac                      | 31 May 2010<br>Rupees<br>in lac** | 31 Mar 2010<br>Rupees<br>in lac | 31 Mar 2010<br>Rupees<br>in lac              | 31 Mar 2010<br>Rupees<br>in lac                      | 31 Mar 2010<br>Rupees<br>in lac                     |
| Capital  | 19000000   | 8536.7                                    | 469.00   | 5.25   | 15.65  | 18028.08*                         | 1000.00                         | 5.00   | 5.00   | 5*  |
| Reserves   | (7,328,992.00)                                       | (3,268.41)                                | NIL  | NIL  | NIL  | 267.28                            | 5016.65                         | NIL  | NIL  | NIL   |
| Total Assets   | 24428277   | 11026.92                                  | 35634.44   | 108.69   | 1573.31  | 28560.50                          | 11288.70                        | 5.50   | 624.83   | NIL   |
| Total Liabilities  | 12757269   | 5758.64                                   | 24636.06   | 107.96   | 1890.40  | 10265.14                          | 5232.59                         | 1.10   | 1197.04  | NIL   |
| Investments  | NIL  | NIL                                       | NIL  | NIL  | NIL  | 2,255.69                          | NIL                             | NIL  | 101.05   | NIL   |
| Turnover   | 2296316  | 1088.91                                   | 9109.10  | NIL  | NIL  | 209.78                            | 6553.02                         | NIL  | NIL  | NIL   |
| Profit/(Loss) before tax   | (6,092,255.00)                                       | (2,888.95)                                | (610.25)   | NIL  | NIL  | 96.58                             | 612.11                          | NIL  | NIL  | NIL   |
| Provision for taxation   | 5045   | 2.39                                      | (144.28)   | NIL  | NIL  | 0.36                              | 217.48                          | NIL  | NIL  | NIL   |
| Profit/(Loss) after tax  | (6,097,300.00)                                       | (2,891.34)                                | (465.97)   | NIL  | NIL  | 96.22                             | 394.63                          | NIL  | NIL  | NIL   |
| Proposed dividend  | NIL  | NIL                                       | 8.63   | NIL  | NIL  | NIL                               | NIL                             | NIL  | NIL  | NIL   |

\* Includes advance towards share application money.

1 USD = Rs 47.42 (Average rate)

1 USD = Rs 45.14 (Closing rate)

Note: Miscellaneous expenditure to the extent not written off not considered as assets.

\*\* Financial year extended up to 31 May 10. Details as of 31 March 10 (unaudited)



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# Sical Logistics Limited

[Formerly known as South India Corporation [Agencies] Limited]

**Registered Office:** South India House 73 Armenian Street Chennai 600001

## Notice to Shareholders

NOTICE is hereby given that the Fifty Fifth Annual General Meeting of the shareholders of SICAL LOGISTICS LTD will be held on Thursday, the 23 September 2010 at 03.05 pm at Rajah Annamalai Hall, Esplanade, Chennai 600 108 to transact the following business.

### ORDINARY BUSINESS

- 1 To receive, consider and adopt the Directors' and Auditors' Report and audited Profit and Loss Account for the year ended 31 March 2010 and the Balance Sheet as at that date.
- 2 To appoint a Director in the place of HR Srinivasan, who retires by rotation and being eligible offers himself for re-election.
- 3 To appoint a Director in the place of Mano Vikrant Singh, who retires by rotation and being eligible offers himself for re-election.
- 4 To appoint Auditors for the current year and fix their remuneration. M/s CNGSN & Associates, Chartered Accountants, the retiring auditors, are eligible for re-appointment.

### SPECIAL BUSINESS

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

### ORDINARY RESOLUTION

RESOLVED THAT Shyam Sundar SG, who was appointed as a Nominee Director of IDFC Private Equity Company as an additional Director of the Company by the Board of Directors on 24 September 2009 and who ceases to hold office under Section 260 of the Companies Act, 1956 on the date of this Annual General Meeting be and is hereby appointed as a Director of the Company.

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

### SPECIAL RESOLUTION

RESOLVED THAT pursuant to the Articles of Association of the Company and as per Sections 269, 198 and 309 of the Companies Act, 1956 (the Act") and other applicable provisions if any of the Act read along with Schedule XIII to the Act as amended upto date, the remuneration payable to LR Sridhar, Managing Director be and is hereby revised with effect from 01 March 2010 for the remaining period of his term of office on the following terms and conditions:

- |                      |  |
|----------------------|--|
| 1 Salary Package     |  |
| Salary per annum     | Rs 50,00,000 [Rupees fifty lakhs only]   |
| Perquisites          | Provision of company maintained House with a monthly rent not exceeding Rs 75,000 pm with suitable security deposit                          |
| 2 Commission         | 1.5% on the Profit Before Tax payable from the Financial year 2009-10.   |
| 3 Total package p.a. | Subject to the ceilings prescribed under sections 198 & 309 read with Schedule XIII of the Companies Act, 1956 as amended from time to time. |

All other terms and conditions shall remain unaltered as per the Board resolution dated 05 May 2009 and the shareholders resolution at the Annual General Meeting held on 16 September 2009.

Place Chennai  
Date 25 May 2010

By order of the Board  
V RADHAKRISHNAN  
Company Secretary

Registered Office  
South India House 73 Armenian Street Chennai 600001

#### 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 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 be treated as invalid.
- 2 An Explanatory Statement pursuant to Section 173[2] of the Companies Act, 1956, in respect of Item Nos. 5 & 6 of the notice is annexed hereto.
- 3 The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, the 18 September 2010 to Thursday, the 23 September 2010 [both days inclusive].
- 4 The members/proxies should bring the attendance slip duly filled-in and signed, clearly indicating the Folio No. for shares held in physical form or DP ID and client ID numbers in case of members holding the shares in dematerialized form, 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 which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. Hence the shareholders who have not encashed their dividend warrant[s] so far for the financial year ended 31 March 2002 declared on 27 March 2007 are requested to make their claim to the Company at "South India House", 73, Armenian Street, Chennai 600 001. It may also be noted that once the unclaimed dividend is transferred to the Central Government, as stated above, no claim shall lie in respect thereof.
- 7 Members are hereby informed that the Company, as per the SEBI guidelines, w.e.f. 01.04.2003, has appointed M/s Cameo Corporate Services Limited, Unit: Sical Logistics Limited, "Subramanian Building", V Floor, No.1, Club House Road, Chennai 600 002, Telephone : 044-28461073; Fax : 044-28460129; Email: [cameo@cameoindia.com](mailto:cameo@cameoindia.com) as its Registrar and Share Transfer Agent 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 matter including their change of address to the Company's Registrar and Share Transfer Agent.
- 8 Shareholders are requested to notify immediately any change in their address to the Company/Share Transfer Agents/Depository Participants.
- 9 The Company's equity shares are listed with the Bombay Stock Exchange Limited [BSE] and the National Stock Exchange of India Limited [NSE] and the listing fee for the year 2010-11 has been paid in time.

- 10 Information required to be given under Clause 49 of the Listing Agreement about the particulars of Directors to be re-appointed at the ensuing Annual General Meeting and their Directorship/Chairmanship/Committee Membership in other Companies.

- a HR Srinivasan, aged about 46 years, who is a Mathematics graduate with an MBA, is currently the Vice-Chairman and vision holder of TAKE Solutions and plays a vital role in the evaluation of new initiatives, mergers and acquisitions and business lines that will enable this company to emerge as a global player. His rich experience in the logistics and SCM industry enables him to nurture dynamic leadership. In his twenty two years of experience, he has demonstrated enterprise in the logistics discipline through sustained performance and innovation. Prior to setting up TAKE Solutions, he was Managing Director, South Asia at SembCorp Logistics. He has also served as Managing Director at Temasek Capital and as Director and CEO of PSA India. He serves on the Board of a number of companies spanning across industries viz. technology, logistics & SCM and financial services. He has been very active with the Confederation of Indian Industry (CII) having served in both the State and Regional councils. He is an Advisory Board member of the CII Institute of Logistics. Has recently received the CII Tamil Nadu Emerging Entrepreneurs Award given in association with Business Line for Global Reach and Superior Intellectual Property for TAKE Solutions.

Other Directorships

TAKE Solutions Limited

Parry Enterprises India Limited

Aakanksha Management Consultancy & Holdings P Ltd

Aasheesha Hospitality Services & Holdings P Ltd

Autoparts Asia Private Limited

Maha Dhan Energy Private Limited

TAKE Solutions GmbH, Switzerland

TAKE Solutions Pte. Limited, Singapore

CMNK Consultancy & Services Private Limited

TOWELL TAKE Investments LLC, Muscat

TAKE Solutions Limited ESOP Trust

More than 2% shareholdings in

Aakanksha Management Consultancy & Holdings P Ltd

Aasheesha Hospitality Services & Holdings P Ltd

MahaDhan Energy Private Limited

Other Committee Membership

Parry Enterprises India Limited – Member - Audit Committee

- b Mano Vikrant Singh, aged about 50 years, is a Master in Biochemistry from Punjab University and an MBA from City University of New York. He has worked as an internal auditor with ITC Ltd till 1985. He has also served at American Securities Corporation, Cargill's Emerging Market Group and has wide experience in capital and currency markets and was the Business Development Manager for Cargill TSF Asia Pvt. Ltd. Currently he is a Management Consultant of his own.

Directorships Nil

- c Shyam Sundar SG, aged about 36 years, is a BE [Mech] from Anna University with an MBA from IIM, Calcutta. He has over 10 years of experience in the infrastructure sector. He began his career as an investment banker with ICICI Securities handling private equity placement, debt syndication and M&A related deals in the energy and telecom sectors. Subsequently he moved to the infrastructure group of ICICI and after that to IDFC, to undertake project finance activities in the telecom sector. At IDFC he was part of the core team that developed IDFC's investment risk evaluation and management framework.



Other Directorships  
SE Forge Limited  
Seaways Shipping Limited  
Sical Infra Assets Limited  
Ashoka Buildcon Limited  
Goodearth Maritime Limited  
Maharashtra Natural Gas Limited  
Krishna Godavari Gas Network Limited

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 173[2] OF THE COMPANIES ACT, 1956

The following Explanatory Statement sets out the material facts referring to Item Nos. 5 & 6:

Item No.: 5

Shyam Sundar SG, was inducted as a Nominee Director of IDFC Private Equity Company in to the Board of the Company on 24.09.2009. According to Section 260 of the Companies Act, 1956, Shyam Sundar SG holds office as Director only upto the date of this Annual General Meeting. The Board of Directors recommend his appointment to the Board for the approval of the members. Particulars about his qualification and experience are given under Note 10 [c] of this Notice.

#### MEMORANDUM OF INTEREST

Except Vinod P Giri and Shyam Sundar SG, none of the other Directors is deemed to be interested or concerned in this resolution.

Item No.: 6

LR Sridhar was appointed the Managing Director of the Company for a period of 3 years from 05 May 2009. Considering his contribution to the performance of the Company and in recognition of his services, the Board felt that his remuneration be increased w.e.f. 01 March 2010 as contained in the resolution. The required notice under Sec 302 of the Companies Act, 1956 was sent to all the shareholders. The subject is now placed before the members for their approval.

#### MEMORANDUM OF INTEREST

Except LR Sridhar, none of the other Directors is deemed to be interested or concerned in this resolution.

Place Chennai  
Date 25 May 2010

By order of the Board  
V RADHAKRISHNAN  
Company Secretary

Registered Office  
South India House 73 Armenian Street Chennai 600001



# Sical Logistics Limited

[Formerly known as South India Corporation [Agencies] Limited]

**Registered Office:** South India House 73 Armenian Street Chennai 600001

## ATTENDANCE SLIP

Name & address of the shareholder

\_\_\_\_\_

Folio No \_\_\_\_\_

\_\_\_\_\_

DPID \_\_\_\_\_

\_\_\_\_\_

Client ID \_\_\_\_\_

No. of shares \_\_\_\_\_

I hereby record my presence at the 55th Annual General Meeting of the Company, at Rajah Annamalai Hall Esplanade Chennai 600108, on Thursday, the 23 September 2010 at 3.05 pm.

Name of the Shareholder / Proxy\*

Signature of the Shareholder / Proxy\*

\_\_\_\_\_

\_\_\_\_\_

\*Strike out whichever is not applicable.



# Sical Logistics Limited

[Formerly known as South India Corporation [Agencies] Limited]

**Registered Office:** South India House 73 Armenian Street Chennai 600001

## PROXY FORM

I / We \_\_\_\_\_

in the District of \_\_\_\_\_ being a Member / Members of the above mentioned Company hereby appoint \_\_\_\_\_

of \_\_\_\_\_ in the district of \_\_\_\_\_

or failing him \_\_\_\_\_ of \_\_\_\_\_

in the district of \_\_\_\_\_ as my / our Proxy to vote for me / us on my / our behalf at the 55th Annual General Meeting of the Company to be held on Thursday, the 23 September 2010 at 3.05 pm at Rajah Annamalai Hall Esplanade Chennai 600108 and at any adjournment thereof.

I wish my above proxy to vote in the manner as indicated in the box below\*

| Resolutions   | For | Against |
|---|-----|---------|
| 1 Adoption of Report and Accounts   |     |         |
| 2 Re-election of HR Srinivasan  |     |         |
| 3 Re-election of Mano Vikrant Singh   |     |         |
| 4 Appointment of Statutory Auditors   |     |         |
| 5 Appointment of Shyam Sundar SG as Director  |     |         |
| 6 Approval for increase in the remuneration of LR Sridhar, Managing Director w.e.f. 01 March 2010 |     |         |

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2010

FOLIO NO. / DP ID / CLIENT ID

\_\_\_\_\_

No. of shares \_\_\_\_\_

Affix  
Rs 0.30  
revenue  
stamp

### Notes

- The Proxy must be deposited at the Registered Office of the Company not later than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- \*2 This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.



## NOTES

## NOTES





## integrated multimodal logistics

port operations

container terminals

container trains

trucking and warehousing

ICD/CFS



Sical Logistics Ltd

73 Armenian Street, Chennai 600001, India  
[www.sical.com](http://www.sical.com)