



Sicagen India Limited

Annual Report 2007-08

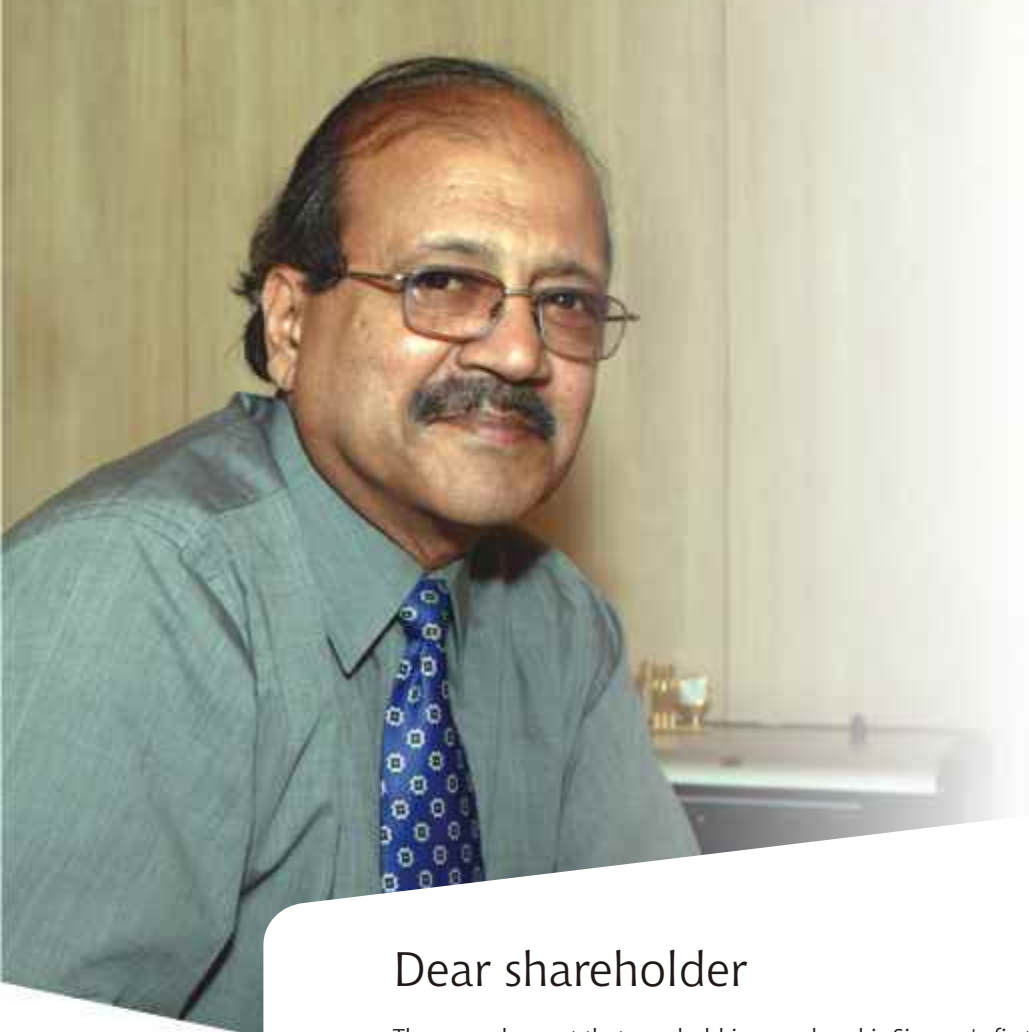


Sicagen is India's leading provider of trading and marketing services for construction-related industrial and retail infrastructure.

I N S I D E

Sicagen overview	01
Directors' report	08
Corporate governance	13
Auditors' report	19
Balance sheet	23
Profit and loss account	24
Schedules	25
Significant accounting policies and notes	35
Cash flow statement	45
Accounts - consolidated	48
Accounts - subsidiary	68

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



Dear shareholder

The annual report that you hold in your hand is Sicagen's first such communication to shareholders as an independent, exclusive, business entity.

In January 2008, Sicagen India Limited's demerger from Sical Logistics Limited was approved, effective 1 October 2006, by the High Court of Madras. According to the Scheme of Arrangement, each Sical Logistics shareholder would receive one fully paid-up share of Sicagen for every Sical share held as of 1 March 2008, the record date.

Sicagen's creation is part of a comprehensive strategy, set in motion by the promoters in 2005-06, to get each business to focus on its key area of interest. In 2007-08, of Sicagen's total INR 3.91 billion revenue, 56% came from building materials trading and 41% came from our vehicle sales business.

Sicagen's business proposition and core mission is to be India's premium provider of value-added trading and marketing services for construction-related infrastructure.

In the coming years, we plan to introduce large retail formats with a more comprehensive range of building materials products. The Indian retail market for construction materials holds great potential; I am confident that our new venture will be able to delight customers with best-in-class products and services.

With your encouragement and support, we look forward to strong value-led growth for all our stakeholders: customers, employees, business partners, bankers, and, indeed, our society as a whole.

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

S Arumugam
CEO

Company information

Name of company	Sicagen India Limited
Incorporation	2004
Primary business	Trading and distribution of building materials and commercial vehicles
Total revenue	INR 3.91 billion
Net Profit	INR 45.39 million
Shares issued	39.57 million
Listing (applied for)	Bombay Stock Exchange National Stock Exchange of India
Board of directors	S Arumugam B Narendran M Rajamani
Company Secretary	GR Kannan

Principal office

Floor 4 East Coast Center
534 Anna Salai
Teynampet Chennai 600018
Voice +91 44 24343565
Fax +91 44 24343562
Email secl@sicagen.com

Registered office

Adyar House
Chennai 600085

Bankers

HDFC Bank
State Bank of India
Karnataka Bank
Indian Bank

Auditors

CNGSN Associates
Chartered Accountants
20 Raja Street T Nagar
Chennai 600017



Overview

Key financials

(INR million)

	2007-08
Revenue	3908.05
Profit (loss) before interest, depreciation, tax	71.04
Less: Interest	7.60
Less: Depreciation	20.65
Less (Add): Provision for tax	(2.69)
Less: Prior period adjustments	0.10
Net profit	45.39
Equity capital	395.72
Reserves and surplus	3222.94
Gross fixed assets	541.15
Net fixed assets	475.86



Business snapshot

Building materials trading

Sicagen's core business: the trading of building materials such as steel tubes, MS/GI pipes, boiler tubes, seamless tubes, rectangular/square hollow sections, TMT steel rebars, PVC pipes, electrical cables, steel fittings, and cement.

For dealers, contractors, builders, and corporate buyers, our network of 25 delivery centers across India serves as the single window to India's top building materials manufacturers that include Tata Steel, Jindal Pipes, Steel Authority of India, Finolex Cables, Supreme Industries, Maharashtra Seamless, ACC Cements.

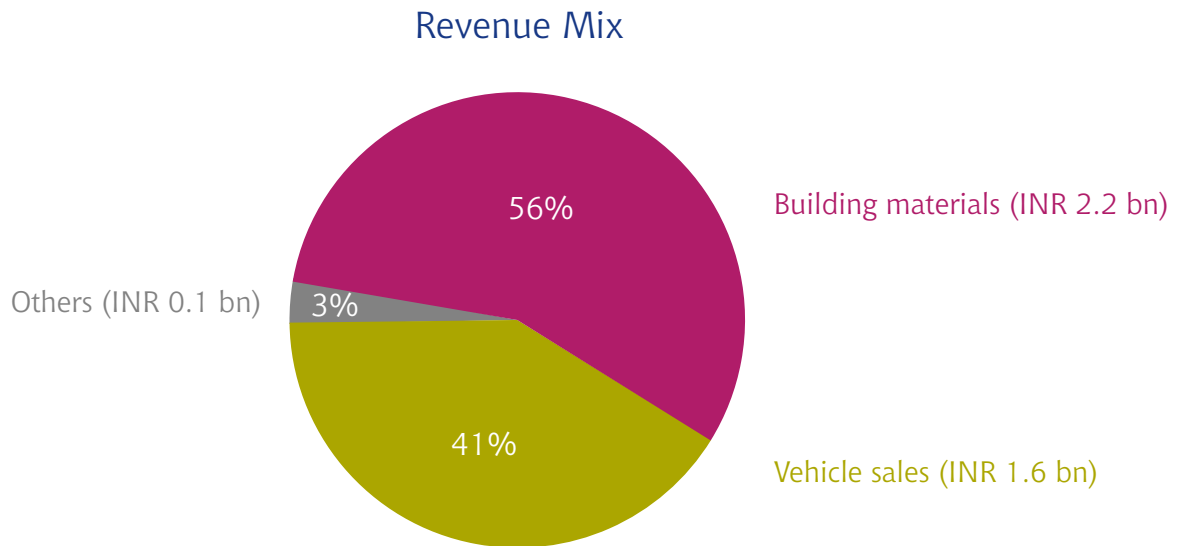
Vehicle sales

Dealership of commercial vehicles for Tata Motors—ranging from the 0.75 tonne *Tata Ace* to the top-of-the-line *Tata Novus*—with showrooms in Chennai and Tiruchirapalli covering 11 districts of Tamil Nadu state.

Customers include corporates, retail vendors, high income individuals.



Overview



Governor services

Goodwill Governor Services is India's only authorized service center for Woodward, makers of the world's finest governors.

Travel and cargo

A member of the International Air Transport Association (IATA) and Travel Agents Association of India (TAAI), Sicagen's travel and cargo business provides premium end-to-end travel-related and cargo services.

Boat-building and ship repair

Goodwill Engineering Works builds passenger and cargo vessels, boats, tugs and barges from facilities at Chennai and Mettupalayam in Tamil Nadu state.

Plantations

Sicagen's plantation division is among India's largest growers and sellers of bulk uncured coffee, cardamom, and pepper.

Wind power

From 10 windmills with an installed capacity of 2.25 MW at Vadavalli village, Coimbatore district, in India's southern Tamil Nadu state, Sicagen supplies 4 million kWh annually to the state-run Tamil Nadu Electricity Board.

Leadership

S Arumugam, Director and CEO

Overall in-charge of business and strategy of all the divisions and businesses within Sicagen, S Arumugam is an MBA from the Department of Management Studies, University of Madras. Mr Arumugam has been with the promoter's group since 1974 in positions of operations, marketing, and sales.



B Narendran, Independent Director

A specialist in chemical engineering and transportation, B Narendran, a BE (Chemical) and MS (Transportation), has been a consultant to Shell Inc, Detroit, Rite-Aid Pharmacy, Houston, and State Highway's Administration, Baltimore, US.



M Rajamani, Independent Director

A BE (Chemical) from Annamalai University and PG Diploma in Chemical Engineering Practice from IIT Madras, M Rajamani has more than three decades of corporate experience across multiple functional lines such as strategic planning, projects, sourcing, administration, and HR.



R Sivagurunathan, Chief Operating Officer

R Sivagurunathan heads the operations of Sicagen's various businesses. Associated with the promoter's group since 1984, Mr Sivagurunathan was earlier Chief Risk Officer with Sical Logistics Ltd, India's leading provider of multi-modal integrated logistics. A BCom from Madurai Kamaraj University, Mr Sivagurunathan has completed a 3 Tier Program for Management Development at IIM, Ahmedabad.



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

Responsible for Sicagen's finance, accounts, secretarial, legal, and information systems, GR Kannan has been associated with the promoter's group companies since 1988. Mr Kannan is a BCom from the University of Madras, an Associate Member of the Institute of Cost and Works Accountants of India, and an Associate Member of the Institute of Company Secretaries of India.



Overview

Prominent customers

ABB
Ashok Leyland
Atlas Copco
Blue Star
Cipla
Dalmia Cement
Deccan Cements
Dr Reddy's Laboratories
Greaves Cotton
Heritage Foods
Hetero Drugs
Hindalco
Hindustan Unilever
The India Cements
Lakshmi Card Clothing
Lakshmi Machine Works
Malabar Cements
Manali Petrochemicals
Matrix Laboratories
Micro Labs
Naandi Foundation
Nagarjuna Construction
Nicholas Piramal
Orchid Chemicals and Pharmaceuticals
Sathavahana Ispat
Srichakra Cements
Sundaram-Clayton
Voltas
Venky's India
Wipro Consumer Products



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



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Annual report 2007-08
Directors' report

DIRECTORS' REPORT

Your Directors have pleasure in presenting the 4th Annual Report together with the Audited Accounts of the Company for the year ended 31 March 2008.

DEMERGER

Your Directors wish to inform that the Scheme of Arrangement [Demerger] between the Company and Sical Logistics Ltd (Sical) effective 01 October 2006 as approved by the shareholders at the Court convened meeting held on 21 September 2007, has been sanctioned by the Hon'ble High Court of Judicature, Madras vide its Order dated 20 December 2007. The demerger process was completed by filing the above said Order with Registrar of Companies, Chennai on 14 January 2008.

Pursuant to the aforesaid Scheme, the shareholders of Sical were allotted with equity share[s] of the face value of Rs 10 each as fully paid-up from the share capital of the Company, in the ratio of 1:1 (one equity share for every one equity share held in Sical) as on the Record Date ie. 01 March 2008.

FINANCIAL RESULTS

The financial results of the Company for the year ended 31 March 2008 are summarized below:

	Year ended 31 March 2008	(Rs in lakhs) Year ended 31 March 2007*
Sales & Other Income	39080.52	16508.05
Profit before interest, depreciation and tax	710.38	(205.97)
Less: Interest	75.95	63.86
Depreciation	206.45	114.59
Profit before tax	427.98	(384.42)
Less: Provision for tax	(26.88)	656.03
Profit After tax	454.86	(1040.45)
Add: Prior period adjustments	(0.96)	0.72
Exceptional Items	0.00	(137.28)
Profit after tax, prior period adjustments & Exceptional items	453.90	(1177.01)
Earnings per share (EPS) in Rs	1.15	(2.97)

*Figure relates to six months period only.

DIVIDEND

In view of inadequacy of profits during the year, the Directors do not recommend any dividend for the year ended 31 March 2008.

BUSINESS PERFORMANCE

During the year 2007-08, the over all performance of the Company was good. The Company's total turn over was Rs.39080 lakhs and the operating profit before interest and depreciation was Rs.710 lakhs.

TRADING

Building Materials: During the year, this division has achieved an all time high Turnover and Profitability. This division has logged a total turnover of Rs. 21962 lakhs with a net profit of Rs.476 lakhs. The performance of this division continues to be good due to our extensive marketing net work.

The division continues to hold a coveted position as one of the largest distributors for TATA Pipes in South India. It is also a distributor for prestigious manufacturers like Jindal Pipes Ltd, Steel Authority of India Ltd, Finolex Cables Ltd, Supreme Industries Ltd, Maharashtra Seamless Ltd and ACC Cements. The sales volume in steel pipes is as high as 35,000 Tons per year which enables the division to have a lion's share in the southern region. The strategy for trading of building material has been to address opportunities in high volume business and to address the needs of large infrastructure industries in India. Your Company expects a robust growth to continue in the years to come for which the marketing team has been suitably trained & motivated. The Company is also planning to expand further beyond the existing range by catering to a wide customer base and increasing our product portfolios.

Vehicles & Spares: The year under review was a turnaround year for TATA Commercial Vehicles division. During the year, the boom in commercial vehicles market resulted in a sale of 2932 TATA trucks. This division has achieved a total turn over of Rs.16140 lakhs and earned a net profit of Rs.206 lakhs, which is mainly due to increased volume and high end product mix.

The Company is a leading commercial vehicle dealer for TATA Motors in Tamilnadu and is operating showrooms and workshops at Chennai & Trichy which covers 11 districts of the State. The Company contributes 15% of the total sales for TATA Motors in Tamilnadu and is growing at a faster pace and is increasing its market share and presence in the given segments. The Company is presently trading TATA commercial vehicles starting from TATA ACE [0.75 Tonne] to the highest range of TATA NOVUS [40 Tonnes].

Though the Company has a good sales track record of passenger car dealership, due to severe competition in the premium car segment, it was not yielding the expected levels of profits. Hence the Company has now focused its attention on marketing and servicing of Commercial Vehicles to bring revenues and all showrooms and workshops are being equipped to achieve growth in volumes.

SERVICES

Goodwill Travels: During 2007-08, this division achieved a gross income of Rs.92 lakhs and earned a net profit of Rs.18 lakhs. The tourism industry started showing good performance in the recent years, which may enable your Company to explore the possibilities of increasing the business of tours and travels and foreign exchange income by tying up with outbound tour groups.

Goodwill Governor Services: During the year under review, this division's revenue was Rs.708 lakhs and profit was Rs.185 lakhs and this is mainly due to good customer response as well as support offered by M/s.Woodward.

The Company's Governor Services division is the only authorized service centre for M/s.Woodward, Japan. The Company is maintaining a good track record on sale of Woodward Governors & its spares and offering facilities to service/repair Woodward Governors. In addition to Service/repair, the division is authorized to carry out retrofit of old turbines with Woodward electronic control system.

This division caters its services to a wide range of industries which include shipping, power plants, cement, fertilizers, steel, oil and other process industries for which a Test Bench was established at three different locations ie Chennai, Mumbai & Raipur. Service facilities at Chennai and Mumbai are ISO 9001:2000 certified by BVQI.

Goodwill Engineering Works: No new orders were received in the boat building division. The Company's boat building facility set up at Pondicherry for passenger/cargo vessels, boats, tugs & barges did not perform well.

OTHERS

Wind Mill: Due to high maintenance cost on running the Wind Mills located at Palladam Taluk, Coimbatore Dist, the Company was unable to maintain profit margin and this has impacted this division's performance. It is also foreseen that the maintenance cost will also be very high in the coming years as the Wind Mills are, more than a decade old. Hence the decision for discontinuing this operation has been taken.

Plantations: The proposal for disposal of coffee estates located at Shakleshpur, Karnataka State has been finalized and the entire sale processes shall be completed soon.

DIRECTORS

Mr. R Muthu & Mr. R Sivagurunathan, Directors resigned from the Directorship of the Company with effect from 29 January 2008.

Mr. M Rajamani, Director, retires by rotation, at this Annual General Meeting and being eligible, offers himself for re-election.

Mr. S Arumugam and Mr. B Narendran were co-opted as additional Directors on the Board with effect from 03 January 2008 and 29 January 2008 respectively. As per Section 260 of the Companies Act 1956, they will hold office as Directors only up to the date of this Annual General Meeting and as per Section 257 of the Act notices have been received from members signifying their intention to propose them as Directors along with the deposit of Rs.500 each [refundable if appointed].

Mr. S Arumugam was appointed as Whole time Director of the Company with the designation as Director & Chief Executive Officer [CEO] for three years commencing from 03 January 2008.

AUDITORS

The Company's Auditors, M/s.CNGSN & Associates, Chartered Accountants, retire at the conclusion of this AGM and offer themselves for re-appointment.

FIXED DEPOSITS

The Company has not invited or accepted any deposits during the year.

DEMATERIALISATION OF EQUITY SHARES

While allotting equity shares to the shareholders of Sical Logistics Ltd under the Scheme of Arrangement, 34653293 equity shares representing 87.57% on its paid up share capital were allotted in demat form and balance in physical form as on the record date ie 01 March 2008. The shareholders holding shares in physical form are advised to dematerialize their shares to avoid the risks associated with holding the share certificates in physical form.

CORPORATE GOVERNANCE

During April 2008, the Company has submitted listing applications to the National and Bombay Stock Exchanges and complied with the requirements regarding Corporate Governance as required under Clause 49 of the Listing Agreement for listing of its shares. Hence a report on Corporate Governance will not be applicable for the financial year 2007-08 and the same would form part of the next Annual Report 2008-09.

STATUTORY INFORMATION

- 1 Pursuant to Section 217(2AA) of the Companies Act, 1956, the Board of Directors report that :
 - a in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
 - b they have selected such accounting policies and applied them consistently and made judgements and estimates which 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 & loss account of the Company for that period.
 - c 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 preventing and detecting fraud and other irregularities.
 - d 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 thereunder are given in Annexure I, which forms part of this Report.
- 3 The particulars required under Section 217(2A) of the Companies Act, 1956, read with the Rules framed thereunder are given in Annexure II, which forms part of this Report.

SUBSIDIARY COMPANY**South India House Estates & Properties Ltd**

As per the Scheme of Arrangement [Demerger] approved by the Hon'ble High Court of Judicature at Madras 1,00,00,000 equity shares of Rs 10 each [ie 100% holding] held by Sical Logistics Ltd have been transferred to the Books of Accounts of Sicagen India Limited w.e.f 01.10.2006 and hence the Company has become a 100% owned subsidiary of Sicagen India Limited.

This Company has made a net profit of Rs 115 lakhs for the period ended 30 June 2007 (audited). Pursuant to Section 212 of the Companies Act 1956, the audited accounts for the year ended 30 June 2007 are attached with this report.

RELATION WITH EMPLOYEES

Your Directors wish to place on record, their appreciation to the employees at all levels for their dedication and hard work.

ACKNOWLEDGEMENT

Your Directors wish to thank the Company's Bankers, Financial Institutions, Customers and the Suppliers for their unstinted support extended to the Company.

Place Chennai
Date 30 June 2008

For and on behalf of the Board
S Arumugam
Chairman of the Board

ANNEXURE –I TO DIRECTORS REPORT

In terms of Section 217(1)(e) of the Companies Act, 1956 and the Companies (Disclosure of particulars in the report of the Board of Directors) Rules 1988, the following information is furnished for the year ended 31 March 2008:

A CONSERVATION OF ENERGY

The operations of the Company are not energy intensive.

B TECHNOLOGY ABSORPTION

No technology has been imported or absorbed.

FORM "B"**RESERCH AND DEVELOPMENT (R&D)**

1 Specific area in which R&D is carried out by the Company	Nil
2 Benefits derived as a result of the above R&D	Nil
3 Future Plan of Action	Nil
4 Expenditure on R&D	Nil

C FOREIGN EXCHANGE, EARNINGS AND OUTGO:**Total Foreign Exchange**

Earned	: Rs 0.54 lakhs
Used	: Rs 11.54 lakhs

ANNEXURE - II TO DIRECTORS REPORT

Information as per Section 217 [2A] of the Companies Act, 1956 read with the Companies [Particulars of Employees] Rules, 1975 annexed to and forming part of the Directors Report for the year ended 31.03.2008

Name	Remuneration received	Designation & Nature of duties	Qualification	Experience [Years]	Date of commencement of employment	Age	Last employment held
Mr. S Arumugam *	Rs.20,24,994	Director & CEO	B.Sc., MBA	32	03.01.2008	55	Sical Logistics Ltd [Demerging Company]
Mr. R Sivagurunathan	Rs.17,49,998	COO	B.Com, Diploma in Commercial Practice & Banking Law	25	01.01.2008	48	Sical Logistics Ltd [Demerging Company]

Notes

- 1 The nature of employment is contractual.
- 2 The remuneration includes salary, allowances, benefits, company's contributions to Provident & Superannuation Funds and Perquisites for the year 2007-08.
- 3 Appointed as Whole Time Director & designated as Director & CEO with effect from 03 January 2008.*
- 4 None of the employees are related to any Directors of the Company.
- 5 None of the Directors hold more than 2% of the equity shares in the Company.

DETAILS - CORPORATE GOVERNANCE [2007-08]

Though, the report on Corporate Governance is not applicable to the Company for the financial year 2007-08, the following details are given for the information of shareholders.

1 Company's Philosophy

The Company is committed to maintain transparency at all levels through adoption of good corporate governance practices and to protect and increase the value of all stake holders viz., Promoters, Shareholders, Customers, Creditors and the Employees.

2 Board of Directors

The Board has 3 Directors which consists of one Executive Director and two Non-Executive & Independent Directors. All Directors are with professional expertise in various fields such as administration, marketing, finance, accounts, human resources and engineering. The Board of Directors of the Company is headed by Mr.S.Arumugam, who is the Whole time Director and designated as Director & Chief Executive Officer [CEO]. There is no pecuniary relationship or transaction of the Non-Executive Directors with the Company and vis-versa.

3 Number of Board of Directors meetings and the dates on which held during the financial year 2007-08.

Total Number of Board Meetings held : 8

Quarter - I [April '07-June '07]	Quarter - II [July'07-September '07]	Quarter - III [October'07-December '07]	Quarter - IV [January'08-March '08]
23.04.2007 15.05.2007 25.06.2007	30.08.2007	15.11.2007	03.01.2008 29.01.2008 15.03.2008

Attendance of Directors at the Board of Directors Meetings held during 2007-08 and the last Annual General Meeting [AGM] held on 11.09.2007 are 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
Mr S Arumugam *	Chairman [Executive Director]	3	-	-	-	-
Mr. M Rajamani	Non-Executive & Independent Director	8	4	Director - 8	-	1
Mr. B Narendran \$	Non-Executive & Independent Director	2	-	Director - 3	-	-
Mr. R Muthu #	Non-Executive & Independent Director	6	4	Chairman - 1 MD - 1 Director - 2	-	-
Mr. R Sivagurunathan #	Non-Executive & Independent Director	5	4	Director - 3	-	-
Mr. R Ramakumar #	Non-Executive & Independent Director	1	-	MD - 1 Director - 6	-	-

* Mr. S Arumugam was co-opted as additional Director and appointed as Whole time Director with the designation as Director & CEO with effect from 03 January 2008.

\$ Mr. B Narendran was co-opted as additional Director with effect from 29th January 2008.

Mr. R.Muthu & Mr R Sivagurunathan resigned from the Directorship with effect from 29th January 2008. Mr R Ramakumar resigned on 15th May 2007.

@ Directorships held in private Companies excluded.

4 Committees of Board of Directors

The Board has constituted various Committees to discuss, deal with the matters in detail and to monitor the activities falling within the terms of reference and discharge the roles and responsibilities as prescribed under Listing Agreement and/or the Companies Act, 1956 from time to time.

a Audit Committee

A qualified and independent Audit Committee, comprising of the following Directors, was constituted on 29 January, 2008:

- | | |
|-------------------|---------------------------|
| 1 Mr. B Narendran | Chairman of the Committee |
| 2 Mr. M Rajamani | Member |
| 3 Mr. S Arumugam | Member |

Mr GR Kannan, Company Secretary shall act as the Secretary to the Audit Committee.
No meeting was held during the period between 29 January 2008 and 31 March 2008.

The Board terms of reference of the Audit Committee are:-

- 1 Review of the Company's financial reporting process and its financial statements.
- 2 Review of accounting and financial policies and practices.
- 3 Review of internal control and internal audit system.
- 4 Review of risk management policies and practices and also includes the following:-
 - [a] To investigate any activity within its terms of reference.
 - [b] To seek information from any employee.
 - [c] To obtain outside legal or other professional advice.
 - [d] To secure attendance of outsiders with relevant expertise.

b Shareholders / Investors Grievance and Share & Debenture Committee

Shareholders/Investors Grievance and share & Debenture Committee, comprising of the following Directors was constituted on 29 January 2008

- | | |
|-------------------|---------------------------|
| 1 Mr. B Narendran | Chairman of the Committee |
| 2 Mr. M Rajamani | Member |
| 3 Mr. S Arumugam | Member |

Mr GR Kannan, Company Secretary shall act as the Secretary to the Committee and has been authorized to approve share transfers and resolve shareholders grievances.

During the year under report, the Company did not receive any complaints from the Shareholders/Investors and as on 31.03.2008, no documents were received or pending for transfer.

c Remuneration Committee

Remuneration Committee, comprising of the following Directors, was constituted on 03 January 2008:

- | | |
|--------------------------|---------------------------|
| 1 Mr. M Rajamani | Chairman of the Committee |
| 2 Mr. R Muthu * | Member |
| 3 Mr. R Sivagurunathan * | Member |

*Consequent to resignation of Mr. R.Muthu & Mr. R.Sivagurunathan, the Remuneration Committee was reconstituted with the following members on 29 January 2008.

- | | |
|-------------------|---------------------------|
| 1 Mr. B Narendran | Chairman of the Committee |
| 2 Mr. M Rajamani | Member |
| 3 Mr. S Arumugam | Member |

The scope of the committee inter-alia includes the following:

- (a) To determine remuneration package of all the Directors of the Company.
- (b) To determine the service contracts, notice period etc.

During the period, there was a remuneration committee meeting on 03 January 2008.

d Capital Issues and Allotment Committee

The Company constituted the Capital Issues and Allotment Committee on 29 January 2008 comprising of the following Directors:-

1 Mr. B Narendran	Chairman of the Committee
2 Mr. M Rajamani	Member
3 Mr. S Arumugam	Member

The broad terms of reference of the Capital Issues and Allotment Committee are:-

- a To issue, offer and allot in the course of one or more public or private offerings in domestic and/or international market, the following securities:
 - i Optionally convertible redeemable cumulative/non-cumulative preference shares.
 - ii Issue of share warrants convertible into equity shares of the company as per SEBI guidelines.
 - iii Issue of equity shares under private placement on preferential basis as per SEBI guidelines.
 - iv Rights cum public issue of equity shares as per SEBI guidelines.
 - v Raising of funds through GDR/ADR/FCCBs/Secured Premium Notes.
- b To appoint Lead Managers, Co-managers, Advisors, Merchant Bankers, Underwriters, Registrars, Legal Managers for the purpose of issue of further capital and fix their remuneration.
- c To open necessary bank accounts.
- d To determine the allottees under the preferential issue and other issues of capital.
- e To determine the allotment of shares and issue allotment letters, share certificates, advices, refund orders.
- f To comply with listing and other statutory requirements and to carry out all or any other act or deeds relating to the issue of various securities.
- g To secure necessary approvals from appropriate authorities and shareholders' through postal ballot for the increase in the authorized share capital and fund raising.

5 Details of remuneration paid to the whole-time Director for the financial year ended 31 March 2008

Name	Salary & Allowances	(Rs in lakhs)
		Other Benefits
Mr. S Arumugam Director & CEO	6.00	1.50

For the financial year 2007-08, a sitting fee of Rs 5,000 was paid to the non-executive Directors for attending each Board meeting.

6 Insider Trading

Pursuant to 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.

7 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.

8 Secretarial Audit

The Company has appointed a qualified Practicing Company Secretary to carry out secretarial audit regarding reconciliation of the total admitted capital with National Securities Depository Limited [NSDL] and Central Depository Services [India] Limited [CDSL] and the total issued and listed capital.

9 General Body Meetings

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

Year	Date & Time	Venue
2005	27 September, 2005 at 10.35 a.m.	South India House, No.73, Armenian Street, Chennai-600001.
2006	25 September, 2006 at 10.30 a.m.	South India House, No.73, Armenian Street, Chennai-600001.
2007	11 September, 2007 at 10.30 a.m.	South India House, No.73, Armenian Street, Chennai-600001.

No special resolutions were passed during the past three Annual General Meetings.

An Extra-ordinary General Meeting was held during the year 2007-08. The details are:-

Date Time & Venue	Purpose
15.12.2007 at 10.00 a m at South India House No 73 Armenian Street Chennai 600001	1 To increase Authorised Share Capital 2 To amend the capital clause in Memorandum and Articles of Association. 3 To increase borrowing limit. 4 To sell, transfer or dispose whole or part of undertakings.

10. 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 interest of the Company at large:-

- 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.
- 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.

11. Minutes of Subsidiary Company

The minutes of the meeting of the Board of Directors of the subsidiary company viz. South India House Estates & Properties Limited shall be placed before the Board of the holding company i.e. Sicagen India Limited.

12. General Shareholders information

[a] Registered & Corporate Office

The Registered office of the Company has been shifted from South India House, 73, Armenian Street, Chennai - 600001 to Adyar House, Chennai-600085 with effect from 01 February 2008. The Corporate Office of the Company is located at Floor 4, East Coast Centre, 534, Anna Salai, Teynampet, Chennai 600018.

[b] Disclosures regarding appointment or re-appointment of directors

According to the Articles of Association, one-third of the directors retires by rotation and, if eligible, offers themselves for re-appointment at the Annual General Meeting. Mr. M.Rajamani will retire in the ensuing Annual General Meeting. The Board has recommended the re-appointment of the retiring director. The detailed resume of the Director has been provided in the Notice to the Annual General Meeting.

[c] Communication with shareholders

Quarterly / half yearly / annual results and information relating to convening of Annual General Meetings and Extra-ordinary General Meetings shall be published in leading newspapers and / or posted on the website of the Company and also notified 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. shall be filed on EDIFAR [Electronic Date Information Filing and Retrieval System] web site maintained by the National Informatics Centre [NIC] in association with SEBI, for online information to the investors/general public.

[d] Ensuing AGM

Date	: 15 September 2008
Time	: 10.00 am
Venue	: Rajah Annamalai Hall, Esplanade, Chennai - 600108
Book Closure	: From : 04.09.2008 To : 15.09.2008 [both days inclusive]

[e] Financial Calendar for 2008-09 [Tentative]

The financial year of the Company is April to March of every year and the tentative details of the financial calendar for 2008-09 are as under.

1	June 30, 2008	Between 15th July & 31st July, 2008
2	September 30, 2008	Between 15th October & 31st October, 2008
3	December 31, 2008	Between 15th January & 31st January, 2009
4	March 31, 2009	Audited results before last week of June 2009
	Annual General Meeting	By third or last week of September, 2009

[f] Listing of Equity Shares on Stock Exchanges

As per the Scheme of Arrangement [Demerger] between the Company and Sical Logistics Limited, the equity shares of the Company shall be listed on Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd. (NSE). The Company has completed all formalities for listing of its shares on NSE & BSE. The listing fees for year 2007-08 have been paid to BSE & NSE.

[g] Stock market data

No data is available as the Company's shares not yet traded in the market.

[h] Share Transfer & Depository System

The physical share transfers, transmissions, transpositions etc., are processed on number of requests received and the documents duly completed in all respects are registered within the time limit as specified by the listing agreement.

The Company has availed depository services from National Securities Depository Ltd [NSDL] & Central Depository Services (India) Ltd [CDSL] for dematerialization of shares. The shareholders may kindly note the Company's ISIN: INE 176J01011 allotted by NSDL & CDSL. Since trading in equity shares of the Company shall be permitted only in dematerialized form, the shareholders those who are holding shares in physical form, are advised to dematerialize their shares to avoid the risks associated with holding the share certificates in physical form.

[i] Registrar and Share Transfer Agents [RTA]

As per the 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 its Registrar and Share Transfer Agent both for electronic and physical transactions of the shares. The appointment is for 2 years effective from 01 March 2008. The shareholders are therefore requested to take note of the same and send all documents, correspondences, queries, intimations on any matters relating to transfer/transmission/demat/remat of shares, change of address etc., to the following address.

M/s Cameo Corporate Services Limited

Unit SICAGEN

No. 1, Club House Road, "Subramanian Building", 5th Floor, Chennai 600002

Tel 044-28460390 Fax 044-28460129 e-mail cameo@cameoindia.com

A separate email ID secl@sicagen.com has been created by the Company for the purpose of registering the complaints by the investors. Mr.GR.Kannan, Asst.Vice President [Finance & Accounts] & Company Secretary has been appointed as Compliance Officer of the Company for redressal of investors' grievances. The shareholders may correspond to the following address for redressal of grievances if any.

GR Kannan

Asst. Vice President [F&A] & Company Secretary

Floor 4, East Coast Centre, 534, Anna Salai, Teynampet, Chennai 600018

Tel 044-24343565 Fax 044-24343562 e-mail secl@sicagen.com

[j] Distribution of shareholding as on 31 March 2008

No. of shares category	No of shares	% of total	No of holders	% of total
Upto 500	40018	96.27	2204075	5.57
501-1000	866	2.08	661494	1.67
1001-2000	311	0.75	462027	1.17
2001-3000	123	0.30	320269	0.81
3001-4000	46	0.11	163453	0.41
4001-5000	49	0.12	230790	0.58
5001-10000	64	0.15	478774	1.21
10001 & above	90	0.22	35050802	88.58
Total	41567	100.00	39571684	100.00

[k] Shareholding Pattern as on 31 March 2008

Category	No of holders	No of shares held	% of holding
PROMOTER HOLDING			
Promoters & Associates	34	17083851	43.17
NON-PROMOTER HOLDING			
[1] Institutional Investors			
Financial Institutions	6	291288	0.74
Foreign Institutional Investors	23	8479803	21.43
Banks	19	612318	1.55
Mutual Funds	15	1256538	3.17
[2] Others			
Other Bodies Corporate	688	2233972	5.65
Trusts	2	1851	0.00
NRIs/Foreign National	185	85759	0.22
Venture Capital	1	5250000	13.27
Clearing Members	23	32688	0.08
Public	40571	4243616	10.72
Total	41567	39571684	100.00

[l] Dematerialisation of Shares

As on 31 March 2008, 34653293 equity shares representing 87.57% of the paid-up share capital, are in dematerialized form and balance in physical form.

[m] 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.

[n] Certificate on Corporate Governance

Auditors' certificate on Corporate Governance and CEO's Certification would form part of the next Annual Report 2008-09 as it will not be applicable for the financial year ended 31 March 2008.

AUDITORS' REPORT

Auditor's Report to the Members of M/s Sicagen India Limited.

We have audited the attached Balance Sheet of M/s Sicagen India Limited, as at 31 March 2008 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, 2008, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31 March 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi. The Company has not provided for the cess payable under Sec.

441 A of the Companies Act, 1956 as the notification regarding rate and mode of payment has not been received.

vii 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 2008;
- 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 30 June 08

C N GANGADARAN
Partner

Memb.No.11205

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 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 need 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 The Company has not accepted deposits from the public, and hence the directives issued by the Reserve Bank of India and the provisions of Sections 58A & 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.
- 7 In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 The Central Government has not prescribed maintenance of any cost records under Section 209(1) (d) of the Companies Act, 1956.
- 9 a The Company is regular in depositing Provident Fund, Employees' State Insurance, Income tax, Sales tax dues and Service tax dues with the appropriate authorities, and according to the information and explanations given to us, there were no undisputed statutory dues payable which have remained outstanding as at 31 March 2008 for a period of more than six months from the date they became payable.
- b As at 31 March 2008 according to the records of the Company, the following are the particulars of the disputed dues on account of sales-tax. There were no disputed amounts payable in income-tax, custom duty and wealth-tax matters.

Nature of Dues	Amount Payable (in Rs.)	Period to which the amount relates(Assessment year)
Sales Tax	1.72 lakhs	2004 - 05
- 10 The Company has accumulated losses as at 31 March 2008 but it has not 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. (actually no secured loans)
- 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 The Company has not given any guarantee for loans taken by others from banks or financial institutions.
- 16 As per the information and explanation given to us, the Company has not obtained any Term loans during the year.
- 17 According to the information and explanation given to us and on overall examination of the Balance Sheet of the Company, short-term funds has 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.

For CNGSN & ASSOCIATES
Chartered Accountants

Place Chennai
Dated 30 June 08

C N GANGADARAN
Partner

Memb.No.11205



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BALANCE SHEET ON 31 MARCH 2008

(in Rs lakh)

	Schedule	On 31 March 2008		On 31 March 2007 (6 months)	
I SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS					
Capital	1	3957.17		3957.17	
Reserves & Surplus	2	32229.44	36186.61	32229.44	36186.61
Unsecured Loans	3		2539.80		2900.70
Total			38726.41		39087.31
II APPLICATION OF FUNDS					
FIXED ASSETS:					
Gross Block	4	5411.52		5408.94	
Less : Depreciation		2524.22		2338.53	
Net Block		2887.30		3070.41	
Capital Work-in-Progress at cost		1871.34	4758.64	1871.34	4941.75
INVESTMENTS	5		2763.21		2764.28
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	6	3076.25		2429.18	
Sundry Debtors	7	7361.53		6906.94	
Cash and Bank Balances	8	1006.39		491.86	
Loans and Advances	9	25041.35		24215.28	
		36485.52		34043.26	
LESS: CURRENT LIABILITIES AND PROVISIONS	10	5458.65		3188.90	
NET CURRENT ASSETS			31026.87		30854.36
DEFERRED TAX					
Deferred Tax Liabilities			(545.42)		(650.09)
Profit and Loss account			723.11		1177.01
Total			38726.41		39087.31

Schedules 1 to 12 and Notes in Schedule 20 form an integral 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

S ARUMUGAM
Director & CEO

M RAJAMANI
Director

For M/s. CNGSN & Associates
Chartered Accountants

Place Chennai
Date 30 June 2008

GR KANNAN
AVP(F&A) & Company Secretary

CN GANGADARAN
Partner

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

(in Rs lakh)

	Schedule	Year ended 31 March 2008		Year ended 31 March 2007 (6 Months)	
INCOME					
Sales and Services	11	38979.83		16199.64	
Agricultural Income	12	0.90		131.81	
Other Income	13	99.79	39080.52	176.60	16508.05
EXPENDITURE					
Cost of Goods Sold	14		35814.02		14931.48
Cost of Services	15		792.09		306.56
Agricultural Expenses	16		9.32		52.11
Salaries, Wages and Other benefits	17		804.38		352.14
Operating and other expenses	18		950.33		1033.32
Interest	19		75.95		63.86
Depreciation			206.45		114.59
Miscellaneous Expenditure written off			0.00		38.41
			38652.54		16892.47
PROFIT BEFORE TAX, EXCEPTIONAL ITEMS			427.98		(384.42)
Less: Provision for					
- Current Tax		63.21		1.00	
- Deferred Tax		(104.67)		650.09	
- Fringe Benefit Tax		14.58	(26.88)	4.94	656.03
PROFIT AFTER TAX, BEFORE EXCEPTIONAL ITEMS			454.86		(1040.45)
Exceptional Items(Net of tax)			0.00		(137.28)
PROFIT AFTER TAX, AFTER EXCEPTIONAL ITEMS			454.86		(1177.73)
Prior year adjustments			(0.96)		0.72
Profit after Priod Period adjustements			453.90		(1177.01)
Balance brought forward from Previous year			(1177.01)		0.00
Balance carried to Balance Sheet			(723.11)		(1177.01)
EPS - Basic before Exceptional items (In Rs/P)			1.15		(2.63)
EPS - Basic after Exceptional items (In Rs/P)			1.15		(2.97)

Schedules 11 to 19 and Notes in Schedule 20 form an integral part of this Profit and Loss Account and should be read in conjunction therewith

This is the Profit and Loss Account referred to in our Report of even date

S ARUMUGAM
Director & CEO

M RAJAMANI
Director

For M/s. CNGSN & Associates
Chartered Accountants

Place Chennai
Date 30 June 2008

GR KANNAN
AVP(F&A) & Company Secretary

CN GANGADARAN
Partner

SCHEDULES

SCHEDULE 1

(in Rs lakh)

	On 31 March 2008	On 31 March 2007
SHARE CAPITAL		
AUTHORISED:		
5,00,00,000 (5,00,00,000) Equity Shares of Rs 10/- each	5000.00	5000.00
ISSUED:		
3,95,71,684(3,95,71,684) Equity Shares of Rs 10/- each	3957.17	3957.17
SUBSCRIBED:		
3,95,71,684(3,95,71,684) Equity Shares of Rs 10/- each	3957.17	3957.17
PAID-UP:		
3,95,71,684 (3,95,71,684) Equity Shares of Rs 10/- each	3957.17	3957.17
	3957.17	3957.17

Notes :

Out of 3,95,71,684 equity shares the Company has issued and allotted 3,95,21,684 equity shares of Rs 10 each at a premium of Rs 74.50 per share as fully paid up, as per the Scheme of Arrangement [Demerger] sanctioned by the Hon'ble High Court of Madras vide its order dated 20 December 2007 to the equity shareholders of Sical Logistics Limited [Sical] whose name appeared in the Register of Members of Sical as on Record date ie 01 March 2008.

The Company has credited the share capital and share premium accounts in its books with the aggregate value of the new equity shares issued to the shareholders of Sical pursuant to the aforesaid scheme.

SCHEDULE 2

(in Rs lakh)

	On 31 March 2008	On 31 March 2007
RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last Balance Sheet	2785.79	2785.79
SHARE PREMIUM ACCOUNT		
As per last Balance Sheet	29443.65	29443.65
	32229.44	32229.44

Notes :

Pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Madras vide its order dated 20 December 2007, the Company has taken into account the entire assets and liabilities of Trading, Services and Plantation accounts of Sical Logistics Ltd [Sical] in the books at the same values as appeared in the books of Sical as at the close of business on 30 September 2006.

The excess in the book values of assets over the book value of liabilities including the share capital issued and the share premium created under the aforesaid Scheme, have been treated as Capital Reserve.

As per the said Scheme, the Company would take pre-measure steps to transfer excess or deficit if any between the net book value of assets over the book value of liabilities which may arise at the time of issue of equity shares at Premium to the shareholders of Sical Logistics Ltd., while converting the FCCBs into equity shares by Sical in future either to Capital Reserve or Goodwill. In the event of Goodwill being created, the same shall be dealt with by the Board either by carrying such amount in the books of accounts or writing off the same in one or more years as the Board of Directors may deem fit.

SCHEDULE 3

(in Rs lakh)

	On 31 March 2008	On 31 March 2007
UNSECURED LOANS		
Short Term Loans and Advances		
Others	2528.91	2889.81
Interest accrued and due	10.89	10.89
	2539.80	2900.70

SCHEDULE 4

Fixed Assets

(in Rs lakh)

PARTICULARS	Cost						Depreciation				Net Block	
	On 01.04.07	Additions	Transfer	Sales / Adjustments	On 31.03.08	On 01.04.07	For the Year	Transfer	Withdrawn	Upto 31.03.08	On 31.03.08	On 31.03.07
Freehold land	548.61	-	-	-	548.61	-	-	-	-	-	548.61	548.61
Buildings	2,141.15	25.89	25.89	23.24	2,117.91	659.70	64.18	21.17	33.80	711.25	1,406.66	1,481.45
Leasehold Improvements	333.75	-	-	-	333.75	202.68	22.60	-	-	225.28	108.47	131.07
Plant & Machinery	1,776.27	23.92	17.10	1.36	1,781.73	986.60	90.55	13.97	14.89	1,076.23	705.50	789.67
Office Equipments	320.97	14.07	-	0.90	334.14	257.27	15.48	-	0.84	271.91	62.23	63.70
Furniture&Fixtures	158.40	0.82	-	0.29	158.93	133.59	4.31	-	0.26	137.64	21.29	24.81
Trucks	12.17	-	-	-	12.17	10.72	0.71	-	-	11.43	0.74	1.45
Vehicles	98.78	13.03	-	6.37	105.44	71.46	7.73	-	6.11	73.08	32.36	27.32
Leased Machinery	18.84	-	-	-	18.84	16.51	0.89	-	-	17.40	1.44	2.33
Grand Total	5,408.94	77.73	42.99	32.16	5,411.52	2,338.53	206.45	35.14	55.90	2,524.22	2,887.30	3,070.41
Capital Work in progress	1,871.34	-	-	-	1,871.34	-	-	-	-	-	1,871.34	1,871.34
Previous Year	6,405.05	15.52	1.03	1,012.66	5,408.94	2,620.90	114.59	0.61	397.57	2,338.53	3,070.41	

NOTES :

- A Freehold Land includes Rs.9.02 lakhs (Rs 9.02 lakhs) representing the value of land purchased under lease cum sale agreement for which the sale deed is yet to be executed.
- B Capital Work in progress includes Rs 1871.34 lakhs towards value of coffee estate yet to be registered in the name of the Company.

SCHEDULE 5 - INVESTMENTS

(in Rs lakh)

PARTICULARS	No. of Shares / Units	Face Value per Share / Unit	Book Value As on 31 March 2008	Book Value As on 31 March 2007
TRADE INVESTMENTS AT COST				
IN OTHER COMPANIES				
In Ordinary Shares - Fully paid				
Southern Petrochemical Indus. Corpn. Ltd [Quoted]	3019799	10	1230.31	1230.31
First Leasing Company of India Ltd [Quoted]	2127079	10	411.70	411.70
Coffee Products [India] Ltd	5000	100	5.00	5.00
SDB Cisco [India] Ltd	1359	100	2.15	2.15
Mitsuba Sical India Ltd	300000	10	65.05	65.05
IN SUBSIDIARY COMPANY AT COST				
In Ordinary Shares - Fully paid				
South India House Estates & Properties Ltd	10000000	10	1000.00	1000.00
TRADE INVESTMENTS AT FACE VALUE				
IN OTHER COMPANIES				
(BONUS SHARES)				
First Leasing Company of India Ltd [Quoted]	26633	10	2.66	2.66
SDB Cisco [India] Ltd	3390	100	0.34	0.34
NON TRADE INVESTMENTS AT COST				
In Ordinary Shares - Fully paid				
Sical Yamatake Ltd	449970	10	45.00	45.00
Others -Fully paid				
GIC Fortune 94	12626	7.92	1.00	1.00
In Government Securities				
NSC Certificates			0.00	1.07
			2763.21	2764.28

(in Rs lakh)

	Book Value	Market value
Quoted Investments	1644.67	1664.68
Unquoted Investments	1118.54	
	<u>2763.21</u>	

Notes:

- The above investments made by Sical Logistics Limited have been transferred to the Books of accounts of the Company as per the Scheme of Arrangement [Demerger] approved by the Hon'ble High Court of Judicature at Madras with effect from 01 October 2006.
- The above investments are yet to be registered in the Company's name.
- Out of 3019799 equity shares of Spic Ltd, 2032454 shares lodged by Sical as Securities to other Bodies Corporate/Financial Institutions are yet to be released and 2450 shares are pending under court case.
- Out of 2153712 equity shares of First Leasing, 84025 shares lodged by Sical as Securities to other Bodies Corporate/Financial Institutions are yet to be released.

SCHEDULE 6

(in Rs lakh)

	On 31 March 2008	On 31 March 2007
INVENTORIES		
At lower of cost and net realisable value		
Stores and Spares	499.17	475.80
Loose Tools	6.90	6.45
Work-in-Process		
Trading and Others	231.44	228.74
Goods in transit at Cost	12.30	0.00
Finished and Trading Stocks	2326.44	1718.19
	3076.25	2429.18

SCHEDULE 7

SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months	4923.48	4931.60
Considered good	0.00	0.00
Considered doubtful	4923.48	4931.60
Less: Provision for Doubtful Debts	0.00	0.00
	4923.48	4931.60
Other debts - Considered good	2438.05	1975.34
	7361.53	6906.94

SCHEDULE 8

(in Rs lakh)

	On 31 March 2008	On 31 March 2007
CASH AND BANK BALANCES		
Cash and Cheques on hand and Remittances in transit	307.41	193.13
With Scheduled Banks		
On Current Accounts	698.98	298.73
	1006.39	491.86

SCHEDULE 9

LOANS AND ADVANCES		
Advances recoverable in cash or in kind or for value to be received considered good	24860.69	24165.51
Advance payment of Income-Tax	145.13	12.33
Deposits	35.53	37.44
	25041.35	24215.28

SCHEDULE 10

CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors *(vide Note No.7 of Schedule 20B)	5374.92	3178.61
PROVISIONS:		
Provision for Gratuity	0.00	4.35
Provision for Taxation	83.73	5.94
	5458.65	3188.90

SCHEDULE 11

(in Rs lakh)

	On 31 March 2008	On 31 March 2007
SALES AND SERVICES		
SALES:		
Trading and Others*	36983.03	15400.63
SERVICES:		
Workshop and Service Revenue (Tax Deducted at Source on the above - Rs 6.16 lakhs (Rs 2.38 lakhs))	1996.80	799.01
*Refer Note No.16 of Schedule 20B		
	38979.83	16199.64

SCHEDULE 12

AGRICULTURAL INCOME*		
Coffee Sales	0.82	113.40
Sale of Minor Produce	0.08	3.97
Other Receipts	0.00	14.44
*Refer Note No.16 of Schedule 20B	0.90	131.81

SCHEDULE 13

OTHER INCOME				
Interest		0.39		0.01
Dividend				
On Trade Investments	0.00		0.00	
On Non - Trade Investments	48.46	48.46	85.82	85.82
Profit on sale of Investments (Net)		0.00		0.18
Rent including Lease Rent and Service charges		1.25		0.00
Profit on sale of Assets (Net)		20.89		2.16
Miscellaneous Income		28.80		88.43
		99.79		176.60

SCHEDULE 14

(in Rs lakh)

	On 31 March 2008		On 31 March 2007	
COST OF GOODS SOLD				
Purchases less Turnover discounts - Trading stock		36419.29		15097.15
Increase/Decrease in Work-in-Process				
Finished and Trading Stocks:				
Stock as on 01 April				
Work-in-process	116.64		5.77	
Finished and Trading Stocks	1717.29		1556.03	
	1833.93		1561.80	
Less: Stock as on 31 March				
Work-in-Process	112.76		10.18	
Finished and Trading Stocks	2326.44		1717.29	
	2439.20	(605.27)	1727.47	(165.67)
		35814.02		14931.48

SCHEDULE 15

COST OF SERVICES				
Trading and Operating expenses		67.86		63.24
Workshop Expenses		138.91		55.95
Operation and Maintenance expenses				
Operation and Maintenance		184.57		7.50
Stores Consumed	518.50		291.97	
Less: Work in progress	117.75	400.75	112.10	179.87
		792.09		306.56

SCHEDULE 16

(in Rs lakh)

	On 31 March 2008		On 31 March 2007	
AGRICULTURAL EXPENSES				
Stock as on 01 April				
Coffee	0.82		0.00	
Minor Produce	0.08	0.90	0.00	0.00
Salaries,Wages and Other benefits:				
Salaries,Wages and Bonus	4.38		36.12	
Contribution to PF & Other Funds	0.33		0.00	
Gratuity	0.00		0.00	
Workmen & Staff Welfare expenses	0.03	4.74	0.00	36.12
Consumption of Stores & Spares		2.05		11.40
Repairs & Maintenance				
Buildings	0.30		0.00	
Machinery & Vehicles	0.12		0.00	
Others	0.00	0.42	3.05	3.05
Electricity Charges		0.23		0.94
Insurance		0.00		0.04
Rates & Taxes		0.55		0.29
Administration & other expenses				
Administration expenses	0.30		0.67	
Travelling & Conveyance	0.07		0.37	
Printing & Stationery	0.06	0.43	0.06	1.10
		9.32		52.94
Less: Stock as on 31 March				
Coffee	0.00		0.83	
Minor Produce	0.00	0.00	0.00	0.83
		9.32		52.11

SCHEDULE 17

SALARIES, WAGES AND OTHER BENEFITS		
Salaries, Wages and Bonus (including Directors)	704.41	310.82
Contribution to Provident Fund	23.75	10.36
Contribution to Gratuity and Superannuation Fund	7.81	1.63
Welfare Expenses	68.41	29.33
	804.38	352.14

SCHEDULE 18

(in Rs lakh)

	On 31 March 2008		On 31 March 2007	
OPERATING AND OTHER EXPENSES				
Rent including Lease Rent		181.18		91.82
Lease Rent on machineries		8.07		0.00
Rates, Taxes, Licence and Filing fees		52.58		549.27
Insurance		12.42		3.82
Power and Fuel		43.91		2.46
Repairs and Maintenance				
Plant & Machinery	45.05		1.13	
Building	1.76		1.18	
Vehicles	23.12		2.09	
Others	98.67	168.60	40.40	44.80
Travelling and Conveyance		63.44		23.98
Directors' Sitting Fees		0.10		0.00
Payment to Auditors				
Audit	11.24		0.00	
Tax Audit	3.37		0.00	
Other Services	6.00	20.61	0.07	0.07
Consumable Stores and Tool		0.96		1.03
Miscellaneous Expenses		398.46		316.07
Bad Debts written off	0.00		0.29	
Less: Written off against Provision	0.00	0.00	0.29	0.00
		950.33		1033.32

SCHEDULE 19

INTEREST		
On Fixed Loans		
Others	75.95	63.86
(Tax Deducted at Source Rs 6.65 lakhs (Rs 20.66 Lakhs))		
	75.95	63.86

SCHEDULE 20 A

Significant Accounting Policies

- 1 **Basis of Preparation**
The financial statements relate to Sicagen India Limited. These financial statements have been prepared under historical cost convention and applicable Mandatory Accounting Standards.
- 2 **Fixed Assets**
Leasehold Land is capitalized and the amount is not amortized.
- 3 **Borrowing Costs**
Borrowing Costs are capitalized as a 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 Building Materials Division, Governor Services, Engineering Division, Travels Division at written down value method
 - b Assets of Vehicle Sales Division, Plantation and Agri Division at straight line method
 - c Depreciation on certain premises is provided on composite cost where it is not possible to segregate the land cost.
 - d Wind power electric generators (included under plant and machinery) on the basis of technical opinion are classified as "continuous process plant" and depreciation provided at the applicable rate prescribed under Schedule XIV on straight line method.
 - e Improvements on leasehold premises are depreciated over the tenure of the lease.
 - f Assets whose cost does not exceed Rs.5000 are fully depreciated.
- 5 **Investments (Long Term)**
Investments in shares and units 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.
- 6 **Inventories**
 - a Trading Stock, Stores and Spares, Raw materials, Packing materials are valued at cost, computed on first in first out basis.
 - b Finished goods and work in process are valued at the lower of cost and estimated net realizable value. Cost comprises of materials consumed valued on first in first out basis and direct and indirect overheads.
 - c Agricultural produce is valued at net realizable value.
 - d Work-in-process on ship building contracts reflects proportionate value of inputs and expenses yet to be billed.
 - e Loose tools are valued after writing off a certain percentage on cost.
- 7 **Impairment of Assets**
The Company recognizes impairment of assets other than the assets which are specifically excluded under Accounting Standard 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India after comparing the assets recoverable value with its carrying amount in the books. In case carrying amounts exceeds recoverable value, impairment losses are provided for.
- 8 **Revenue Recognition**
 - a. Revenue is recognized and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.
 - b. Sales are net of discount and sales tax and are recognised at the point of dispatch of goods.
 - c Service Income
 - 1 Income is recognized when billed on completion of services
 - 2 Income from boat building is recognized as and when it is ready for delivery.
 - 3 Expenditure incurred on incomplete contracts is included under "Advances Recoverable"

9 Foreign Currency Transaction

Foreign currency transactions are recorded in the books at rates prevailing on the date of transaction. Current assets and liabilities wherever receivable or payable in foreign currencies are translated at exchange rates prevailing on the Balance Sheet date and the loss or gain arising out of such transaction is adjusted in the Profit and Loss Account.

10 Retirement Benefits

Contribution to Provident Fund and Family Pension Fund are remitted to Provident Fund Trust and to Employees Provident Fund scheme run by the government. The company has an arrangement with Life Insurance Corporation of India to administer the Superannuation and Gratuity scheme for all eligible employees of the Company. The contribution payable as determined based on actuarial valuation is debited to Profit and Loss Account. Provision for leave encashment benefit on retirement has been ascertained on actuarial basis and provided for.

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 Accounting Standard -17

13 Discontinuing Operations

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

14 Provision for Current Tax and Deferred Tax

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax act 1961. Deferred taxes are recognized when considered prudent for all timing differences between taxable and accounting income.

SCHEDULE 20 B

NOTES ON ACCOUNTS

- 1 In accordance with Accounting Standard - 29, the following is considered as Contingent Liability and Provision
 - a Sales tax and Income tax demands together with penalties under appeal amounts to Rs 1.72 lakhs. (Rs 1.72 lakhs)
 - b Guarantees given by bankers for Performance of Contracts and others - Rs.151.15 lakhs guarantees issued in the name of Sical Logistics Ltd which would be re-issued in the subsequent year in the name of Sicagen India Limited.

- 2 Investments
 - a Investments made by Sical Logistics Ltd have been transferred to the books of accounts of the Company as per the Scheme of Arrangement (Demerger) approved by the Hon'ble High Court of Judicature at Madras with effect from 1st October 2006. The above investments are yet to be registered in the Company's name.
 - b No provision is considered necessary for shortfall in market value of certain quoted investments ascertained on individual basis amounting to Rs 472.34 lakhs (Rs 667.12 lakhs) significant portion of which relate to companies promoted by the Company which is considered temporary in nature.

- 3 Sundry Debtors, Loans and Advances and Deposits include certain overdue and confirmed balances. Some of the accounts are under reconciliation. These include
 - a Rs 2384.88 lakhs (Rs 2384.88 lakhs) covered by court cases under arbitration
 - b Advance to a subsidiary amounting to Rs 7508.47 lakhs (Rs 7499.86 lakhs) is considered good and recoverable as the intrinsic value of the investments held by that company are more than the values stated in the books of that company.

- 4 Provision for taxation includes Rs 1.00 lakh (Rs 1.00 lakh) towards Wealth tax

- 5 No provision for taxation under the Karnataka Agricultural Income Tax, 1957 in respect of plantation activities is considered necessary in view of carry forward losses available for set off.

- 6 Letters of confirmation of balances in personal accounts of suppliers, debtors and principals, loans and advances and in-operative bank accounts have been called for and where not received is being followed up.

- 7 Sundry Creditors include Rs 39.84 lakhs (Rs 31.43 lakhs) 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. The names of the small scale industrial units to whom company owes as on Balance Sheet date are as follows: Vajjeram Industrial, Pioneer Plastics.

8 Managerial Remuneration

(in Rs lakh)

Particulars	2007-08	2006-07
Salary & Allowances	6.00	-
Contribution to PF & Other Funds	0.48	-
Perquisites	1.02	-
Total *	7.50	-

* Remuneration paid for 3 months

9 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

(in Rs lakh)

Particulars	2007-08	2006-07
Labour Charges	27.67	20.59
Insurance	1.43	1.32
Other Expenses	13.75	11.72
Materials	75.84	78.47
Total	118.69	112.10

10 a) Value of Imports calculated on C.I.F

(in Rs lakh)

Particulars	2007-08	2006-07
Components & Spare Parts	Nil	8.28

10 b) Expenditure in foreign currency during the financial year

(in Rs lakh)

Particulars	2007-08	2006-07
Travel	11.54	9.88

10 c) Value of raw material, spare parts and components consumed during the year.

Particulars	2007-08		2006-07	
	% to total consumption	Value (in Rs lakh)	% to total consumption	Value (in Rs lakh)
Imported	0%	-	0%	-
Indigenous	100%	383.55	100%	163.11
		383.55		163.11

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

(in Rs lakh)

Particulars	2007-08	2006-07
Other Income -Commission	0.54	0.31

11 Related Party Disclosure**1 Related parties where control exists****Subsidiary Company**

South India House Estates and Properties Ltd

2 Other related parties with whom trade transactions have taken place during the year**Key Management Personnel**

S Arumugam Director and CEO (w.e.f 03 January 2008)

Related party transactions

Information about Primary Business Segments

(in Rs lakh)

Particulars**Other related parties****Key Management Personnel**

Managerial Remuneration*

7.50

*Remuneration paid for 3 months

Segment Information for the year ended 31 March 2008

12 Information about Primary Business Segments

(in Rs lakh)

Business Segments	Trading - Building Materials & Vehicles	Other	Eliminations	Total
REVENUE				
External Sales	38101.62	929.99		39031.61
Inter Segment Sales	0.62	6.82	(7.44)	0.00
Total Revenue	38102.24	936.81	(7.44)	39031.61
RESULT				
Segment Result	682.10	151.12		833.22
Unallocated Corporate Expenses				419.38
Operating Profit				413.84
Interest Expense				34.31
Interest/Dividend Income				48.46
Income Taxes(net off def.tax)				(26.88)
Net Profit				454.87
OTHER INFORMATION				
Segment Assets	7916.92	3716.22		11633.14
Unallocated Corporate Assets			32374.23	32374.23
Total Assets	7916.92	3716.22	32374.23	44007.37
Segment Liabilities	4296.63	476.22		4772.85
Unallocated Corporate Liabilities			3771.02	3771.02
Total Liabilities	4296.63	476.22	3771.02	8543.87
Capital Expenditure	72.88	4.85		77.73
Depreciation	137.45	69.00		206.45

Information about Secondary Business Segments

	India	Outside India	Total
Revenue by Geographical Market	39031.61		39031.61
Segment Assets	11633.14		11633.14
Capital Expenditure	77.73		77.73

Notes:

- The Company has identified Business Segment as the Primary Segment and Geographic Segment as the Secondary Segment disclosure
- The Business Segments identified are Trading and Others.
- The Geographical Segment considered for disclosure are India and Rest of the World. All manufacturing facilities and sales offices are located in India .Geographical segments are based on location of the customer who is invoiced or in relation to which the revenue is otherwise recognised.
- Segmental assets include all operating assets used by the respective segment and principally consists of operating cash, debtors, inventories and fixed assets.

13 a) Sales Turnover (Gross Total) - Finished Goods

Particulars	Units	2007 - 2008		2006 - 2007	
		Quantity	Value (in Rs lakh)	Quantity	Value (in Rs lakh)
Steel Pipes	Mtrs.	7089009.66	14324.36	3527699.54	6942.64
P V C Pipes	Mtrs.	1226879.31	539.19	480313.95	212.33
Cables	Mtrs.	870751.82	1410.43	397414.70	604.31
Hardware Materials	Kgs	13607292.03	4797.89	5453797.47	1590.18
Vehicles	Nos.	3111	15248.49	1181	5619.76
Coffee Uncured	M T	1.341	0.82	141.18	113.40
Others		-	662.67	-	431.38
Total			36983.85		15514.00

13 b) Opening and Closing Stock of Goods Purchased and Produced

Particulars	Units	Year ended 31 March 2008		Year ended 31 March 2007	
		Quantity	Value (in Rs lakh)	Quantity	Value (in Rs lakh)
Steel Pipes	Mtrs.	761596.51	1447.07	510790.05	944.76
P V C Pipes	Mtrs.	89530.19	37.21	65532.90	25.62
Cables	Mtrs.	86624.25	95.42	60319.55	58.97
Hardware Materials	Kgs	304284.37	144.40	293017.80	90.33
Vehicles	Nos.	69	397.25	64	341.36
Coffee Uncured	M T	-	-	1.341	0.82
Others		-	205.08	-	256.26
Total			2326.43		1718.12

13 c) Class of Goods Manufactured and Purchased

Particulars	Units	Licensed Capacity	Installed Capacity	Actual Production	Purchase	Value in Rs lakh
Steel Pipes	Mtrs.	-	-	-	7339816.12 (3561395.13)	13866.90 (6596.53)
P V C Pipes	Mtrs.	-	-	-	1250876.60 (437560.40)	501.13 (193.80)
Cables	Mtrs.	-	-	-	897056.52 (409666.25)	1505.25 (586.24)
Hardware Materials	Kgs	-	-	-	13618558.60 (5580924.27)	4701.25 (1589.18)
Vehicles	Nos.	-	-	-	3116 (1189.00)	14827.09 (5527.46)
Others		-	-	-		1035.81 (603.75)

14 Deferred tax liability arising out of timing difference relating to

(in Rs lakh)

S.No.	Particulars	Opening	Current Year Adjustments/ Additions	Closing
1	Depreciation	(650.09)	104.67	(545.42)
	Total	(650.09)	104.67	(545.42)

15 Earnings per share

(in Rs lakh)

Particulars	31.03.2008	31.03.2007*
Profit before exceptional and prior period adjustments as per P & L account (in Rs lakhs)	454.85	1040.44
Profit after exceptional and prior period adjustments as per P & L account (in Rs lakhs)	453.89	-1177.01
Number of shares used in computing EPS - for basic	39571684	39571684
Number of shares used in computing EPS - for diluted	Nil	Nil
EPS - Before exceptional and prior period adjustments - Basic (In Rs)	1.15	-2.63
EPS - Before exceptional and prior period adjustments - Diluted (In Rs)	Nil	Nil
EPS - After exceptional and prior period adjustments - Basic (In Rs)	1.15	-2.97
EPS - After exceptional and prior period adjustments - Diluted (in Rs)	Nil	Nil
Face value per share(in Rs)	10.00	10.00

*Figures relates to six months period only.

16 Discontinuing Operations

The following statement shows the revenue and expenses of Discontinuing Operations as per AS - 24 (in Rs lakh)

Particulars	Discontinuing Operations	
	2007-08	2006-07
Sales & Service	98.09	155.84
Other Income	2.90	-
Operating Expenses	62.87	63.98
Pre tax profit(loss) before interest and depreciation	38.12	91.86
Depreciation	56.22	29.08
Interest Expense	-	-
Profit(loss) before exceptional items and tax	(18.10)	62.78

Discontinuing Operations include Plantation and Windmill for which the Board of Directors have passed a resolution approving their disposal.

- 17** All employees were covered by Sical Logistics Employee Gratuity scheme with LIC for the financial year 2007-08. Provision for Gratuity is not considered necessary as sufficient funds are available and the amount was fully paid by Sical Logistics Limited.
- 18** Figures in brackets relate to previous year. Previous year is for a 6 month period from October 2006 - March 2007 pursuant to demerger from Sical Logistics Ltd based on Scheme of Arrangement sanctioned by Hon'ble High Court of Madras vide its order dated 20 December 2007. Figures have been regrouped and rearranged wherever necessary.

19 Balance Sheet Abstract and Company's General Business Profile

Registration Details	Registration No. & State Code	0	5	3	4	6	7		1	8
	Balance Sheet Date	3	1	0	3	2	0	0	8	
Capital raised during the year (Amount in thousands)	Public Issue						N	I	L	
	Rights Issue						N	I	L	
	Bonus Issue						N	I	L	
	Private Placement						N	I	L	
Mobilisation and Deployment of Funds (Amount in thousands)	Total Liabilities		4	4	7	3	0	4	8	
	Total Assets		4	4	7	3	0	4	8	
	Paid up Capital			3	9	5	7	1	7	
	Reserves and Surplus		3	2	2	2	9	4	4	
	Secured Loans						N	I	L	
	Unsecured Loans			2	5	3	9	8	0	
Application of Funds (Amount in thousands)	Net Fixed Assets			4	7	5	8	6	4	
	Investments			2	7	6	3	2	1	
	Net Current Assets		3	1	0	2	6	8	7	
	Miscellaneous Expenditure						N	I	L	
	Accumulated Losses				7	2	3	1	1	
Performance (Amount in thousands)	Turnover		3	9	0	8	0	5	2	
	Total Expenditure		3	8	6	5	2	5	4	
	Profit / (Loss) Before Tax				4	2	7	9	8	
	Profit / (Loss) After Tax				4	5	4	8	6	
	Earning per share (in Rupees)					1	.	1	5	
	Dividend Rate %						N	I	L	
Generic Names of three Principal Products / Services of the Company (as per monetary terms)	Product Description	T	R	A	D	I	N	G	&	
	Item Code No.	S	E	R	V	I	C	E		
		N	O	T						
		A	P	P	L	I	C	A	B	
									L	
									E	

S ARUMUGAM
Director & CEO

M RAJAMANI
Director

For M/s. CNGSN & Associates
Chartered Accountants

Place Chennai
Date 30 June 2008

GR KANNAN
AVP(F&A) & Company Secretary

CN GANGADARAN
Partner

Cash Flow Statement

(in Rs lakh)

	Year ended 31 March 2008	
A Cash Flow from Operating Activities		
Profit before tax and exceptional items		427.98
Adjustments for		
Depreciation	206.45	
(Profit)/Loss on Disposal of Fixed Assets(net)	(20.89)	
Interest Income	(0.45)	
Dividend Income	(48.46)	
Interest Expenditure	75.95	
Prior Period Adjustments	(0.96)	
		211.64
Operating Profit before Working Capital Changes		639.62
Adjustments for		
Trade and Other Receivables	(1165.86)	
Inventories	(647.06)	
Trade Payables and Other Liabilities	2191.96	379.04
Cash Generated from Operations		1018.66
Tax Paid		114.82
Net Cash from Operating Activities		903.84
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(34.73)	
Sale of Fixed Assets	32.29	
Investments sold	1.07	
Interest received	0.45	
Dividend received	48.46	
Net cash used in Investing activities		47.54
C Cash Flow from Financing Activities		
Interest Paid	(75.95)	
Repayment of Short Term Borrowings	(360.90)	
Net cash used in Financing Activities		(436.85)
Net Increase /Decrease in Cash and Cash Equivalents(A+B+C)		514.53
Cash and Cash Equivalents as at (Opening) 01 April 2007		491.86
Cash and Cash Equivalents as at (Closing) 31 March 2008		1006.39

S ARUMUGAM
Director & CEO

M RAJAMANI
Director

For M/s. CNGSN & Associates
Chartered Accountants

Place Chennai
Date 30 June 2008

GR KANNAN
AVP(F&A) & Company Secretary

CN GANGADARAN
Partner

AUDITORS' REPORT

We have examined the above Cash Flow Statement of Sicagen India Limited for the year ended 31 March 2008. 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.

For M/s CNGSN & ASSOCIATES
Chartered Accountants

Place Chennai
Date 30.06.08

CN GANGADARAN
Partner

STATEMENT OF PARTICULARS OF SUBSIDIARY PURSUANT TO SEC 212 [5] OF THE COMPANIES ACT, 1956

Name of the Subsidiary Company : South India House Estates & Properties Limited

Particulars

[a] Whether there has been any, and if so, what change in the holding Company's interest in the subsidiary between the end of the financial year or of the last of the financial years of the subsidiary and the end of the holding company's financial year	As per the Scheme of Arrangement [Demerger] approved by the Hon'ble High Court of Judicature at Madras 1,00,00,000 equity shares of Rs.10 each [ie 100% holding] held by Sical Logistics Ltd have been transferred to the Books of Accounts of Sicagen India Limited w.e.f 01.10.2006 and hence the Company has become a subsidiary of Sicagen India Limited. Other than the above, there is no change in shareholdings.
[b] Details of any material changes which have occurred between the end of the financial year or of the last of the financial year of the subsidiary ie South India House Estates & Properties Ltd [30.06.2007] and the end of the holding Company ie Sicagen India Limited's financial year [31.03.2008] in respect of: [i] the Subsidiary's fixed assets [ii] its Investments [iii] the moneys lent by it [Rs. in lakhs] [iv] the moneys borrowed by it for any purpose other than that of meeting current liabilities	NIL NIL 8.61 NIL

S ARUMUGAM
Director & CEO**M RAJAMANI**
Director**For M/s. CNGSN & Associates**
Chartered AccountantsPlace Chennai
Date 30 June 2008**GR KANNAN**
AVP(F&A) & Company Secretary**CN GANGADARAN**
Partner



Annual report 2007-08
Accounts - consolidated

AUDITORS' REPORT

Auditors' Report to the Board of Directors on the Consolidated Financial Statements of Sicagen India Limited

We have examined the attached consolidated Balance Sheet of Sicagen India Limited and its subsidiary South India House Estates and Properties Limited as at 31 March 2008 and the Consolidated Profit & Loss Account for the year then ended 31.03.2008

The financial statements are the responsibility of the management of Sicagen India Limited. 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.

The financial statements and other information of the subsidiary for the year ended 31 March 2008 is unaudited.

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 issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Sicagen India Limited, and its subsidiary 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 Sicagen India Limited and its aforesaid subsidiary, we are of the opinion that,

- I. The Consolidated Balance Sheet gives a true and fair view of the Consolidated state of affairs of Sicagen India Limited and its subsidiary as at 31 March 2008.
- II. The Consolidated Profit and Loss Account gives a true and fair view of the Consolidated result of operations of Sicagen India Limited and its subsidiary for the year then ended and
- III. The Cash flow statement as at 31 March 2008.

For CNGSN & ASSOCIATES
Chartered Accountants

Place Chennai
Dated 30 June 08

CN GANGADARAN
Partner
Memb.No.11205

CONSOLIDATED BALANCE SHEET ON 31 MARCH 2008

(in Rs lakh)

	Schedule	On 31 March 2008		On 31 March 2007 (6 months)	
I SOURCES OF FUNDS					
SHAREHOLDERS' FUNDS:					
Capital	1	3957.17		3957.17	
Reserves & Surplus	2	32235.82	36192.99	32235.42	36192.59
LOAN FUNDS					
Unsecured Loans	3		2539.80		2900.70
Total			38732.79		39093.29
II APPLICATION OF FUNDS					
FIXED ASSETS:					
Gross Block	4	5479.05		5476.47	
Less: Depreciation		2543.94		2355.90	
Net Block		2935.11		3120.57	
Capital Work-in-Progress at cost		1871.34	4806.45	1871.34	4991.91
INVESTMENTS	5		4040.95		4036.68
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	6	3076.25		2429.18	
Sundry Debtors	7	8927.13		8450.24	
Cash and Bank Balances	8	1039.31		500.01	
Loans and Advances	9	22313.32		21429.09	
		35356.01		32808.52	
LESS: CURRENT LIABILITIES AND PROVISIONS	10	5482.60		3201.80	
NET CURRENT ASSETS			29873.41		29606.72
DEFERRED TAX					
Deferred Tax Asset		1.37		1.43	
Deferred Tax Liabilities		(546.79)	(545.42)	(651.52)	(650.09)
Profit and Loss account			557.40		1108.07
Total			38732.79		39093.29

Schedules 1 to 10 and Notes in Schedule 20 form an integral part of this Balance Sheet and should be read in conjunction therewith.

S ARUMUGAM
Director & CEO

M RAJAMANI
Director

This is the Balance Sheet referred
to in our Report of even date
For M/s. CNGSN & Associates
Chartered Accountants

Place Chennai
Date 30 June 2008

GR KANNAN
AVP(F&A) & Company Secretary

CN GANGADARAN
Partner

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2008

(in Rs lakh)

	Schedule	Year ended 31 March 2008		Year ended 31 March 2007 (6 Months)	
INCOME					
Sales and Services	11	38979.83		16199.64	
Agricultural Income	12	0.90		131.81	
Other Income	13	222.37	39203.10	262.98	16594.43
EXPENDITURE					
Cost of Goods Sold	14		35814.02		14931.48
Cost of Services	15		792.09		306.56
Agricultural Expenses	16		9.32		52.11
Salaries, Wages and Other benefits	17		813.19		355.29
Operating and other expenses	18		958.46		1035.99
Interest	19		75.95		63.86
Depreciation			208.80		115.75
Miscellaneous Expenditure written off			0.00		38.41
			38671.83		16899.45
PROFIT BEFORE TAXATION & EXCEPTIONAL ITEMS			531.27		(305.02)
Less : Provision for					
- Current Tax		69.73		4.23	
- Deferred Tax		(104.67)		650.09	
- Fringe Benefit Tax		14.58	(20.36)	4.94	659.26
PROFIT AFTER TAXATION & BEFORE EXCEPTIONAL ITEMS			551.63		(964.28)
Exceptional Items(Net of tax)			0.00		(137.28)
PROFIT AFTER TAXATION & AFTER EXCEPTIONAL ITEMS			551.63		(1101.56)
Prior year adjustments			(0.96)		0.72
Profit after Prior Period adjustments			550.67		(1100.84)
Balance brought forward from Previous year			(1108.07)		(7.23)
Balance carried to Balance Sheet			(557.40)		(1108.07)
EPS - Basic before Exceptional items (In Rs/P)			1.39		(2.44)
EPS - Basic after Exceptional items (In Rs/P)			1.39		(2.78)

Schedules 11 to 19 and Notes in Schedule 20 form an integral part of this Profit and Loss Account and should be read in conjunction

This is the Profit and Loss Account referred to in our Report of even date

S ARUMUGAM
Director & CEO

M RAJAMANI
Director

For M/s. CNGSN & Associates
Chartered Accountants

Place Chennai
Date 30 June 2008

GR KANNAN
AVP(F&A) & Company Secretary

C.N. GANGADARAN
Partner

SCHEDULES

SCHEDULE 1

(in Rs lakh)

	On 31 March 2008	On 31 March 2007
SHARE CAPITAL		
AUTHORISED:		
5,00,00,000 (5,00,00,000) Equity Shares of Rs 10/- each	5000.00	5000.00
ISSUED:		
3,95,71,684 (3,95,71,684) Equity Shares of Rs 10/- each	3957.17	3957.17
SUBSCRIBED:		
3,95,71,684 (3,95,71,684) Equity Shares of Rs 10/- each	3957.17	3957.17
PAID-UP:		
3,95,71,684 (3,95,71,684) Equity Shares of Rs 10/- each	3957.17	3957.17
	3957.17	3957.17

Notes :

Out of 3,95,71,684 equity shares the Company has issued and allotted 3,95,21,684 equity shares of Rs 10 each at a premium of Rs 74.50 per share as fully paid up, as per the Scheme of Arrangement [Demerger] sanctioned by the Hon'ble High Court of Madras vide its order dated 20th December 2007 to the equity shareholders of Sical Logistics Limited [Sical] whose name appeared in the Register of Members of Sical as on Record date ie 01 March 2008.

The Company has credited the share capital and share premium accounts in its books with the aggregate value of the new equity shares issued to the shareholders of Sical pursuant to the aforesaid scheme.

SCHEDULE 2

(in Rs lakh)

	On 31 March 2008	On 31 March 2007
RESERVES AND SURPLUS		
CAPITAL RESERVE		
As per last Balance Sheet	2792.17	2791.77
SHARE PREMIUM ACCOUNT		
As per last Balance Sheet	29443.65	29443.65
	32235.82	32235.42

Notes :

Pursuant to the Scheme of Arrangement sanctioned by the Hon'ble High Court of Madras vide its order dated 20 December 2007, the Company has taken into account the entire assets and liabilities of Trading, Services and Plantation accounts of Sical Logistics Ltd [Sical] in the books at the same values as appeared in the books of Sical as at the close of business on 30 September 2006.

The excess in the book values of assets over the book value of liabilities including the share capital issued and the share premium created under the aforesaid Scheme, have been treated as Capital Reserve.

As per the said Scheme, the Company would take pre-measure steps to transfer excess or deficit if any between the net book value of assets over the book value of liabilities which may arise at the time of issue of equity shares at Premium to the shareholders of Sical Logistics Ltd., while converting the FCCBs into equity shares by Sical in future either to Capital Reserve or Goodwill. In the event of Goodwill being created, the same shall be dealt with by the Board either by carrying such amount in the books of accounts or writing off the same in one or more years as the Board of Directors may deem fit.

SCHEDULE 3

(in Rs lakh)

	On 31 March 2008	On 31 March 2007
UNSECURED LOANS		
Short Term Loans and Advances		
Others	2528.91	2889.81
Interest accrued and due	10.89	10.89
	2539.80	2900.70

SCHEDULE 4

Fixed Assets

(in Rs lakh)

PARTICULARS	Cost						Depreciation				Net Block	
	On 01.04.07	Additions	Transfer	Sales / Adjustments	On 31.03.08	On 01.04.07	For the Year	Transfer	Withdrawn	Upto 31.03.08	On 31.03.08	On 31.03.07
Freehold land	551.94	-	-	-	551.94	-	-	-	-	-	551.94	551.94
Buildings	2,204.35	25.89	25.89	23.24	2,181.11	676.10	66.52	21.17	33.80	729.99	1,451.12	1,528.25
Leasehold Improvements	333.75	-	-	-	333.75	202.68	22.60	-	-	225.28	108.47	131.07
Plant & Machinery	1,776.26	23.92	17.10	1.36	1,781.72	986.60	90.55	13.97	14.88	1,076.24	705.48	789.66
Office Equipments	320.98	14.07	-	0.90	334.15	257.27	15.48	-	0.84	271.91	62.24	63.71
Furniture&Fixtures	159.40	0.82	-	0.29	159.93	134.56	4.31	-	0.26	138.61	21.32	24.84
Trucks	12.17	-	-	-	12.17	10.72	0.72	-	-	11.43	0.74	1.45
Vehicles	98.78	13.03	-	6.37	105.44	71.46	7.72	-	6.10	73.08	32.36	27.32
Leased Machinery	18.84	-	-	-	18.84	16.51	0.90	-	-	17.40	1.44	2.33
Grand Total	5,476.47	77.73	42.99	32.16	5,479.05	2,355.90	208.80	35.14	55.89	2,543.94	2,935.11	3,120.57
Capital Work in progress	1,871.34	-	-	-	1,871.34	-	-	-	-	-	1,871.34	1,871.34
Previous Year	6,472.59	15.52	1.03	1,012.67	5,476.47	2,637.11	115.75	0.61	397.57	2,355.90	3,120.57	3,835.48

NOTES :

- A Freehold Land includes Rs.9.02 lakhs (Rs 9.02 lakhs) representing the value of land purchased under lease cum sale agreement for which the sale deed is yet to be executed.
- B Capital Work in progress includes Rs 1871.34 lakhs towards value of coffee estate yet to be registered in the name of the company.

SCHEDULE 5 - INVESTMENTS

Consolidated
(in Rs lakh)

PARTICULARS	No. of Shares / Units	Face Value per Share / Unit	Book Value As on 31 March 2008	Book Value As on 31 March 2007
[A] SUBSIDIARY COMPANY'S INVESTMENTS				
[1] IN EQUITY SHARES				
NON-TRADE [QUOTED]				
Southern Petrochemical Industries Corpn. Ltd	2099600	10	1182.71	1182.71
Synthetics & Chemicals Ltd	1125	10	0.01	0.01
EIH Ltd	1360	10	3.56	3.56
Anuh Pharma Ltd	16000	5	0.60	0.20
First Leasing Co of India Ltd	2102625	10	326.14	326.14
IDBI	15840	10	9.38	9.38
Super Sales Agencies Ltd	200	10	0.01	0.01
Premier Automobiles Ltd	66	10	0.00	0.00
National Rayon Corporation Ltd	110	10	0.00	0.00
Birla Yamaha Ltd	300	10	0.04	0.04
Hindustan Lever Ltd	2320	1	0.51	0.51
GV Films Ltd	400	1	0.01	0.01
Shree Cements Ltd	720	10	0.24	0.24
Jenson & Nicholson [India] Ltd	2790	2	0.05	0.05
Shaw Wallace & Company Ltd	1259	10	0.28	0.28
Mysore Cements Ltd	700	10	0.05	0.05
Saurashtra Chemicals Ltd	9000	10	0.72	0.72
Tuticorin Alkali Chemicals Ltd	5	10	0.00	0.00
Tamilnadu Petroproducts Ltd	12800	10	2.06	2.06
SPEL Semiconductors Ltd	100	10	0.00	0.00
Henkel Spic India Ltd	2500	10	0.38	0.38
Manali Petrochemicals Ltd	17100	10	0.25	0.25
Lakshmi Finance & Ind. Corporation Ltd	675	10	0.07	0.07
Samtal Color Ltd	100	10	0.02	0.02
TT Ltd	800	10	0.10	0.10
Tata Iron & Steel Co Ltd	3298	10	2.15	2.15
Bank of India	3600	10	0.41	0.41
Premier Instruments & Controls Ltd	139	10	0.08	0.08
TATA Steel Ltd	658	10	1.97	0.00
[2] IN EQUITY SHARES				
NON-TRADE [UNQUOTED]				
Trinity Autopoints Ltd	20000	10	2.00	2.00
Sical Distriparks Ltd	610000	10	205.37	205.37
Vam Holdings Ltd	280	10	0.14	0.14
Lotus Mills Ltd	50	10	0.00	0.00
Mysore Chrome Tanning Ltd	319	10	0.03	0.03
Mandya National Paper Mills Ltd	698	1	0.04	0.04
Southern Brick Works Ltd	100	100	0.10	0.10
Tube Agencies [P] Ltd	250	10	0.03	0.03
Automobile Products of India Ltd	42623	10	0.42	0.42
SDB Cisco [India] Ltd	750	100	0.30	0.30
Sai Agencies	70350	10	0.70	0.70
National Trust Housing Finance Ltd	4559890	10	527.07	527.07
Travancore Rayon Ltd	310	10	0.00	0.00
Indo-Germa Products Ltd	3300	10	0.16	0.16
Pondy Spinners Ltd	50000	10	2.65	2.65
Lakshmi Shanmuga Spinning Mills Ltd	50	100	0.00	0.00
Balaji Steels Ltd	300	10	0.38	0.38
Corn Industries & General Enterprises Ltd	159211	10	1.59	1.59
Sree Balaji Leasing Services Ltd	541	100	0.52	0.52
Sree Karpagambal Mills Ltd	2500	10	0.22	0.22
Mysore Kirlosker Ltd	8090	10	1.14	1.14

SCHEDULE 5 - INVESTMENTS

(in Rs lakh)

PARTICULARS	No. of Shares / Units	Face Value per Share / Unit	Book Value As on 31 March 2008	Book Value As on 31 March 2007
[3] IN PREFERENCE SHARES NON-TRADE [UNQUOTED]				
TATA Steel Ltd	2968	100	2.97	0.00
[4] OTHERS				
IN GOVT. SECURITIES				
National Savings Certificates [NSC]			0.01	0.01
IN PARTNERSHIP FIRM				
South India House Investments & Associates			0.10	0.10
[B] HOLDING COMPANY'S INVESTMENTS				
TRADE INVESTMENTS AT COST				
In Equity Shares - Fully paid				
Southern Petrochemical Indus. Corpn. Ltd [Quoted]	3019799	10	1230.31	1230.31
First Leasing Company of India Ltd [Quoted]	2127079	10	411.70	411.70
Coffee Products [India] Ltd	5000	100	5.00	5.00
SDB Cisco [India] Ltd	1359	100	2.15	2.15
Mitsuba Sical India Ltd	300000	10	65.05	65.05
TRADE INVESTMENTS AT FACE VALUE				
In Equity Shares - Fully paid [Bonus]				
First Leasing Company of India Ltd [Quoted]	26633	10	2.66	2.66
SDB Cisco [India] Ltd	3390	100	0.34	0.34
NON TRADE INVESTMENTS AT COST				
In Ordinary Shares - Fully paid				
Sical Yamatake Ltd	449970	10	45.00	45.00
Others -Fully paid				
GIC Fortune 94	12626	7.92	1.00	1.00
National Savings Certificates [NSC]				1.07
			4040.95	4036.68
Addition / Deletion during the year	No. of Shares		As on 31 March 2008	As on 31 March 2007
TATA Steel Ltd [Preference shares of Rs.100 each]	2968		2.97	0.00
TATA Steel Ltd [Equity shares of Rs.10 each]	658		1.97	0.00
			Market Value	Book Value
			3186.49	3174.10
				866.85
			3186.49	4040.95

Notes:

- [1] The investments of holding Company [Sicagen] have been transferred from Sical Logistics Ltd to the Books of accounts of Sicagen as per the Scheme of Arrangement [Demerger] approved by the Hon'ble High Court of Judicature at Madras with effect from 01 October 2006.
- [2] The investments of holding Company [Sicagen] are yet to be registered in the name of Sicagen.
- [3] In the investments of holding Company, out of 3019799 equity shares of Spic Ltd, 2032454 shares lodged by Sical as Securities to other Bodies Corporate/Financial Institutions are yet to be released and 2450 shares are pending under court case. Out of 2153712 equity shares of First Leasing, 84025 shares lodged by Sical as Securities to other Bodies Corporate/Financial Institutions are yet to be released.
- [4] Consequent to transfer of entire equity shares of South India House Estates & Properties Ltd [SIHEPL] held Sical to Sicagen, SIHEPL has become subsidiary of Sicagen w.e.f 01 October 2006. Hence SIHEPL's investments have been grouped under Sicagen's consolidated Investments schedule.

SCHEDULE 6

(in Rs lakh)

	On 31 March 2008	On 31 March 2007
INVENTORIES		
At lower of cost and net realisable value		
Stores and Spares	499.17	475.80
Loose Tools	6.90	6.45
Work-in-Process		
Trading and Others	231.44	228.74
Goods in transit at Cost	12.30	0.00
Finished and Trading Stocks	2326.44	1718.19
	3076.25	2429.18

SCHEDULE 7

SUNDRY DEBTORS		
Unsecured		
Debts outstanding for a period exceeding six months		
Considered good	6472.70	6474.90
Considered doubtful	0.00	0.00
	6472.70	6474.90
Less: Provision for Doubtful Debts	0.00	0.00
	6472.70	6474.90
Other debts - Considered good	2454.43	1975.34
	8927.13	8450.24

SCHEDULE 8

(in Rs lakh)

	On 31 March 2008	On 31 March 2007
CASH AND BANK BALANCES		
Cash and Cheques on hand and Remittances in transit	340.31	201.14
With Scheduled Banks		
On Current Accounts	699.00	298.87
	1039.31	500.01

SCHEDULE 9

LOANS AND ADVANCES				
Advances to Partnership Firms	1052.30		1000.11	
Less: Due to Partnership Firms	0.00	1052.30	0.00	1000.11
Advances recoverable in cash or in kind or for value to be received considered good		19558.72		18872.33
Advance payment of Income-Tax		165.81		18.25
Deposits		1536.49		1538.40
		22313.32		21429.09

SCHEDULE 10

CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES :		
Sundry Creditors	5376.87	3179.27
PROVISIONS:		
Provision for Gratuity	0.00	4.35
Provision for Taxation	105.73	18.18
	5482.60	3201.80

SCHEDULE 11

(in Rs lakh)

	On 31 March 2008	On 31 March 2007
SALES AND SERVICES		
SALES:		
Trading and Others*	36983.03	15400.63
SERVICES:		
Workshop and Service Revenue (Tax Deducted at Source on the above - Rs 6.16 lakhs (Rs 2.38 lakhs))	1996.80	799.01
*Refer Note No.8 of Schedule 20B		
	38979.83	16199.64

SCHEDULE 12

AGRICULTURAL INCOME*		
Coffee Sales	0.82	113.40
Sale of Minor Produce	0.08	3.97
Other Receipts	0.00	14.44
* Refer Note No. 8 of Schedule 20B	0.90	131.81

SCHEDULE 13

OTHER INCOME				
Interest		60.23		28.74
Dividend	0.00		0.00	
On Trade Investments				
On Non- Trade Investments	102.83	102.83	140.32	140.32
Profit on sale of Investments(Net)		0.00		0.18
Rent including Lease Rent and Service charges		9.62		3.15
Profit on sale of Assets(Net)		20.89		2.16
Miscellaneous Income		28.80		88.43
		222.37		262.98

SCHEDULE 14

(in Rs lakh)

	On 31 March 2008		On 31 March 2007	
COST OF GOODS SOLD				
Purchases less Turnover discounts - Trading stock		36419.29		15097.15
Increase/Decrease in Work-in-Process				
Finished and Trading Stocks:				
Stock as on 1 st April				
Work-in-process	116.64		5.77	
Finished and Trading Stocks	1717.29		1556.03	
	1833.93		1561.80	
Less: Stock as on 31 March				
Work-in-Process	112.76		10.18	
Finished and Trading Stocks	2326.44		1717.29	
	2439.20	(605.27)	1727.47	(165.67)
		35814.02		14931.48

SCHEDULE 15

COST OF SERVICES				
Trading and Operating expenses		67.86		63.24
Workshop Expenses		138.91		55.95
Operation and Maintenance expenses				
Operation and Maintenance		184.57		7.50
Stores Consumed	518.50		291.97	
Less: Work in progress	117.75	400.75	112.10	179.87
		792.09		306.56

SCHEDULE 16

(in Rs lakh)

	On 31 March 2008		On 31 March 2007	
AGRICULTURAL EXPENSES				
Stock as on 1st April				
Coffee	0.82		0.00	
Minor Produce	0.08	0.90	0.00	0.00
Salaries,Wages and Other benefits:				
Salaries,Wages and Bonus	4.38		36.12	
Contribution to PF & Other Funds	0.33		0.00	
Workmen & Staff Welfare expenses	0.03	4.74	0.00	36.12
Consumption of Stores & Spares		2.05		11.40
Repairs & Maintenance				
Buildings	0.30		0.00	
Machinery & Vehicles	0.12		0.00	
Others	0.00	0.42	3.05	3.05
Electricity Charges		0.23		0.94
Insurance		0.00		0.04
Rates & Taxes		0.55		0.29
Administration & other expenses				
Administration exps		0.30		0.67
Travelling & Conveyance		0.07		0.37
Printing & Stationery		0.06		0.06
		9.32		52.94
Less: Stock as on 31st March				
Coffee	0.00		0.83	
Minor Produce	0.00	0.00	0.00	0.83
		9.32		52.11

SCHEDULE 17

SALARIES,WAGES AND OTHER BENEFITS		
Salaries, Wages and Bonus (including Directors)	713.22	313.75
Contribution to Provident Fund	23.75	10.36
Contribution to Gratuity and Superannuation Fund	7.81	1.63
Welfare Expenses	68.41	29.55
	813.19	355.29

SCHEDULE 18

(in Rs lakh)

	On 31 March 2008		On 31 March 2007	
OPERATING AND OTHER EXPENSES				
Rent including Lease Rent		181.18		91.82
Lease Rent on Machineries		8.07		0.00
Rates, Taxes, Licence and Filing fees		55.03		551.20
Insurance		12.42		3.82
Power and Fuel		43.91		2.47
Repairs and Maintenance				
Plant & Machinery	45.66		1.30	
Building	1.76		1.18	
Vehicles	23.12		2.09	
Others	98.67	169.21	40.40	44.97
Travelling and Conveyance		63.44		23.98
Directors' Sitting Fees		0.10		0.00
Payment to Auditors				
Audit	11.24		0.00	
Tax Audit	3.37		0.00	
Services	6.48	21.09	0.35	0.35
Consumable Stores and Tool		0.96		1.03
Miscellaneous Expenses		401.23		316.08
Bad Debts written off	0.00		0.29	
Less: Written off against Provision	0.00	0.00	0.29	0.00
Share of profit from Partnership Firm		1.82		0.27
		958.46		1035.99

SCHEDULE 19

INTEREST		
On Fixed Loans		
Others	75.95	63.86
(Tax Deducted at Source Rs 6.65 lakhs (Rs 20.66 lakhs))		
	75.95	63.86

SCHEDULE 20 A

Significant Accounting Policies**1 Basis of Preparation**

The consolidated financial statements relate to Sicagen India Limited and its wholly owned subsidiary South India House Estates & Properties Ltd. These consolidated financial statements have been prepared under historical cost convention and applicable Mandatory Accounting Standards.

2 Basis of Consolidation

The financial statements are considered in accordance with the principles and procedures for the preparation and presentation of consolidated financial statements as laid down under Accounting Standard -21 (in respect of subsidiaries)

3 Fixed Assets

Leasehold Land is capitalized and the amount is not amortized.

4 Borrowing Costs

Borrowing Costs are capitalized as a 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.

- a Assets of Building Materials Division, Governor Services, Engineering Division, Travels Division at written down value method.
- b Assets of Vehicle Sales Division, Plantation and Agri Division at straight line method.
- c Depreciation on certain premises is provided on composite cost where it is not possible to segregate the land cost.
- d Wind power electric generators (included under plant and machinery) on the basis of technical opinion are classified as "continuous process plant" and depreciation provided at the applicable rate prescribed under Schedule XIV on straight line method.
- e Improvements on leasehold premises are depreciated over the tenure of the lease.
- f Assets whose cost does not exceed Rs 5000 are fully depreciated.
- g In respect of subsidiary Depreciation is provided on WDV basis at the rate prescribed in Schedule XIV of the Companies Act, 1956.

6 Investments (Long Term)

Investments in shares and units 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

- a Raw materials, Packing materials, Trading Stock, Stores and Spares are valued at cost, computed on first in first out basis.
- b Finished goods and work in process are valued at the lower of cost and estimated net realizable value. Cost comprises of materials consumed valued on first in first out basis and direct and indirect overheads.
- c Agricultural produce is valued at net realizable value.
- d Work-in-process on ship building contracts reflects proportionate value of inputs and expenses yet to be billed.
- e Loose tools are valued after writing off a certain percentage on cost.

8. Impairment of Assets

The Company recognizes impairment of assets other than the assets which are specifically excluded under Accounting Standard 28 on Impairment of Assets issued by the Institute of Chartered Accountants of India after comparing the assets recoverable value with its carrying amount in the books. In case carrying amounts exceeds recoverable value, impairment losses are provided for.

9 Revenue Recognition

- a Revenue is recognized and expenses are accounted on their accrual with necessary provisions for all known liabilities and losses.
- b Sales are net of discount and sales tax and are recognised at the point of dispatch of goods.
- c Service Income
 - 1 Income is recognized when billed on completion of services
 - 2 Income from boat building is recognized as and when it is ready for delivery
 - 3 Expenditure incurred on incomplete contracts is included under "Advances Recoverable"

10 Foreign Currency Transaction

Foreign currency transactions are recorded in the books at rates prevailing on the date of transaction. Current assets and liabilities wherever receivable or payable in foreign currencies are translated at exchange rates prevailing on the Balance Sheet date and the loss or gain arising out of such transaction is adjusted in the Profit and Loss Account.

11 Retirement Benefits

Contribution to Provident Fund and Family Pension Fund are remitted to Provident Fund Trust and to Employees Provident Fund scheme run by the government. The company has an arrangement with Life Insurance Corporation of India to administer the Superannuation and Gratuity scheme for all eligible employees of the Company. The contribution payable as determined based on actuarial valuation is debited to Profit and Loss Account. Provision for leave encashment benefit on retirement has been ascertained on actuarial basis and provided for.

12 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.

13 Segment Reporting

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

14 Discontinuing Operations

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

15 Provision for Current Tax and Deferred Tax

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of the Income Tax act 1961. Deferred taxes are recognized when considered prudent for all timing differences between taxable and accounting income

SCHEDULE 20 B

NOTES ON ACCOUNTS

- 1 In accordance with Accounting Standard - 29, the following is considered as Contingent Liability and Provision
 - a Sales tax and Income tax demands together with penalties under appeal amounts to Rs 1.72 lakhs. (Rs 1.72 lakhs)
 - b Guarantees given by bankers for Performance of Contracts and others - Rs 151.15 lakhs Guarantees issued in the name of Sical Logistics Ltd which would be re-issued in the subsequent year in the name of Sicagen India Limited.
- 2 Investments
 - a Investments made by Sical Logistics Ltd have been transferred to the books of accounts of the Company as per the Scheme of Arrangement (Demerger) approved by the Hon'ble High Court of Judicature at Madras with effect from 01 October 2006. The above investments are yet to be registered in the Company's name.
 - b No provision is considered necessary for shortfall in market value of certain quoted investments ascertained on individual basis amounting to Rs 854.46 lakhs (Rs 1458.25 lakhs) significant portion of which relate to companies promoted by the Company which is considered temporary in nature.
3. Sundry Debtors, Loans and Advances and Deposits include certain overdue and confirmed balances. Some of the accounts are under reconciliation. These include Rs 2384.88 lakhs (Rs 2384.88 lakhs) covered by court cases under arbitration
4. All employees were covered by Sical Logistics Employee Gratuity scheme with LIC for the financial year 2007-08. Provision for Gratuity is not considered necessary as sufficient funds are available and the amount was fully paid by Sical Logistics Limited.

Consolidated Cash Flow Statement for the year ended 31 March 2008

(in Rs lakh)

	Year ended 31 March 2008	
A Cash Flow from Operating Activities		
Profit before tax and exceptional items		531.27
Adjustments for		
Depreciation	208.78	
(Profit)/Loss on Disposal of Fixed Assets(net)	(20.89)	
Interest Income	(0.45)	
Dividend Income	(48.46)	
Interest Expenditure	75.95	
Prior Period Adjustments	(0.96)	
		213.97
Operating Profit before Working Capital Changes		745.24
Adjustments for		
Trade and Other Receivables	(1251.26)	
Inventories	(647.06)	
Trade Payables and Other Liabilities	2201.85	303.53
Cash Generated from Operations		1048.77
Tax Paid		114.82
Net Cash from Operating Activities		933.95
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	(34.73)	
Sale of Fixed Assets	32.29	
Investments made	(4.27)	
Interest received	0.45	
Dividend received	48.46	
		42.20
Net cash used in Investing activities		42.20
C Cash Flow from Financing Activities		
Interest Paid	(75.95)	
Repayment of Short Term Borrowings	(360.90)	
Net cash used in Financing Activities		(436.85)
Net Increase /Decrease in Cash and Cash Equivalents(A+B+C)		539.30
Cash and Cash Equivalents as at (Opening) 01 April 2007		500.01
Cash and Cash Equivalents as at (Closing) 31 March 2008		1039.31

S ARUMUGAM
Director & CEO

M RAJAMANI
Director

For M/s. CNGSN & Associates
Chartered Accountants

Place Chennai
Date 30 June 2008

GR KANNAN
AVP(F&A) & Company Secretary

CN GANGADARAN
Partner

AUDITORS' REPORT

We have examined the above Cash Flow Statement of Sicagen India Limited for the year ended 31 March 2008. 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.

For M/s CNGSN & ASSOCIATES
Chartered Accountants

Place Chennai
Date 30.06.08

CN GANGADARAN
Partner



Annual report 2007-08
Accounts - subsidiary



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SOUTH INDIA HOUSE ESTATES AND PROPERTIES LTD

Board of Directors

M Rajamani

Managing Director

R Sivagurunathan

Director

V Rajagopal

Director

Company Secretary

G R Kannan

Auditors

CNGSN & Associates

Chartered Accountants
20 Raja Street T Nagar
Chennai 600017

Registered Office

South India House

No 73 Armenian Street
Chennai 600001

Bankers

Indian Bank
ICICI Bank Ltd

DIRECTORS REPORT

Report of the Directors to the shareholders of South India House Estates and Properties Limited on the Accounts for the year ended 30 June, 2007.

Your Directors present their Report to the Shareholders on the Accounts for the year ended 30 June, 2007. The Company has earned a profit of Rs 114.91 lakhs for the year ended 30 June, 2007 and it has been carried to Balance Sheet.

Directors

Mr. M Rajamani was appointed as the Managing Director of the Company with effect from 31 January, 2007 and he will not receive any remuneration from the Company in view of his whole time employment in Sical Logistics Limited.

Mr. R Sivagurunathan, was inducted and co-opted as Director on the Board with effect from 31 January, 2007. A notice has been received from a member, notifying proposing his appointment Mr. R Sivagurunathan, has also consented to act as Director, if appointed.

Mr. V Rajagopal, Director, retires by rotation at this Annual General Meeting under Section 256 of the Companies Act, 1956 and is being eligible, offers himself for re-election.

Mr. AR Chidambaram, resigned from the Board on 31 January 2007 and his services to the Company were taken on record.

Auditors

The Company's Auditors M/s. CNGSN & Associates, Chartered Accountants, Chennai, shall retire at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment for the current year.

Statutory Information

Information under Section 217(1)(e) of the Companies Act, 1956 with regard to Technology absorption and Conservation of energy are not applicable, as the Company is not a manufacturing unit. The Company has no foreign exchange earnings and outgo.

The particulars required under Section 217 (2A) of the Companies Act, 1956 and the Companies (Particulars of Employees) Rules, 1975 are not applicable as no employee is in receipt of the ceilings prescribed under the said proviso.

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Board of Directors report that:

- 1 in the preparation of the Annual Accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- 2 they have selected such accounting policies and applied them consistently and made judgements and estimates which 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 & Loss Account of the Company for that period.
- 3 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 preventing and detecting fraud and other irregularities.

- 4 they have prepared the annual accounts on a going concern basis.

Audit Committee

The Audit Committee was reconstituted on 31 January, 2007, comprising of, Mr. M Rajamani, Managing Director, Mr. V Rajagopal and Mr. R Sivagurunathan Directors as its members. The role, functions and powers of the committee are being exercised in accordance with the Companies Act, 1956. Mr. M Rajamani is the Chairman of the Committee. The Committee met two times during the financial year 2006-2007, (July 06 to June 07) i.e., on 15th June 2007 and 17th October, 2007.

Regarding Auditors qualification, the Directors state as follows:

The Investments in equity shares are strategic long term investments and the intrinsic value of the same is significantly higher as compared to its market value and hence no provision was considered necessary.

Public Deposits

The Company has not accepted any deposit from the public during the financial year ended 30 June 2007.

Employees

Your Directors wish to place on record, their appreciation of the efficient and loyal services rendered by the employees at all levels throughout the Company.

Acknowledgement

Your Directors wish to thank the Company's Bankers for their valued support and co-operation extended to the Company.

By Order of the Board
For South India House Estates
and Properties Limited

Place: Chennai
Date: 17 October 2007

M Rajamani **V Rajagopal**
Managing Director Director

AUDITORS' REPORT

We have audited the attached Balance Sheet of M/s. South India House Estates and Properties Ltd., as on 30 June 2007 the Profit and Loss Account and also the Cash flow statement for the period ended on that date annexed thereto. 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 and the Profit and Loss Account dealt with by this report are in agreement with the books of account;
- iv In our opinion, the Balance Sheet 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 30 June 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30 June 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi The Company has not provided for the cess payable under Sec.441A of the Companies Act, 1956 as the notification regarding rate and mode of payment has not been received.
- vii The following are carried over at book value :Investment in quoted shares, whose market value is lower by 118.70 lakhs vide note No.6 of schedule 8 B.Ultimate shortfall, if any on

disposal of these investments are not presently ascertainable and hence we are unable to express an opinion on this matter.

- viii Subject to the above, 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 30 June 2007, and
 - b In the case of Profit and Loss account of the profit for the period ended on that date.
 - c In the case of Cash flow of the cash flows for the period ended on that date.

For CNGSN & ASSOCIATES
Chartered Accountants

Place Chennai
Dated 30 June 08

CN GANGADARAN
Partner
Memb. No. 11205

Annexure to the Auditor's Report

- 1 a The Company has maintained proper records showing full particulars including quantitative details and the situation of fixed assets.
- b Fixed assets have been physically verified by the management during the year. In our opinion, it is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- c The Company has not disposed off substantial part of the fixed assets during the period and therefore going concern status has not been affected.
- 2 a The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- b The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- 3 According to the records of the Company and information and explanations given to us, the Company has neither taken nor granted any loans, secured or unsecured, from Companies, firms or other parties listed in the register maintained under Section 301 of the Act. (Based on the above para, matters referred in clause iii(b), iii(c), iii(d) of paragraph 4 of Companies (Auditors Report) Order 2003 are not applicable)
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets. The activities of the Company do not involve purchase of inventory and sale of goods. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control.
- 5 a According to the information and explanations given to us, we are of the opinion that the Company has entered the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956.
- b Based on the management representation and according to the information and explanation given to us, there were no transactions that were made in pursuance of contract or arrangements entered in the registers maintained under Sec.301 of the Companies Act, 1956 and exceeding the value of Rs.5,00,000/- in respect of each party during the period.
- 6 The Company has not accepted any deposits from the public. Accordingly, clause 4(vi) of Companies (Auditors Report) Order 2003 is not applicable.
- 7 In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- 8 The Central Government has not prescribed the maintenance of cost records by the Company under section 209 (1) (d) of the Companies Act 1956.
- 9 a According to the records of the Company and information and explanations given to us, undisputed statutory dues including provident fund investors education protection fund, employee's state insurance fund, income tax, sales tax, service tax, wealth tax, excise duty cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in few cases, except cess under section 441 A of the Companies Act, 1956.
- b According to the informations and explanations given to us, there are no dues of sales tax, income tax, excise duty, customs duty, wealth tax and cess, which have not been deposited on account of any dispute.
- 10 In our opinion, the accumulated losses of the Company are less than fifty percent of its net worth. The Company has not incurred cash losses during the financial period covered in our audit and immediately preceding financial period.
- 11 The Company has neither taken any loan from a bank or any financial institution nor issued any debentures. Accordingly, clause 4(xi) of Companies (Auditors Report) Order 2003 is not applicable.
- 12 As explained to us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures or other securities.
- 13 The Company is not a chit fund or nidhi, mutual benefit fund or society. Accordingly, clause 4(xiii) of Companies (Auditors Report) Order 2003 is not applicable.
- 14 In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of the transactions and contracts in shares, securities etc., and also timely entries have been made. All the shares, securities etc., are held by the Company in its own name except to the extent mentioned in Note No 5 (d) of Notes on Accounts.
- 15 According to the information and explanations given to us we are of the opinion that the Company has not given guarantee for loans taken by others from banks or financial institutions.
- 16 The Company has not raised any term loan during the period and does not have any outstanding balance at the beginning

of the period. Accordingly, clause 4(xvi) of Companies (Auditors Report) Order 2003 is not applicable.

17 According to the information and explanation given to us and on an overall examination of the Balance Sheet of the Company, we report that the Company has not used short – term funds for long term purposes.

18 During the period the Company has not made preferential allotment of shares to the parties covered in the register under Sec.301 of the Companies Act, 1956.

19 The Company has not issued any debentures. Accordingly, clause 4(xix) of Companies (Auditors Report) Order 2003 is not applicable.

20 The Company has not raised money by way of any public issue during the period and hence the question of disclosure and verification of end use of such money does not arise.

21 In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the period.

For CNGSN & ASSOCIATES
Chartered Accountants

Place Chennai
Dated 30 June 08

CN GANGADARAN
Partner
Memb. No. 11205

BALANCE SHEET AS AT 30 JUNE 2007

LIABILITIES	Schedule	Period ended 30 June 2007	(in Rs) Period ended 30 June 2006
SHARE CAPITAL	1	100000000.00	100000000.00
RESERVES & SURPLUS			
Capital Reserve		598200.00	598200.00
Profit and Loss account		8492847.58	
UNSECURED LOANS			
Advance from holding company		438600000.00	438600000.00
Interest accrued and due		128419183.00	128419183.00
CURRENT LIABILITIES & PROVISIONS			
A Current Liabilities	2	181693946.30	188758407.30
B Provisions:			
Prov. for taxation		1594791.00	1001791.00
Deferred Tax Liability		75564.67	75791.15
		859474532.55	857453372.45

Place Chennai
Date 17 October 2007

GR KANNAN
Secretary

M RAJAMANI
Managing Director

ASSETS	Schedule		Period ended 30 June 2007	(in Rs) Period ended 30 June 2006
FIXED ASSETS				
Gross Block	3	6753189.47		
Less: Acc. Depreciation		1798580.68		
Net Block			4954608.79	4702868.16
INVESTMENTS	4			
Government Securities			1000.00	1000.00
Investment in Shares			227229029.95	227229029.95
Capital investment in partnership firm			10000.00	10000.00
CURRENT ASSETS, LOANS & ADVANCES				
a Current Assets				
Sundry Debtors	5		154452250.78	154044335.78
Cash on Hand			126.35	637.35
Rent Receivable			21000.00	21000.00
Bank Balance	6		470638.74	277397.65
b Loans & Advances	7		472260313.27	468095081.39
c Deferred Tax				
Deferred Tax Asset			75564.67	75791.15
PROFIT & LOSS A/C			0.00	2996231.02
			859474532.55	857453372.45

As per our annexed Report of even date

R Sivagurunathan
Director

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

CN GANGADARAN
Partner

TRADING ACCOUNT FOR THE PERIOD ENDED 30TH JUNE 2007

PARTICULARS			Period ended	(in Rs)
			30 June 2007	Period ended 30 June 2006
To Opening Stock			-	88226520.95
To Gross Profit			-	88226520.95
PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30TH JUNE 2007.				
To Gross Loss			-	5753.90
" Establishment expenses			608118.00	502809.00
" Licences & Filing Fees			-	-
" Interest u/s 201			-	512.00
" Audit fees				
Audit		22472.00		
Other service		5618.00	28090.00	28060.00
" Demat Transfer charges			-	881.60
" Staff Welfare Expenses			106768.00	52844.00
" Share of Loss from P'ship firm			98355.12	-
" Urban Land Tax			29970.00	-
" Filing Fees			-	1100.00
" Bank Charges			1158.00	3075.00
" Rent, Rates & Taxes			-	-
" Property Tax			259249.00	129865.00
" Legal Fees			-	87500.00
" Depreciation			235121.03	230510.98
" Building Maintenance			42320.00	124969.25
" Misc.Exp			92.00	-
" Printing & Stationery			335.00	5510.00
" Interest u/s.201 (1A)			32.00	-
" Electricity Charges			1954.00	523.00
" Provision for Taxation			593000.00	441000.00
" Net Profit for the year			11491196.60	11497026.59
			13495758.75	13111940.32
To Balance Brought Down			2996231.02	14493257.61
To Deferred tax asset written off			226.48	4025.85
To Short Provision for Liability for Exp			2118.00	-
To Short Provision of Income Tax			-	-
			2998575.50	14497283.46

Place Chennai
Date 17 October 2007

GR KANNAN
Secretary

M RAJAMANI
Managing Director

PARTICULARS	Period ended 30 June 2007	(in Rs)
		Period ended 30 June 2006
By Sales	-	-
" Closing Stock (As on 12.07.2005)	-	88220767.05
By Gross Loss	-	5753.90
	-	88226520.95
By Gross Profit		
" Dividend received	7048643.75	7057441.25
" Interest received	5793200.00	5528001.00
" Rent received	246000.00	246000.00
" Guest House Income	407915.00	238131.45
" Share of Profit from P'ship firm	-	42366.62
" Profit on sale/redemption of Debentures	-	-
	13495758.75	13111940.32
By Balance c/f to Balance Sheet	-8492847.58	2996231.02
By Deferred tax Liability w/o	226.48	4025.85
By Excess Provision no longer reqd	-	-
By Net Profit for the year	11491196.60	11497026.59
	2998575.50	14497283.46

As per our annexed Report of even date

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

CN GANGADARAN
Partner

R Sivagurunathan
Director

SCHEDULE 1

(in Rs)

	On 30 June 2007	On 30 June 2006
SHARE CAPITAL		
AUTHORISED		
10000000 Equity shares of Rs 10 /- each	100000000.00	100000000.00
ISSUED, SUBSCRIBED AND PAID UP		
10000000 Equity Shares of Rs.10/- each (All the above shares are held by Sicagen India Limited, the holding company.)	100000000.00	100000000.00
	100000000.00	100000000.00

SCHEDULE 2

SUNDRY CREDITORS		
Liability for expenses	39730.50	41201.50
TDS payable a/c	2893.00	1574.00
Sical Logistics Limited	181641290.80	188704534.80
Crescent Agencies	10000.00	10000.00
Income Tax Payable a/c	-	585.00
Interest payable u/s 201	32.00	512.00
	181693946.30	188758407.30

SCHEDULE 3

Fixed Assets

(in Rs)

Description	Gross Block				Depreciation Block				Net Block	
	As On 01.07.06	Additions	Deletions	As on 30.06.07	As On 01.07.06	For the Period	Deletions	As on 30.06.07	As on 30.06.07	As On 01.07.06
Land	332771.50	-	-	332771.50	-	-	-	-	332771.50	332771.50
Buildings	5833556.31	486861.66	-	6320417.97	1466464.31	234577.19	-	1701041.50	4619376.47	4367092.00
Furniture & Fixtures	100000.00	-	-	100000.00	96995.34	543.84	-	97539.18	2460.82	3004.66
Grand Total	6266327.81	486861.66	-	6753189.47	1563459.65	235121.03	-	1798580.68	4954608.79	4702868.16
Previous Year	6266327.81	-	-	6266327.81	1332948.67	230510.98	-	1563459.65	4702868.16	4933379.14

SCHEDULE 4 - INVESTMENTS

(in Rs)

Name of the Body Corporate	No. of Shares / Units	Face Value per Share / Unit	Market Value As on 30.06.2007	Book Value As on 30.06.2007
1 IN GOVERNMENT SECURITIES				
National Savings Certificate				1,000
				1,000
2 IN SHARES				
(a) NON - TRADE, QUOTED				
Southern Petrochemical Ind. Corp. Ltd, (Market Value Rs.38737620/- (Rate 18.45/-)	2099600	10		118,271,262.90
Synthetics & Chemicals Ltd.	1125	10	1406.25	1,406.25
EIH Ltd	1360	10	482528.00	355,776.00
Anuh Pharma Ltd.	4000	5	5080000.00	20,025.00
First Leasing Co. of India Ltd	2102625	10	101136262.50	32,613,850.65
IDBI	15840	10	1841400.00	937,728.00
Super Sales Agencies	200	10	500.00	500.00
Premier Automobiles Ltd	66	10	2587.20	326.70
National Rayon Corporation Ltd.	110	10	4180.00	269.50
Birla Yamaha Ltd	300	10	4215.00	3,525.00
Hindustan Lever Ltd	2320	1	368300.00	50,576.00
G. V. Films Ltd	400	1	2560.00	1,060.00
Shree Cements Ltd	720	10	253584.00	24,228.00
Jenson & Nicholson (India) Ltd	2790	2	19390.50	4,603.50
Shaw Wallace Co. Ltd	1259	10	195900.40	28,012.75
Mysore Cements Ltd	700	10	16135.00	4,620.00
Saurashtra Chemicals Ltd	9000	10	81000.00	72,000.00
Tuticorin Alkali Chemicals Ltd	5	10	12.75	11.75
Tamilnadu Petroproducts Ltd	12800	10	357120.00	206,080.00
SPEL Semiconductors Ltd.	100	10	2150.00	428.00
Henkel SPIC Ltd.	2500	10	70875.00	38,250.00
Manali Petro Chemicals Ltd.	17100	10	212040.00	25,080.00
Lakshmi Finance & Ind. Corpn. Ltd	675	10	6785.00	6,785.00
Samtel Color	100	10	9885.00	2,105.00
TT Ltd.	800	10	23200.00	9,650.00
Tata Iron & Steel Co Ltd (1099 Bonus Shares)	3298	10	1188434.30	215,172.15
Bank of India	3600	10	402480.00	40,680.00
Premier Instruments & Controls Ltd.	139	10	7533.80	7,533.80
		(A)		152,941,545.95

SCHEDULE 4 - INVESTMENTS

(in Rs)

Name of the Body Corporate	No. of Shares / Units	Face Value per Share / Unit	Market Value As on 30.06.2007	Book Value As on 30.06.2007
(b) NON -TRADE, UNQUOTED				
M/s Trinity Automobiles Ltd	20000	10	-	200,000.00
M/s Sical CWT Distriparks Ltd.	610000	10	-	20,537,200.00
Vam Holdings Ltd	280	10	14101.50	14,101.50
Lotus Mills Ltd	50	10	-	-
Mysore Chrome Tanning Ltd	319	10	3206.00	3,206.00
Mandya National Paper Mills Ltd	698	1	3507.50	3,507.50
Southern Brick Works Ltd	100	100	10050.00	10,050.00
Tube Agencies (P) Ltd	250	10	2512.50	2,512.50
API Ltd	42623	10	42623.00	42,623.00
Armenian Investments Ltd	9300	-	-	-
Elliot Investments Ltd	12900	-	-	-
Harrington Investments Ltd	3900	-	-	-
Everest Investments Ltd	10000	-	-	-
Ripon Investments Ltd	3900	-	-	-
Sydenham Investments Ltd	10000	-	-	-
MCC Finance Ltd.			-	-
(erstwhile Excel Finance Ltd)	3800	-		
SDB Ltd (300 + Bonus 450)	750	100	30000.00	30,000.00
Sai Agencies	70350	10	70350.00	70,350.00
National Trust Housing Finance Limited	4559890	10	52706526.00	52,706,526.00
Travancore Rayon Ltd	310	10	310.00	310.00
Indo-Germa Products Ltd	3300	10	16038.00	16,038.00
Pondy Spinners Ltd	50000	10	265000.00	265,000.00
Lakshmi Shanmuga Spinning Mills Ltd.	50	100	50.00	50.00
Balaji Steels Ltd	300	10	38197.00	38,197.00
Corn Ind & Gen Enterprises Ltd	159211	10	159211.00	159,211.00
MAC Packaging Ltd	220012	-	-	-
India Radiators Ltd	47118	-	-	-
Profad Ltd	100150	-	-	-
Sri Balaji Leasing Services Ltd	541	100	52826.50	52,826.50
Sri Karpagambal Mills Ltd	2500	100	21950.00	21,950.00
Mysore Kirloskar Ltd	8090	10	113825.00	113,825.00
		(B)		74,287,484.00

TOTAL INVESTMENT IN SHARES

 => **[(A) + (B)]**
227,229,029.95

SCHEDULE 5

(in Rs)

	On 30 June 2007	On 30 June 2007
SUNDRY DEBTORS		
Unsecured-considered good over six months	154452250.78	154044335.78
considered good less than six months	-	-
	154452250.78	154044335.78

SCHEDULE 6

BANK BALANCE		
Indian Bank - MGT A/c No.420166275	17737.65	18284.65
Indian Bank - MGT A/c No.420160603	301918.79	111813.70
IOB A/c No. 19	143407.00	139663.00
IOB A/c No. 20	5131.30	5192.30
ICICI Bank - A/c No.000105006558	2444.00	2444.00
	470638.74	277397.65

SCHEDULE 7

LOANS AND ADVANCES		
Advance to partnership firm	100601065.98	96915817.10
Advances recoverable in cash & in kind or value to be received, considered good	220487268.60	220487268.60
Advances - sundry	37000.00	0.00
Advance payment of Income Tax	914103.69	473103.69
IT Recoverable	122158.00	122158.00
TDS Recoverable	2377.00	394.00
MES Deposit	96340.00	96340.00
ICD-Sical Ships Ltd.	150000000.00	150000000.00
	472260313.27	468095081.39

SCHEDULE 8

A Significant Accounting Policies

- a) **METHOD OF ACCOUNTING**
The accounts are being prepared on historical cost basis.
- b) **FIXED ASSETS**
Fixed Assets are stated at cost less depreciation
- c) **DEPRECIATION**
Depreciation is provided on WDV basis at the rate prescribed in Schedule XIV of the Companies Act, 1956.
- d) **INVESTMENTS**
Long term investments are valued at cost.
- e) **REVENUE RECOGNITION**
Income and expenditure are recognised on accrual basis. Dividends are accounted as and when received.
- f) **RETIREMENT BENEFITS**
The retirement benefit on only one employee is provided by the parent company from where he has been deputed.
- g) **DEFERRED TAX**
 - (i) Deferred Tax is recognised for all the timing differences.
 - (ii) Deferred Tax Asset is recognised to the extent of Deferred Tax Liability.

B Notes on Accounts

- 1 Claims against the company not acknowledged as debts- Nil
- 2 Contingent Liability - Nil
- 3 Provision for Income Tax has been made under MAT.
- 4 Quoted Investments includes
 - a 16,17,100 shares of SPIC Ltd., pledged as collateral security for the availment of term loan and leasing finance facility by a group company.
 - b 21,02,625 Equity Shares of First Leasing Company of India have been pledged/deposited with UTI Bank as Collateral Security on behalf of a Group company.
 - c 45,59,890 unquoted shares of Mercantile Housing Finance Ltd. (renamed as National Trust Housing Finance Ltd.) have been pledged/ deposited with UTI Bank as Collateral Security on behalf of a Group company.
- 5 No provision is considered for shortfall in market value of certain quoted investments ascertained on individual basis aggregating to Rs.118.70 lakhs.,(diff in value) which is considered temporary in nature.
- 6 The Company has transferred shares to the extent of Rs.14,93,75,000 during the year ended 30.06.2005 and the proceeds thereof are yet to be received.
- 7 The company is entitled to a Brought Forward Loss of Rs.41 lakhs. Total deferred tax asset on account of brought forward loss is recognized to the extent of deferred tax liability on account of depreciation as on 30.06.2007 i.e Rs.75564.67.
- 8 Previous year figures have been re-grouped wherever necessary.

9 RELATED PARTY DISCLOSURE

Related party Disclosures for the year ended 30th June' 2007

LIST OF RELATED PARTIES

- a) Holding Company Sicagen India Limited
 b) Partnership Firm South India Investments & Associates
 c) Key Management Personnel M Rajamani V Raja Gopal R Sivagurunathan

Related Party Transactions	Holding	Partnership firm	Key Management personnel
Sale of Goods			
Purchase of Goods			
Sale of Fixed Assets			
Purchase of Fixed Assets			
Sale of Investments			
Investments Made			
Sale of Undertakings			
Share of Profit / (Loss) of firms		(98355)	
Rendering of Services			
Receiving of Services	162000		
Dividend Income			
Interest Income		5793200	
Interest Expenses			
Commission Income (Guarantees)			
Guarantees and Collaterals			
Managerial Remuneration			
Loans and Advances		100601065.98	
Loan Outstanding	74866047.38		
Closing Balance - Debits	-	-	
Closing Balance - Credits	-	-	

GR KANNAN
Secretary

M RAJAMANI
Managing Director

R SIVAGURUNATHAN
Director

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

CN GANGADARAN
Partner

Balance Sheet Abstract and Company's General Business Profile

I. Registration Details	Registration No.	9	0	2	9	State Code	1	8			
	Balance Sheet Date	3	0	0	6		2	0	0	7	
II. Capital Raised during the year (Amount in Rupees Thousands)	Public Issue					N	I	L			
	Rights Issue					N	I	L			
	Bonus Issue					N	I	L			
	Private Placement (Net)					N	I	L			
III. Mobilisation and Deployment of Funds (Amount in Rupees 000's)	Total Liabilities			6	7	6	1	1	0		
	Total Assets			6	7	6	1	1	0		
	Sources of Funds			1	0	0	0	0	0		
	Paid up Capital										
	Reserves and Surplus					9	0	9	1		
	Secured Loans							N	I	L	
	Unsecured Loans			5	6	7	0	1	9		
	Application of Funds							4	9	5	5
	Net Fixed Assets										
	Investments			2	2	7	2	4	0		
Net Current Assets			4	4	3	9	1	5			
IV. Performance of Company (Amount in Rupees 000's)	Miscellaneous Expenditure							N	I	L	
	Accumulated Losses							N	I	L	
	Turnover				1	3	4	9	6		
	Total Expenditure						1	4	1	2	
	Profit / (Loss) Before Tax				1	2	0	8	4		
	Profit / (Loss) After Tax				1	1	4	9	1		
	Earning per share (in Rupees)						1	.	1	5	
Dividend Rate %								N	I	L	
V. Generic Names of Three Principal Products / Services of the Company (as per monetary terms)	Item Code No.	N	O	T							
	Product Description	A	P	P	L	I	C	A	B	L	E
		R	E	A	L		E	S	T	A	T

GR Kannan
Secretary

Place Chennai
Date 17 October 2007

M Rajamani
Managing Director

R Sivagurunathan
Director

For M/s. CNGSN & Associates
Chartered Accountants

CN GANGADARAN
Partner



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