

Date : 4/09/2008

CMP	Rs 88.80
PE Ratio	6.9
52 Week high/low	Rs 370/Rs 85

address "GOODWILL" and represents many liner owners belonging to leading maritime countries like Greece, U.K., Scandinavia, Japan, Italy, etc. having branches at all ports both in East and West Coasts of India.

COMPANY STRUCTURE:

Sical Infra Asset Ltd, a 100% wholly owned subsidiary of Sical Logistics, bundles parent's seven special purpose vehicle (spv) for operating asset heavy, capital intensive, longer gestation infrastructure-based businesses. The SPV : Sical Multimodal and Rail Transport Ltd(SMART), Nagpur Sical Gupta Logistics Ltd(NSGL), Sical Iron-ore Terminal Ltd(SIOT), PSA Sical Terminal Ltd, Chennai International Terminal Pvt Ltd, Sical Distripark Ltd and Bergen offshore Logistics Pvt Ltd.

The main reason for Sical Infra Asset Ltd is to promote longer duration BOT type infrastructure business separately from the short cycle service oriented business.

COMPANY BACKGROUND:

The Company was incorporated as a Private Limited Company on 6th May, 1955. It became a public limited company on 20th March, 1981.

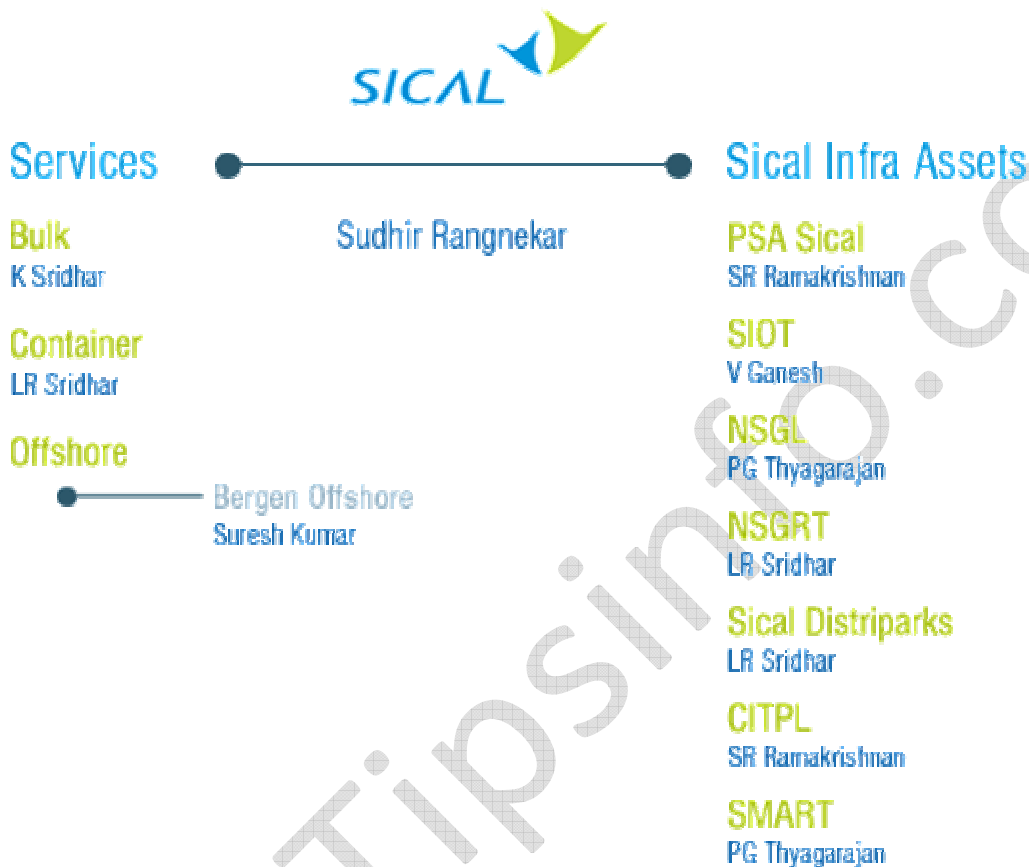
The Company was founded by M.A. Chidambaram and his son A.C. Muthiah. The Company is engaged in shipping, stevedoring, ship chartering, ship repairing, marine engineering, marketing and clearing and forwarding business.

The Shipping division of the Company is known world over more popularly by its cable

STRUCTURE



STRUCTURE OF MANAGEMENT



PROPOSED INVESTMENT :

Sical logistics plans to invest around Rs 1700 crore to develop a nationwide multimodal logistics network, including cargo terminal and rail lines. It will invest Rs 1100 crore for development of two cargo terminal and additional Rs 600 crore to bring railway connectivity to its terminal.

An iron ore terminal will be developed at Ennore with additional investment of Rs 500 crore another Rs 600 crore will be invested for container terminal at Chennai in partnership with PSA Singapore,MMTC and L&T.MMTC will hold 26%,L&T will hold 11%, and balance equity will be with Sical .

Sical Chennai container terminal will be equipped with rail evacuation facility for cargo. Till this time most container terminal use road evacuation for cargo, which takes 7 to 10 days. The line ,which will connect the Satva terminal at Chennai to Delhi's mainline, will be used to transport automobile and will service major car manufacturing companies based in Chennai. The company plans to buy about five trains by 2009 and increase this number to 13 by 2011.The total investment for buying these trains will be about Rs 160 crore.

RECENT DEVELOPMENT:

Sical logistics has started the operation of second container train from Melpakkam rail terminal to Patli, near Gurgaon. Sical is the first company in private sector to operate container train in Chennai- Delhi sector. Private rail transport is cost effective alternative to road transport, it also saves considerable time. Sical multimodal and rail transport ltd, a 100% owned subsidiary of Sical obtained the category 1 pan India license to run container trains for exim and domestic cargo.

CLIENT LIST :-

India Cements

ISRO

Indian Tel. Industries

Infosys

JSW

Kalyani Ferrous Industries

Karnataka Power Corporation

Kirloskar Ferrous

LG

Moser Baer

National Mineral

Bharat Earth Movers

Bharat Heavy Electricals

Birla White

Caltex India

Castrol

Data craft

Haier

Henkel SPIC

Hindustan Aeronautics

Hindustan Lever

Hindustan Petroleum Corp.

Honda Siel

Development Corp.

Neyveli Lignite Corp.

Pepsi

Samsung

Sony

SPIC

Tamil Nadu Electricity Board

Tamilnadu Petro

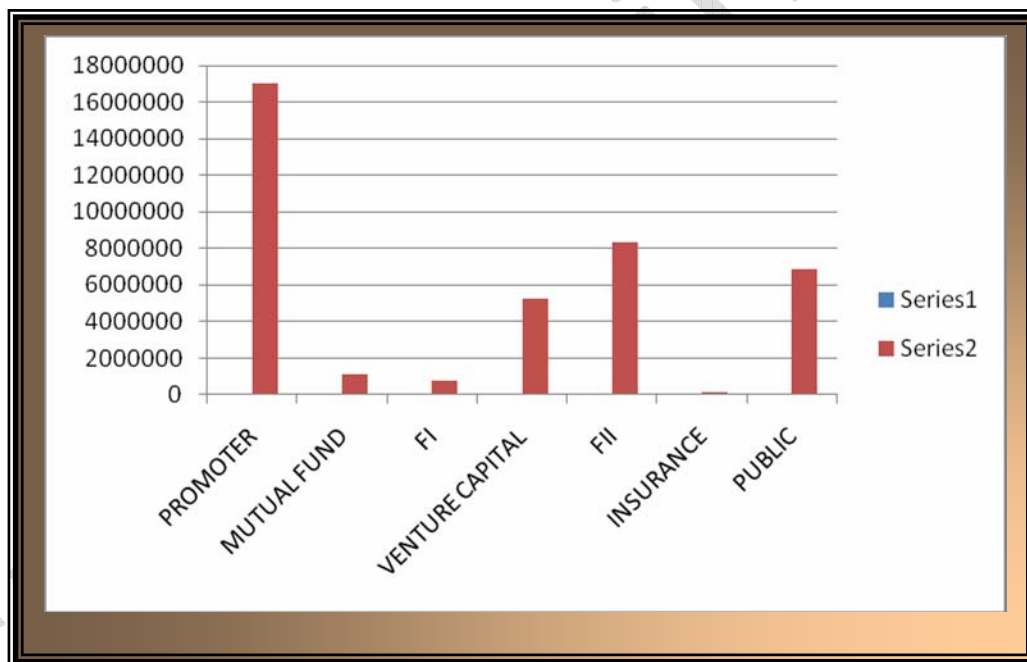
TCS

Tuticorin Alkali Chem.

SHAREHOLDING PATTERN :

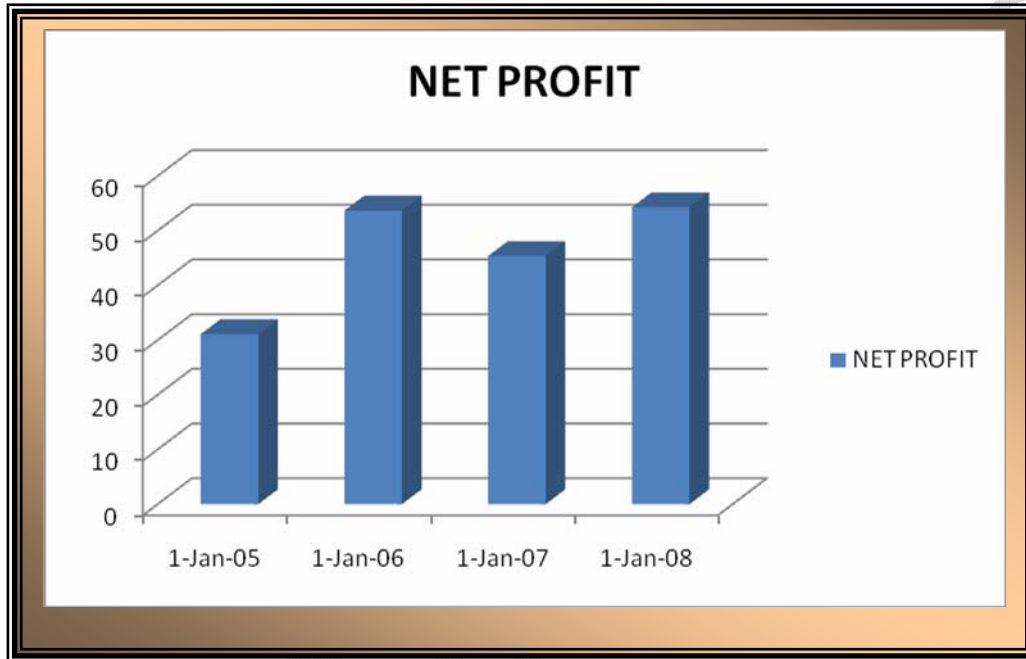
PROMOTER	17033851	43.1%
MUTUAL FUNDS	1122047	2.84%
FINANCIAL INSTITUTION	760360	1.92%

VENTURE CAPITALIST	5250000	13.28%
FII	8343237	21.11%
INSURANCE	130221	0.33%
PUBLIC	6881968	17.41%
TOTAL	39521684	100%



FINANCIAL:

	31MAR2008	31MAR2007	31MAR2006	31MAR2005	
TOTAL INCOME	720.4	1080.00	969.2	1221.5	
EXPENDITURE	627.4	-995	-850.2	-1120.7	
OPERATING PROFIT	93	85.8	118.9	100.76	
INTEREST	-20.3	-21.1	-26.5	-43.56	
GROSS PROFIT	72.7	64.7	92.4	57.1	
DEPRECIATION	-27.5	-20.44	-13.78	-12.81	
PBT	45.2	44.25	78.68	44.38	
TAX	-0.88	-10.11	-13.5	-3.5	
PAT	44.32	34.14	65.1	40.38	
INCOME FROM EXTRAORDINARY ITEM	10	10.9	-11.4	-6.8	
PRIOR PERIOD ITEM	-----	-----	-----	-2.8	
NET PROFIT	54.32	45.4	53.69	31.1	



Net profit has shown CAGR of 20% in past three years. Interest outgo has decreased on year on year basis from 43.56 crore to 20.3 crore. Operating profit has decreased due to the rise in expenditure and decrease in total income.

VALUATION:

Sical is trading at PE multiple of 6.5, whereas industry average is of 17. This makes the counter attractive in terms of valuation. Investor should expect 30% return on their investment in the coming months on valuation basis.

CONCLUSION:

Counter is under valued at current market price. Ongoing investment of the firm will be fully reflected in its earnings by 2010. As India is opening up its retail sector for private players, these logistic companies are expected to do brisk business. Revenue and earnings are expected to increase exponentially in the coming years. Long term investor could reap very good return on this counter.

HAPPY INVESTING.

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www.ShareTipsInfo.com Team

Call at:-
+91-9891655316
+91-9899056796
+91-9891890425

Mail at:-
Contact@sharetipsinfo.com
sharetipsinfo_1@yahoo.com
sharetipsinfo@gmail.com