Press Release

February 25, 2011

CARE ASSIGNS 'CARE BBB-' TO THE BANK FACILITIES OF SICAL LOGISTICS LTD

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Remarks
Long-term Bank Facilities	60.00	**'CARE BBB-' (Triple B Minus)**	Assigned
Total Facilities	**60.00**		

Rating Rationale

The rating derives strength from established track record of Sical in logistics sector for over five decades, integrated nature of logistics operations of the consolidated entity, stable revenue from its long-term service contract with major client, stable PBILDT margin and limited competition in stevedoring operations. The rating also factors in entry of new promoter and proposed equity infusion by the new promoters which would partly fund the significant FCCB repayment obligation falling due.

The rating is constrained by significant exposure of Sical in subsidiary companies few of these major subsidiaries are in investment mode and may require support from Sical, high working capital utilization, high competition in trucking segment and losses of the consolidated entity in FY10.

Further financial assistance to group/subsidiary companies and return on investments thereof and impact of any large debt-funded expansion are major key rating sensitivities.

Company Profile

Sical is a Chennai based logistics company promoted by Mr.M.A.Chidambaram Chettiar in May 1955 under the name 'South India Corporation (Agencies) Private Limited'. In February 2006, name of the company was changed to Sical Logistics Limited.

On November 12, 2010, Tanglin Retail Reality Developments (P) Limited (Tanglin), a group company of Coffee Day Resorts Pvt. Ltd (CDRPL) had purchased 10% stake in Sical from existing promoters. Subsequently, the board of Sical has considered to issue 1.60 crore fresh equity shares of the company to Tanglin on preferential basis. Post preferential allotment, stake of the Coffee day group will increase to 36% in Sical. Further, Tanglin along with its parent company, Tanglin Developments Ltd (TDL) has announced open offer to public for acquiring additional 20% stake in Sical. On completion of this, Coffee Day group will be new promoter and SPIC group will remain as co-promoter. Sical is likely to benefit from change in promoter as the Coffee Day group is placed in relatively better financial position to support its new ventures.

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other publications of CARE*

Sical currently has four divisions namely Port handling, Trucking, Shipping Agency Services and Customs House Agency. During FY10, the company earned PAT of Rs.16 crore on total income of Rs.538 crore. During Q1FY11, the company earned PAT of Rs.7.50 crore on total income of Rs.132.43 crore.

Analyst Contact
Name: K.Karthik Raj
Tel: 044-2489 7812
Mobile: 9940162244
Email: karthik.raj@careratings.com

CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

CARE is headquartered in Mumbai, with Offices all over India. The office addresses and contact numbers are given below:

HEAD OFFICE: MUMBAI

Mr. D.R. Dogra
Managing Director
Cell : +91-98204 16002
E-mail : dr.dogra@careratings.com

Mr. Rajesh Mokashi
Dy. Managing Director
Cell : +91-98204 16001
E-mail: rajesh.mokashi@careratings.com

Mr. P N Sathees Kumar
Exective Vice President – Marketing
Mobile: +91-9820416004
mail:sathees.kumar@careratings.com

Mr.Ankur Sachdeva
Vice President – Marketing (SME)
Mobile: +91-9819698985
E-mail: ankur.sachdeva@careratings.com

Mr. Vivek Palan
Manager – Banking & Finance
Mobile: +91-98206 06406
E-mail:vivek.palan@careratings.com

4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway,
Sion (East), **Mumbai 400 022** Tel.: (022) 67543456 Fax: (022) 67543457
Website: www.careratings.com

OFFICES

Mr.Mehul Pandya Regional Manager 32 TITANIUM Prahaladnagar Corporate Road, Satellite, **Ahmedabad - 380 015.** Tel – 079 4026 5656 Mobile - 98242 56265 E-mail: mehul.pandya@careratings.com	Mr.Sundara Vathanan Regional Manager Unit No. 8, I floor, Commander's PlaceNo. 6, Raja Ram Mohan Roy Road, Richmond Circle, **Bangalore - 560 025.** Tel – 080 2211 7140 Mobile – 98803 60878 E-mail: sundara.vathanan@careratings.com
Mr. Pradeep Kumar Regional Manager Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, **Chennai 600 002** Tel: 044 2849 7812/2849 0811 Mobile – 98407 54521 E-mail :Pradeep.kumar@careratings.com	Mr. Ashwini Jani Regional Manager 401, Ashoka Scintilla 3-6-520, Himayat Nagar **Hyderabad - 500 029** Tel – 040 40102030 Mobile – 91600 74789 E-mail: ashwini.jani@careratings.com
Mr. Sukanta Nag Regional Manager 3rd Floor, Prasad Chambers (Shagun Mall Building) 10A, Shakespeare Sarani **Kolkata - 700 071.** Tel – 033 2283 1800/1803 Mobile – 98311 70075 E- mail: sukanta.nag@careratings.com	Ms.Swati Agrawal Regional Manager 710 Surya Kiran, 19 K.G. Road, **New Delhi - 110 001.** Tel – 011 2331 8701/2371 6199 Mobile – 98117 45677 E-mail :swati.agrawal@careratings.com