

Sical Logistics Ltd

South India House
73 Armenian Street
Chennai 600 001 India
Phone : 91.44.66157016 Fax : 91.44.66157017



Ref.:SICAL:SD:2021

24th September, 2021

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra [East]
Mumbai :: 400 051

BSE Limited
Department of Corporate Services
Floor 25, P.J. Towers
Dalal Street
Mumbai :: 400 001

Dear Sirs,

Sub : Unaudited financial results for the quarter ended
30th June, 2021
Ref : Regulation 33 of the SEBI [Listing Obligations and
Disclosure Requirements] Regulations, 2015

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Kindly find enclosed the following:-

1. The unaudited financial results for the quarter ended 30th June, 2021 both standalone and consolidated.
2. The Limited Review Report issued by the statutory auditors M/s. SRSV & Associates, in terms of Regulation 33 of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015.

This may kindly be taken on record.

Thanking you,

Yours faithfully,
For Sical Logistics Limited


V. Radhakrishnan
Company Secretary

Sical Logistics Limited
CIN: L51909TN1955PLC002431

Regd. office: No. 73, Armenian Street, Parrys, Chennai - 600 001
Website: www.sical.com; E-Mail: secl@sical.com; Telephone: 91 44 66157071; Fax: 91 44 66157017

Unaudited standalone financial results for the quarter ended 30 June 2021
prepared in compliance with the Indian Accounting Standard (Ind-AS)

(Rs. in lakhs, except per equity share data)

Particulars	Quarter ended			For the year ended
	30 June 2021	31 March 2021	30 June 2020	31 March 2021
	Unaudited	Audited	Unaudited	Audited
Revenue from operations	3,652	8,577	10,406	37,651
Other income	5	(452)	306	240
Total Income	3,657	8,125	10,712	37,891
Expenses				
Cost of services	4,404	7,066	8,724	30,340
Employee benefits expense	544	947	1,032	3,733
Finance costs	43	10,694	610	11,773
Depreciation and amortisation expense	1,514	1,513	1,763	6,563
Other expenses	285	3,559	706	6,661
Total expenses	6,790	23,780	12,835	59,070
Profit/(Loss) before Exceptional Item	(3,133)	(15,655)	(2,123)	(21,179)
Exceptional Item		(93,789)		(93,789)
Profit/(Loss) after Exceptional item before tax	(3,133)	(1,09,444)	(2,123)	(1,14,968)
Tax expense				
Current tax				
Deferred tax				
Profit/(Loss) for the period	(3,133)	(1,09,444)	(2,123)	(1,14,968)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plan actuarial gains/(losses)	-	-	-	-
Others	-	-	-	-
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
Total Comprehensive Income/(Loss) for the period	(3,133)	(1,09,444)	(2,123)	(1,14,968)
Attributable to:				
Owners of Company	(3,133)	(1,09,444)	(2,123)	(1,14,968)
Non-Controlling Interests	-	-	-	-
Paid up share capital (par value of Rs. 10 each, fully paid)	5,854	5,854	5,854	5,854
Debt redemption reserve				2,500
Other equity as of 31 March	(69,030)	(69,030)	45,939	(69,030)
Earnings per equity share [in Rs.]				
(1) Basic	(5.35)	(187.02)	(3.63)	(196.46)
(2) Diluted	(5.35)	(187.02)	(3.63)	(196.46)

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Notes

- a) The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of SICAL LOGISTICS LIMITED ("the Company") and appointed Mr. Lakshmisubramanian (IBBI Registration no. IBBI/IPA-003/IP-N00232/2019-2020/12697) as Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP No. IBA/73/2020 dated 10th March 2021. Pursuant to this, based on the application made by Committee of Creditors of the Company, the Hon'ble NCLT has ordered appointment of Mr. Sripatham Venkatasubramanian Ramkumar (IBBI Registration No. IBBI/IPA-001/IP-P00015/2016-17/10039) as Resolution Professional ("RP") of the Company in disposing of IA no. IA/54/CHE/2021 in IBA/73/2020 on 2nd June 2021

In view of the pendency of the CIRP, and in view of the suspension of the powers of the Board of Directors , the powers of adoption of the standalone financial statements for the quarter ended June 30, 2021 vest with the RP.

- b) Based on the public announcement made for commencement of CIRP, various creditors have filed claims (including interest on delayed payment, penalty etc.) on the company. These claims have been submitted by financial and operational creditors (including past and present employees) and are being reconciled with the books of accounts on an ongoing basis. As a part of the process, the claims verified/submitted during this CIRP period (ongoing till submission of resolution plan) shall be settled in accordance with the provisions of the Code. Claims admitted under CIRP would be reconciled and reviewed in subsequent period for any additional liability which is to be recorded in the books.

It is possible that, a proposed resolution plan envisages that the creditors accept haircuts and accept reduction in their liabilities. Since the RP is still in the process of receiving bids from prospective resolution applicants, it is not possible to evaluate the amounts that will be foregone or the restructuring, if any, that will be necessitated. Therefore, overall implications on account of completion of such reconciliation process have not been considered in these financial statements.

- c) The unaudited financial statements for the quarter ended 30 June 2021 was reviewed , approved and authenticated and taken on record by the Resolution Professional at the meeting held on 24 September 2021. The unaudited financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- d) During the quarter (Apr to Jun 2021) under review the Company's operations and revenue were impacted by the prevailing second wave of Covid-19 Global Pandemic situation. Due to this the Company has to suspend some of its operation as directed by Government authorities. The Company has taken the possible impact of COVID 19 pandemic in presentation of the above financial result including assessment of recoveable value of its assets based on internal and external information upto date of approval of these financial results and current indicators of future econmic conditions. The company is continuously monitoring for any material changes in economic conditions.
- e) The fact that the figures for the three months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit
- f) The Company is primarily engaged in providing integrated logistics services which is considered as a single business segment in terms of segment reporting as per Ind AS 108. There being no services rendered outside India there are no separate geographical segments to be reported on.

g) Pursuant to Regulation 54(2) of the SEBI (LODR) Regulations, 2015, it is hereby disclosed that the Company has provided the dredger and the spares and machinery held by the Company as security for the 11% Secured Redeemable Non-Convertible Debentures of Rs. 100 Cr issued to IDFC First Bank Limited on private placement basis and the asset cover is 1.1 times as on 30 June 2021.

Due to non payment of interest due for the 3 half years viz Dec-19, Jun-20 and Dec-20, Debentureholder has recalled the principal alongwith Interest amount. Further the redemption was due on 25-Jun-2021. IDFC First Bank Ltd., the sole debentureholder has preferred a claim before the RP as per IBC Code.


h) The Company has not serviced debt on due dates to the banks and financial institutions. The Corporate insolvency resolution process have commenced consequent to the order of Hon'ble NCLT Chennai Bench and IRP/RP has been appointed in terms of the orders. All the financial creditors have made the claim with IRP/RP. Hence all the loans have been classified as current liability and no debts were serviced from the commencement of CIRP.

i) Interest on borrowings are provided till the CIRP initiation date i.e. 10th March 2021 as all liabilities prior to/subsequent to CIRP initiation date are frozen as at CIRP commencement date and are to be dealt under the resolution plan which is to be received and approved by the Committee of Creditors and the adjudicating authority

j) Figures pertaining to the previous periods have been regrouped, reclassified and rearranged wherever necessary.



T. Subramanian
Director



S Rajappan
Director



V Radhakrishnan
Company Secretary

Taken on Record



Sripatham Venkatasubramanian Ramkumar
Resolution Professional for Sical Logistics Limited
IP Registration no. IBBI/IPA-001/IP-P00015/2016-17/10039

Place: Chennai
Date: 24 September 2021



SRSV & ASSOCIATES
CHARTERED ACCOUNTANTS

'Madura', No.66, Bazullah Road,
T. Nagar, Chennai - 600 017.
Tel : 044-28344742

P. SANTHANAM
B.Com., FCA, FCS

R. SUBBURAMAN
B.Com., FCA

V. RAJESWARAN
B.Com., FCA

G. CHELLA KRISHNA
M.Com., FCA, PGPM

Independent Auditor's Review Report on Standalone Quarterly Unaudited Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
THE RESOLUTION PROFESSIONAL
SICAL LOGISTICS LIMITED
(A Company under Corporate Insolvency Resolution Process vide NCLT Order)**

We have reviewed the accompanying statement of unaudited standalone financial results of **SICAL LOGISTICS LIMITED** (the 'Company') for the quarter ended 30th June 2021, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations'), read with Circular No. CIR/CFD/CMD1/80/2019 dated 19th July 2019.

As the Corporate Insolvency Resolution Process ("CIRP") has been initiated in respect of the Company under the provisions of "The Insolvency and Bankruptcy Code, 2016" ('IBC' / 'the Code') by the National Company Law Tribunal ("NCLT"), Chennai Bench, vide its order dated March 10, 2021, the powers of the Board of Directors of the Company stand suspended as per Section 17 of the Code and such powers are being exercised by the Resolution Professional appointed by the National Company Law Tribunal by the said order under the provisions of the Code.

This Statement is the responsibility of the Company's management and has been certified by the Board of Directors, confirming that financial results do not contain any material misstatements and thereafter provided to the Resolution Professional for his signing on 24th September 2021 and for further filing with stock exchanges, which has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India.



This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matter and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standard on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion:

The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of **SICAL LOGISTICS LIMITED** ("the Company") and appointed Mr. Lakshmisubramanian (IBBI Registration no. IBBI/IPA-003/IP-N00232/2019-2020/12697) as Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP No. IBA/73/2020 dated 10th March 2021. Pursuant to this, based on the application made by Committee of Creditors of the Company, the Hon'ble NCLT has ordered appointment of Mr. Sripatham Venkatasubramanian Ramkumar (IBBI Registration No. IBBI/IPA-001/IP-P00015/2016-17/10039) as Resolution Professional ("RP") of the Company in disposing of IA no. IA/54/CHE/2021 in IBA/73/2020 on 2nd June 2021.

In view of pendency of the CIRP, and in view of suspension of the powers of Board of Directors and as explained to us, the powers of adoption of the standalone financial results for the quarter ended June 30, 2021 vest with the RP.

We draw attention to the following matters:

- a) Note No. (a) and (b) to the Statement, regarding application by an operational creditor, initiating the insolvency provisions under the Insolvency and Bankruptcy Code, 2016 ('the Code') and the consequential appointment of the RP under the Code, and adequacy of disclosures concerning the Company's ability to meet its financial, contractual and statutory obligations including management's technical estimates in regard to realisation of Overdue receivables, Loans and Advances including related party and contractual dues, investments and Deferred Tax Assets amounting to Rs.484.45 crores.

The possible impact, if any, arising out of the above matters is presently not quantifiable.

- b) Note No. (h) to the Statement, Confirmation of balances are not available for majority of the trade receivables, loans and advances given, trade payables, claims received from the employees, bank balances and bank loans as at 30th June 2021. Pursuant to the CIRP, the Company stopped providing interest on bank borrowings from the CIRP initiation date. In the absence of confirmation of balances the default arising on account of non- payment of principal and interest is presently not determinable. The finance cost appearing in the Statement are recorded based on transactions accounted in the accounting system, differences between the liability recorded by the Company and confirmations received from the lenders are not recorded as finance cost.



- c) The Company's net worth as on the reporting date is negative. The Company has significant accumulated losses as at the reporting date and it continues to incur cash losses. Considering the above and the matters more fully explained in the Material Uncertainties Relating to Going Concern section below, we are unable to comment on the appropriateness of preparation of the Statement on a going concern basis.
- d) We have been informed by the RP that certain information including the minutes of the meetings of the CoC, cases filed by the RP against other parties and the outcome of certain specific/ routine procedures carried out as part of the IBC process are confidential in nature and could not be shared with anyone, other than the CoC and Hon'ble NCLT. In the opinion of the RP, the matter is highly sensitive, confidential and may have adverse impact on the resolution process.

Accordingly, we are unable to comment on the possible adjustments required in the carrying amount of assets and liabilities, possible presentation and disclosure impacts, if any, that may arise if we have been provided access to review of those information.

Material Uncertainty Related to Going Concern

The Company has significant accumulated losses as at the reporting date and it continues to incur cash losses. The matters referred to in para (a) and (b) above also essentially require the Company to resolve the situations specified therein within the framework specified through the CIRP. Attention is also invited to para (c) above.

Since the CIRP is currently in progress, as per the Code, it is required that the Company be managed as going concern during the CIRP, the Standalone Financial Results is continued to be prepared on going concern basis. However there exists material uncertainty about the Company's ability to continue as a going concern since the same is dependent upon the resolution plan to be formulated and approved by NCLT. The appropriateness of preparation of Financial Statements on going concern basis is critically dependent upon CIRP as specified in the Code.

Emphasis of Matter

The Company has not paid statutory dues of Rs. 1,744.33 lakhs as on 30.06.2021 (Out of this, Rs. 364.92 lakhs pertains to the period post CIRP initiation date and against this Rs. 332.95 lakhs has been paid subsequently) . It is informed by the RP that the statutory dues which are payable prior to CIRP initiation date (10th March 2021) are to be claimed by the respective authorities in relevant form as prescribed under Regulation 7 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016. Due to non- payment of various statutory liabilities, there may be potential non compliances under relevant statutes and regulations.

Our conclusion is not modified in respect of the above matters.



Based on our review conducted as above, ***except for the effects of the matters described in the “Basis for Qualified Conclusion and the Material Uncertainty Relating to Going Concern Section,”*** nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards (‘Ind AS’) specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Attention is drawn to the fact that the figures for the three months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

Place: Chennai
Dated: September 24, 2021



For SRSV & Associates
Chartered Accountants
F.R.No.015041S

V. Rajeswaran
Partner
Membership No.020881
UDIN No. 21020881AAAAEU2533

Sical Logistics Limited
CIN: L51909TN1955PLC002431

Regd. office: No. 73, Armenian Street, Parrys, Chennai - 600 001
Website: www.sical.com; E-Mail: secl@sical.com; Telephone: 91 44 66157071; Fax: 91 44 66157017

Unaudited consolidated financial results for the quarter ended 30 June 2021
prepared in compliance with the Indian Accounting Standard (Ind-AS)

(Rs. in lakhs, except per equity share data)

Particulars	Quarter ended			For the year ended
	30 June 2021	31 March 2021	30 June 2020	31 March 2021
	Unaudited	Audited	Unaudited	Audited
Revenue from operations	7,394	11,466	13,698	50,363
Other income	6	(9)	146	310
Total Income	7,400	11,457	13,844	50,673
Expenses				
Cost of services	6,443	9,394	10,120	38,150
Employee benefits expense	902	1,102	1,485	5,389
Finance costs	944	10,857	1,183	13,919
Depreciation and amortisation expense	1,838	1,836	2,092	7,875
Other expenses	804	3,949	1,267	8,221
Total expenses	10,931	27,138	16,147	73,554
Profit/(Loss) before exceptional item	(3,531)	(15,680)	(2,303)	(22,881)
Exceptional Item		(93,789)		(93,789)
Profit/(Loss) after exceptional item and before tax	(3,531)	(1,09,469)	(2,303)	(1,16,670)
Tax expense				
Current tax		(61)		(49)
Deferred tax		280		280
Profit for the period/year	(3,531)	(1,09,688)	(2,303)	(1,16,901)
Share of profit/(Loss) from joint venture	(151)	(686)	(379)	298
Profit/(Loss) for the period	(3,682)	(1,10,374)	(2,682)	(1,16,603)
Other Comprehensive Income				
Items that will not be reclassified to profit or loss				
Remeasurements of defined benefit plan actuarial gains/(losses)	-	-	-	-
Others	-	-	-	-
Income tax relating to items that will not be reclassified to profit or loss				
Total Comprehensive Income/(Loss) for the period	(3,682)	(1,10,374)	(2,682)	(1,16,603)
Attributable to:				
Owners of Company	(3,457)	(1,10,385)	(2,590)	(1,15,958)
Non-Controlling Interests	(225)	10	(92)	(645)
Paid up share capital (par value of Rs. 10 each, fully paid)	5,854	5,854	5,854	5,854
Debenture redemption reserve				4,500
Other equity as of 31 March	(72,642)	(72,642)	43,306	(72,642)
Earnings per equity share [in Rs.]				
(1) Basic	(5.91)	(188.63)	(4.43)	(198.15)
(2) Diluted	(5.91)	(188.63)	(4.43)	(198.15)

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Notes

- a) The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of SICAL LOGISTICS LIMITED ("the Company") and appointed Mr. Lakshmisubramanian (IBBI Registration no. IBBI/IPA-003/IP-N00232/2019-2020/12697) as Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Company vide CP No. IBA/73/2020 dated 10th March 2021. Pursuant to this, based on the application made by Committee of Creditors of the Company, the Hon'ble NCLT has ordered appointment of Mr. Sripatham Venkatasubramanian Ramkumar (IBBI Registration No. IBBI/IPA-001/IP-P00015/2016-17/10039) as Resolution Professional ("RP") of the Company in disposing of IA no. IA/54/CHE/2021 in IBA/73/2020 on 2nd June 2021.

In view of the pendency of the CIRP, and in view of the suspension of the powers of the Board of Directors, the powers of adoption of the consolidated financial statements for the quarter ended June 30, 2021 vest with the RP.

- b) Based on the public announcement made for commencement of CIRP, various creditors have filed claims (including interest on delayed payment, penalty etc.) on the company. These claims have been submitted by financial and operational creditors (including past and present employees) and are being reconciled with the books of accounts on an ongoing basis. As part of the process, the claims verified/submitted during this CIRP period (ongoing till submission of resolution plan) shall be settled in accordance with the provisions of the Code. Claims admitted under CIRP would be reconciled and reviewed in subsequent period for any additional liability which is to be recorded in the books.

It is possible that, a proposed resolution plan envisages that the creditors accept haircuts and accept reduction in their liabilities. Since the RP is still in the process of receiving bids from prospective resolution applicant, it is not possible to evaluate the amounts that will be foregone or the restructuring, if any, that will be necessitated. Therefore, overall implications on account of completion of such reconciliation process have not been considered in these financial statements.

- c) The unaudited financial statements for the quarter ended 30 June 2021 was reviewed, approved and authenticated and taken on record by the Resolution Professional at the meeting held on 24 September 2021. The unaudited financial statements are prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.
- d) During the quarter (Apr to Jun 2021) under review the Company's operations and revenue were impacted by the prevailing second wave of Covid-19 Global Pandemic situation. Due to this the Company has to suspend some of its operation as directed by Government authorities. The Company has taken the possible impact of COVID 19 pandemic in presentation of the above financial result including assessment of recoverable value of its assets based on internal and external information upto date of approval of these financial results and current indicators of future economic conditions. The group is continuously monitoring for any material changes in economic conditions.
- e) The figures for the three months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit
- f) The Company is primarily engaged in providing integrated logistics services which is considered as a single business segment in terms of segment reporting as per Ind AS 108. There being no services rendered outside India, there are no separate geographical segments to be reported on.

g) Pursuant to Regulation 54(2) of the SEBI (LODR) Regulations, 2015, it is hereby disclosed that the Company has provided the dredger and the spares and machinery held by the Company as security for the 11% Secured Redeemable Non-Convertible Debentures of Rs. 100 Cr issued to IDFC First Bank Limited on private placement basis and the asset cover is 1.1 times as on 30 June 2021.

Due to non payment of interest due for the 3 half years viz Dec-19, Jun-20 and Dec-20, Debentureholder has recalled the principal alongwith Interest amount. Further the redemption was due on 25-Jun-2021. IDFC First Bank Ltd., the sole debentureholder has preferred a claim before the RP as per IBC Code.

- h) As per the terms of the issue of the NCDs, by the subsidiary SMART, the STRPP-3 1st instalment of Rs. 750 Lakhs was paid on 30-Sep-2020 and 2nd instalment of STRPP-3 of Rs. 750 Lakhs was not remitted as on 31 Mar 2021 due to the consideration of a restructuring proposal by the debenture holder viz. RBL Bank Ltd. as per the extant RBI guideline on Covid-19 pandemic package. Since the restructuring did not happen, the company has paid the second instalment of STRPP-3 due on 31st March, 2021 on 28th June 2021.
- i) The Company has not serviced debt on due dates to the banks and financial institutions. The Corporate insolvency resolution process have commenced consequent to the order of Hon'ble NCLT Chennai Bench and RP has been appointed in terms of the orders. All the financial creditors have made the claim with IRP/RP. Hence all the loans have been classified as current liability and no debts were serviced from the date of commencement of CIRP.
- j) Interest on borrowings are provided till the CIRP initiation date i.e. 10th March 2021 as all liabilities prior to / subsequent to CIRP initiation date are frozen as at CIRP commencement date and are to be dealt under the resolution plan which is to be received and approved by the Committee of Creditors and the adjudicating authority.
- k) Figures pertaining to the previous periods have been regrouped, reclassified and rearranged wherever necessary.


T. Subramanian
Director


S Rajappan
Director


V Radhakrishnan
Company Secretary

Taken on Record



Sripatham Venkatasubramanian Ramkumar
Resolution Professional for Sical Logistics Limited
IP Registration no. IBBI/IPA-001/IP-P00015/2016-17/10039



SRSV & ASSOCIATES

CHARTERED ACCOUNTANTS

'Madura', No.66, Bazullah Road,
T. Nagar, Chennai - 600 017.
Tel : 044-28344742

P. SANTHANAM
B.Com., FCA, FCS

R. SUBBURAMAN
B.Com., FCA

V. RAJESWARAN
B.Com., FCA

G. CHELLA KRISHNA
M.Com., FCA, PGPM

Independent Auditor's Review Report on Consolidated Quarterly Unaudited Financial Results of the Company Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to

THE RESOLUTION PROFESSIONAL

SICAL LOGISTICS LIMITED

(A Company under Corporate Insolvency Resolution Process vide NCLT Order)

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of **SICAL LOGISTICS LIMITED** ("Holding Company") and its Subsidiaries (Holding Company and its subsidiaries together referred to as the "Group") and its share of the net profit/(loss) after tax and total comprehensive income/(loss) of its jointly controlled entities, for the quarter ended June 30, 2021, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (the 'Listing Regulations') read with Circular No. CIR/CFD/CMD1/80/2019 dated 19th July, 2019.
2. As the Corporate Insolvency Resolution Process ("CIRP") has been initiated in respect of the Holding Company under the provisions of "The Insolvency and Bankruptcy Code, 2016" ('IBC' / 'the Code') by the National Company Law Tribunal ("NCLT"), Chennai Bench, vide its order dated March 10, 2021, the powers of the Board of Directors of the Holding Company stand suspended as per Section 17 of the Code and such powers are being exercised by the Resolution Professional appointed by the National Company Law Tribunal by the said order under the provisions of the Code.

This statement which is the responsibility of the Holding Company's management and certified by the Directors of the Holding Company, confirming that the financial results do not contain any material misstatements and thereafter provided to the Resolution Professional for his signing on 24th September 2021 and for further filing with stock exchanges, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, as amended, read with the relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India



(ICAI). This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing obligations and Disclosure Requirements) regulations, 2015 as amended, to the extent applicable.

4. The Statement includes the results of the following Subsidiaries and jointly controlled entities:
- a) Sical Infra Assets Limited
 - b) Sical Iron Ore Terminals Limited
 - c) Sical Iron Ore Terminal (Mangalore) Limited
 - d) Sical Connect Limited [erstwhile known as Norsesea Offshore India Limited]
 - e) Bergen Offshore Logistics Pte Limited [foreign subsidiary]
 - f) Sical Supply Chain Solutions Limited (erstwhile known as Sical Adams Offshore Limited)
 - g) Sical Saumya Mining Limited
 - h) Sical Mining Limited
 - i) Sical Multimodal and Rail Transport Limited
 - j) Sical Bangalore Logistics Park Limited
 - k) Sical Washeries Limited
 - l) Patchems Private Limited
 - m) Sical Logixpress Private Limited (erstwhile known as PNX Logistics Private Limited)
 - n) Develecto Mining Limited
 - o) PSA Sical Terminals Limited (Jointly controlled entity)
 - p) Sical Sattva Rail Terminals Private Limited (Jointly controlled entity)

5. Basis for Qualified Conclusion

The Hon'ble National Company Law Tribunal ("NCLT"), Chennai Bench, admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by an operational creditor of **SICAL LOGISTICS LIMITED** ("the Holding Company") and appointed Mr. Lakshmisubramanian (IBBI Registration no. IBBI/IPA-003/IP-N00232/2019-2020/12697) as Interim Resolution Professional ("IRP"), in terms of the Insolvency and Bankruptcy Code, 2016 ("the Code") to manage the affairs of the Holding Company vide CP No. IBA/73/2020 dated 10th March 2021. Pursuant to this, based on the application made by Committee of Creditors of the Holding Company, the Hon'ble NCLT has ordered appointment of Mr. Sripatham Venkatasubramanian Ramkumar (IBBI Registration No. IBBI/IPA-001/IP-P00015/2016-17/10039) as Resolution Professional ("RP") of the Holding Company in disposing of IA no. IA/54/CHE/2021 in IBA/73/2020 on 2nd June 2021.

In view of pendency of the CIRP, and in view of suspension of the powers of Board of Directors of the Holding Company and as explained to us, the powers of adoption of the consolidated financial results for the year ended June 30, 2021 vest with the RP.



We draw attention to the following matters in respect of the Holding Company:

- a) Note No. (a) and (b) to the Statement, regarding application by an operational creditor, initiating the insolvency provisions under the Insolvency and Bankruptcy Code, 2016 ('the Code') and the consequential appointment of the RP under the Code, and adequacy of disclosures concerning the Company's ability to meet its financial, contractual and statutory obligations including management's technical estimates in regard to realisation of Overdue receivables, Loans and Advances including related party and contractual dues, investments and Deferred Tax Assets amounting to Rs.484.45 crores.

The possible impact, if any, arising out of the above matters is presently not quantifiable.

- b) Note No. (i) and (j) to the Statement, Confirmation of balances are not available for majority of the trade receivables, loans and advances given, trade payables, claims received from the employees, bank balances and bank loans as at 30th June 2021. Pursuant to the CIRP, the Company stopped providing interest on bank borrowings from the CIRP initiation date. In the absence of confirmation of balances the default arising on account of non- payment of principal and interest is presently not determinable. The finance cost appearing in the Statement are recorded based on transactions accounted in the accounting system, differences between the liability recorded by the Company and confirmations received from the lenders are not recorded as finance cost.
- c) The Company's net worth as on the reporting date is negative. The Company has significant accumulated losses as at the reporting date and it continues to incur cash losses. Considering the above and the matters more fully explained in the Material Uncertainties Relating to Going Concern section below, we are unable to comment on the appropriateness of preparation of the Statement on a going concern basis.
- d) We have been informed by the RP that certain information including the minutes of the meetings of the CoC, cases filed by the RP against other parties and the outcome of certain specific/ routine procedures carried out as part of the IBC process are confidential in nature and could not be shared with anyone, other than the CoC and Hon'ble NCLT. In the opinion of the RP, the matter is highly sensitive, confidential and may have adverse impact on the resolution process.

Accordingly, we are unable to comment on the possible adjustments required in the carrying amount of assets and liabilities, possible presentation and disclosure impacts, if any, that may arise if we have been provided access to review of those information.

Material Uncertainty Related to Going Concern

Holding Company

The Holding Company has significant accumulated losses as at the reporting date and it continues to incur cash losses. The matters referred to in para (a) and (b) above also essentially require the Holding Company to resolve the situations specified therein within the framework specified through the CIRP. Attention is also invited to para (c) above.



As mentioned above, since the CIRP is currently in progress, as per the Code, it is required that the Holding Company be managed as going concern during the CIRP, the Consolidated Financial Results is continued to be prepared on going concern basis. However there exists material uncertainty about the Holding Company's ability to continue as a going concern since the same is dependent upon the resolution plan to be formulated and approved by NCLT. The appropriateness of preparation of Financial Statements on going concern basis is critically dependent upon CIRP as specified in the Code.

These events indicate that a material uncertainty related to the going concern assumption exists and the Group's ability to continue as a going concern is dependent upon the resolution plan to be formulated and approved by NCLT. However, the accounts of the Group have been prepared on a Going Concern basis.

Emphasis of Matter

The Group has not paid statutory dues of Rs. 1,744.33 lakhs by the Holding Company and Rs 179.29 lakhs by the Subsidiaries as on 30.06.2021. (Out of this, Rs.364.92 lakhs pertains to the period post CIRP initiation date and against this Rs. 332.95 lakhs has been paid by the Holding Company and Subsidiaries have paid Rs 156.00 lakhs against their dues subsequently). It is informed by the RP that the statutory dues which are payable prior to CIRP initiation date (10th March 2021) are to be claimed by the respective authorities in relevant form as prescribed under Regulation 7 of the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulations, 2016, with respect to the Holding Company. Due to non-payment of various statutory liabilities, there may be potential non-compliances under relevant statutes and regulations.

Our conclusion on the Statement is not modified in respect of the above matter.

Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, ***except for the effects of the matters described in the "Basis for Qualified Conclusion and the Material Uncertainty Relating to Going Concern Section,"*** nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. The subsidiary mentioned in (e) in para 4 above is located outside India whose interim financial information/results have been prepared in accordance with accounting principles generally accepted in their respective country. The Company's management has converted the interim financial information/results of such subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India. Our conclusion in so far as it relates to the affairs of such subsidiary located outside India is based solely on the management certified interim financial information/results. According to the information and explanations given to us by the management these interim financial information/results are not material to the Group.



7. We did not review the interim financial results of certain subsidiaries included in the consolidated unaudited financial results, whose interim financial information/results reflect total revenues of Rs 2,907 lakhs , total net loss after tax of Rs. 225 lakhs, total comprehensive loss (comprising of Net Loss & Other Comprehensive loss) of Rs. 231 lakhs ,for the quarter ended June 30,2021 , as considered in the consolidated unaudited financial results.

The interim financial statements / financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matters.

The consolidated unaudited financial results include the interim financial results of certain subsidiaries which have not been reviewed by their auditors, whose interim financial information/results reflect total revenues of Rs. 836 lakhs, total net loss after tax of Rs. 173 lakhs and total comprehensive loss (comprising of Net Loss & Other Comprehensive loss) of Rs. 173 lakhs for the quarter ended 30th June 2021, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial information / results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matters.

8. The consolidated unaudited financial results also include the Group's share of net loss of Rs.151 lakhs for the quarter ended 30th June 2021 of two jointly controlled entities, as considered in the consolidated unaudited financial results, whose financial information/results have not been reviewed by us or by other auditors. These unaudited financial information/results have been furnished to us by the Management. According to the information and explanations given to us by the Management, these interim financial information/results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.
9. Attention is drawn to the fact that the figures for the three months ended 31 March 2021 as reported in these financial results are the balancing figures between audited figures in respect of the full previous financial year and the published year to date figures up to the third quarter of the previous financial year. The figures up to the end of the third quarter of previous financial year had only been reviewed and not subjected to audit.

Place: Chennai
Dated: September 24, 2021



For SRSV & Associates
Chartered Accountants
F.R.No 015041S

A handwritten signature in blue ink that reads "V. Rajeswaran".

V. Rajeswaran
Partner
Membership No.020881

UDIN No. 21020881AAAAEV6511