

**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

14<sup>th</sup> November, 2021

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

BSE Limited  
Department of Corporate Services  
Floor 27, P.J. Towers  
Dalal Street  
Fort  
Mumbai :: 400 001

**Time of Conclusion of meeting : 4.25 p.m.**

Dear Sirs,

Sub : Unaudited financial results for the quarter and half year ended  
30<sup>th</sup> September, 2021  
Ref : Regulation 33 of the SEBI [Listing Obligations and Disclosure  
Requirements] Regulations, 2015

=====  
Kindly find enclosed the following:-

1. The unaudited financial results for the quarter and half year ended 30<sup>th</sup> September, 2021 both standalone and consolidated along with the Statement of Assets and Liabilities and the Cash Flow Statement.
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 for both standalone and consolidated.

This may kindly be taken on record.

Thanking you,

Yours faithfully,  
For Sical Logistics Limited

  
V. Radhakrishnan  
Company Secretary

Encl : As stated

## 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 and half year ended 30 September 2021

prepared in compliance with the Indian Accounting Standard (Ind-AS)

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

Particulars	Quarter ended			Half year ended		For the year ended
	30 Septemehr 2021	30 June 2021	30 Septemehr 2020	30 September 2021	30 September 2020	31 March 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	4,940	3,652	9,555	8,592	19,961	37,651
Other income	14	5	92	19	398	240
<b>Total Income</b>	<b>4,954</b>	<b>3,657</b>	<b>9,647</b>	<b>8,611</b>	<b>20,359</b>	<b>37,891</b>
<b>Expenses</b>						
Cost of services	4,396	4,404	7,864	8,800	16,588	30,340
Employee benefits expense	366	544	931	910	1,963	3,733
Finance costs	24	43	433	67	1,043	11,773
Depreciation and amortisation expense	1,496	1,514	1,649	3,011	3,412	6,563
Other expenses	283	285	809	568	1,515	6,661
<b>Total expenses</b>	<b>6,565</b>	<b>6,790</b>	<b>11,686</b>	<b>13,356</b>	<b>24,521</b>	<b>59,070</b>
Profit/(Loss) before Exceptional Item	(1,611)	(3,133)	(2,039)	(4,745)	(4,162)	(21,179)
Exceptional Item (Refer note i)	(12,828)			(12,828)		(93,789)
<b>Profit/(Loss) after Exceptional item before tax</b>	<b>(14,439)</b>	<b>(3,133)</b>	<b>(2,039)</b>	<b>(17,573)</b>	<b>(4,162)</b>	<b>(1,14,968)</b>
Tax expense						
Current tax						
Deferred tax						
<b>Profit/(Loss) for the period</b>	<b>(14,439)</b>	<b>(3,133)</b>	<b>(2,039)</b>	<b>(17,573)</b>	<b>(4,162)</b>	<b>(1,14,968)</b>
<b>Other Comprehensive Income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of defined benefit plan actuarial gains/(losses)	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Income tax relating to items that will not be reclassified to profit or loss</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>(14,439)</b>	<b>(3,133)</b>	<b>(2,039)</b>	<b>(17,573)</b>	<b>(4,162)</b>	<b>(1,14,968)</b>
<b>Attributable to:</b>						
Owners of Company	(14,439)	(3,133)	(2,039)	(17,573)	(4,162)	(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	5,854	5,854
Debenture redemption reserve						2,500
Other equity as of 31 March	(69,030)	(69,030)	41,777	(69,030)	41,777	(69,030)
<b>Earnings per equity share [in Rs.]</b>						
(1) Basic	(24.67)	(5.35)	(3.48)	(30.03)	(7.11)	(196.46)
(2) Diluted	(24.67)	(5.35)	(3.48)	(30.03)	(7.11)	(196.46)

## 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 and half year ended September 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 and half year ended 30 September 2021 was reviewed, approved and authenticated and taken on record by the Resolution Professional at the meeting held on 14 November 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 period (Jul to Sep 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 company is continuously monitoring for any material changes in economic conditions.
- e) 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.
- f) 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 Sep 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.

- (a) Security Premium account as on 30 September 2021 - Rs. 15385 Lakhs
- (b) Paid up debt capital/outstanding debt is 10000 Lakhs as at 30 September 2021
- (c) debt-equity ratio: (1.03) as at 30 September 2021
- (d) debt service coverage ratio: nil as at 30 September 2021
- (e) interest service coverage ratio: nil as at 30 September 2021
- (f) inventory turnover ratio: 11.66 as at 30 September 2021
- (g) operating Margin: (19.4)% as at 30 September 2021
- (h) current Ratio: 0.15 as at 30 September 2021
- (i) long Term debt to working capital: 1.51 as at 30 September 2021
- (j) bad Debts to account receivable nil as at 30 September 2021
- (k) current Liability to Long Term Liability ratio 401 as at 30 September 2021 (refer note g)
- (l) debtors turn over ratio 0.70 as at 30 September 2021
- (m) debenture redemption reserve: Rs. 2.500 lakhs as at 30 September 2021
- (n) capital redemption reserve: Rs.1093 lakhs as at 30 September 2021
- (o) net worth: Rs. (80,748) lakhs as at 30 September 2021
- (p) net loss after tax: Rs. (17,573) lakhs for the period ended 30 September 2021
- (q) earnings per share: Rs.(30.03) as at 30 September 2021

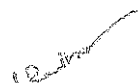
- g) The Company has not serviced debt on due dates to the banks and financial institutions. The Corporate insolvency resolution process have commenced consequent to the order of Hon'ble NCLT Chennai Bench and IRP/RP has been appointed in terms of the orders. All the financial creditors have made the claim with IRP/RP. Hence all the loans have been classified as current liability and no debts were serviced from the commencement of CIRP.
- h) 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
- i) Exceptional Item relates to the Provision created against the investment made and loans and advances extended to the subsidiary viz. Sical Logixpress Private Limited [since the account has become NPA] being Rs.711 lakh and Rs.3022 lakh respectively, Rs.1580 lakh towards loans and advances for buyback of shares in Sical Iron Ore Terminals Limited, Rs.1515 lakh towards C Form refund receivable [towards fuel purchase at concessional rates] pending with the suppliers and Rs.6000 lakh towards provision for doubtful debt on receivables from a major customer in integrated logistics division.
- 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

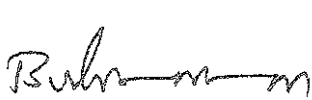
Date: 14 Novemebr 2021

Statement of assets and liabilities (Standalone)

Rs. in lakhs

Particulars	As at	As at
	30 Sep 2021	31 March 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	30,458	33,471
Other intangible assets	19	31
Right of use of assets	61	79
Capital work-in-progress	-	-
Financial Assets		
- Investments	22,042	22,042
- Other non-current financial assets	301	301
Other non-current assets	1,800	1,800
Deferred tax assets (net)	3,290	3,290
	57,971	61,014
<b>Current assets</b>		
Inventories	755	755
Financial Assets		
- Trade receivables	12,342	16,138
- Cash and cash equivalents	3,118	3,274
- Other current financial assets	5,915	1,088
Current Tax Assets (Net)	4,986	4,739
Other current assets	3,636	3,618
	30,752	29,612
<b>Total Assets</b>	<b>88,723</b>	<b>90,626</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	5,854	5,854
Other Equity	(86,602)	(69,030)
	(80,748)	(63,176)
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
- Borrowings	-	-
Provisions	89	92
Deferred tax liabilities (net)	332	332
	421	424
<b>Current liabilities</b>		
Financial Liabilities		
- Borrowings	33,130	30,361
- Trade payables	-	-
(a) Total outstanding dues of Micro and Small Enterprises	-	-
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	11,158	9,529
- Other financial liabilities	60,858	62,069
Other current liabilities	63,885	51,400
Provisions	19	19
	1,69,050	1,53,378
<b>Total Equity and Liabilities</b>	<b>88,723</b>	<b>90,626</b>

The above disclosure is an extract of the unaudited Balance Sheet as at 30 September 2021 and audited Balance Sheet as at 31 March 2021 prepared in compliance with the Indian Accounting Standards (Ind-AS).



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

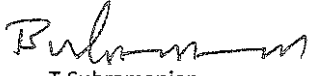
Place: Chennai  
Date: 14 Novemebr 2021

**Sical Logistics Limited**  
**Cash Flows Statement**

Particulars	For the Period ended 30 Sep 2021	For the year ended 31 Mar 2021
<b>Cash flows from operating activities</b>		
Loss before tax	(17,573)	(1,14,968)
Adjustments:		
Depreciation	3,011	6,562
Profit on sale of fixed assets	-	454
Provision for exceptional items as per note (i)	12,828	93,789
Interest and finance charges	-	10,417
Interest income	(0)	(185)
Effect of exchange differences on translation of assets and liabilities	-	-
Operating cash flow before working capital changes	<u>(1,734)</u>	<u>(3,930)</u>
<i>Changes in</i>		
- Trade receivables	(566)	6,116
- Current/Non current financial assets	4	290
- Current/Non current assets	(18)	3,833
- Inventories	-	120
- Current/Non current financial liabilities	113	463
- Current/Non current liabilities	652	2,275
- Trade payables	1,629	(2,937)
- Provisions	-	(95)
Cash generated from operations	<u>79</u>	<u>6,134</u>
Income taxes paid	(247)	(497)
<b>Cash generated from operations [A]</b>	<u><b>(167)</b></u>	<u><b>5,637</b></u>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets (Including Capital Work in Progress)	32	(2)
Investment in subsidiaries	-	(128)
Proceeds from sale of fixed assets	-	1,494
Proceeds from sale of investments	-	-
Loans and advances received from subsidiaries	(1,450)	(1,429)
Bank deposit	6	1,043
Interest income	0	132
<b>Net cash generated used in investing activities [B]</b>	<u><b>(1,412)</b></u>	<u><b>1,110</b></u>
<b>Cash flows from financing activities</b>		
Proceeds from long term borrowings	(1,326)	(551)
Repayment of long term borrowings	-	-
Proceeds from/(Repayment of) Short Term Borrowings (net)	2,769	3,758
Payment of lease liability	(16)	(70)
Proceeds from issue of shares	-	-
Proceeds from Holding Company	4	1,663
Finance cost	-	(10,417)
<b>Net cash generated from financing activities [C]</b>	<u><b>1,430</b></u>	<u><b>(5,617)</b></u>
<b>Effect of exchange differences on translation of foreign currency cash and cash equivalents [D]</b>	-	-
<b>Increase in cash and cash equivalents [A+B+C+D]</b>	<b>(150)</b>	<b>1,130</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,711</b>	<b>581</b>
<b>Cash and cash equivalents at the end of the year</b>	<u><b>1,561</b></u>	<u><b>1,711</b></u>

Sical Logistics Limited  
Cash Flows Statement

Particulars	For the Period ended 30 Sep 2021	For the year ended 31 Mar 2021
<b>Components of cash and cash equivalents</b>		
Cash on hand	8	12
<i>Balances with banks</i>		
in current accounts (excluding deposits)	1,553	1,699
<b>Total cash and cash equivalents</b>	<b>1,561</b>	<b>1,711</b>

  
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: 14 Novemebr 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 and Year to Date 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 September 2021, and year to date from April 1, 2021 to September 30, 2021 (the "Statement") 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 Directors, confirming that financial results do not contain any material misstatements and thereafter provided to the Resolution Professional for his signing on 14<sup>th</sup> November, 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 September 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. 402.31 crores.

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

- b) Note No. (g) and (h) to the Statement, Confirmation of balances are not available for majority of the trade receivables, loans and advances given, bank balances and bank loans as at 30th September 2021. Claims filed by the creditors and employees with RP is under reconciliation. 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. 1,735 lakhs as on 30.09.2021 (Out of this, Rs. 234 lakhs pertains to the period post CIRP initiation date and against this Rs. 233 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.

Place: Chennai  
Dated: Nov 14, 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. 21020881AAAAFD7137

## 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 and half year ended 30 September 2021

prepared in compliance with the Indian Accounting Standard (Ind-AS)

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

Particulars	Quarter ended			Half Year Ended		For the year ended
	30 Sep 2021	30 June 2021	30 Sep 2020	30 Sep 2021	30 Sep 2020	31 March 2021
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from operations	8,232	7,394	12,835	15,626	26,533	50,363
Other income	19	6	120	25	266	310
<b>Total income</b>	<b>8,251</b>	<b>7,400</b>	<b>12,955</b>	<b>15,651</b>	<b>26,799</b>	<b>50,673</b>
<b>Expenses</b>						
Cost of services	6,255	6,443	9,817	12,697	19,937	38,150
Employee benefits expense	761	902	1,332	1,663	2,817	5,389
Finance costs	168	944	1,167	1,112	2,349	13,919
Depreciation and amortisation expense	1,804	1,838	1,980	3,642	4,072	7,875
Other expenses	774	804	1,145	1,577	2,411	8,221
<b>Total expenses</b>	<b>9,762</b>	<b>10,931</b>	<b>15,440</b>	<b>20,691</b>	<b>31,586</b>	<b>73,554</b>
<b>Profit/(Loss) before exceptional item</b>	<b>(1,511)</b>	<b>(3,531)</b>	<b>(2,485)</b>	<b>(5,040)</b>	<b>(4,787)</b>	<b>(22,881)</b>
Exceptional item (Refer Note i)	(12,828)			(12,828)		(93,789)
<b>Profit/(Loss) after exceptional item and before tax</b>	<b>(14,339)</b>	<b>(3,531)</b>	<b>(2,485)</b>	<b>(17,868)</b>	<b>(4,787)</b>	<b>(1,16,670)</b>
Tax expense						
Current tax	2		12	2	12	(49)
Deferred tax						280
<b>Profit/(Loss) for the period/year</b>	<b>(14,341)</b>	<b>(3,531)</b>	<b>(2,497)</b>	<b>(17,870)</b>	<b>(4,799)</b>	<b>(1,16,901)</b>
Share of profit/(Loss) from joint venture	(212)	(151)	471	(363)	92	298
<b>Profit/(Loss) for the period</b>	<b>(14,553)</b>	<b>(3,682)</b>	<b>(2,026)</b>	<b>(18,233)</b>	<b>(4,707)</b>	<b>(1,16,603)</b>
<b>Other Comprehensive Income</b>						
<b>Items that will not be reclassified to profit or loss</b>						
Remeasurements of defined benefit plan actuarial gains/(losses)	-	-	-	-	-	-
Others	-	-	-	-	-	-
<b>Income tax relating to items that will not be reclassified to profit or loss</b>						
<b>Total Comprehensive Income/(Loss) for the period</b>	<b>(14,553)</b>	<b>(3,682)</b>	<b>(2,026)</b>	<b>(18,233)</b>	<b>(4,707)</b>	<b>(1,16,603)</b>
<b>Attributable to:</b>						
Owners of Company	(14,602)	(3,457)	(1,854)	(18,059)	(4,444)	(1,15,958)
Non-Controlling Interests	49	(225)	(172)	(174)	(264)	(645)
Paid up share capital (par value of Rs. 10 each, fully paid)	5,854	5,854	5,854	5,854	5,854	5,854
Debenture redemption reserve						4,500
Other equity as of 31 March	(72,642)	(72,642)	43,316	(72,642)	43,316	(72,642)
<b>Earnings per equity share [in Rs.]</b>						
(1) Basic	(24.95)	(5.91)	(3.17)	(30.86)	(7.59)	(198.15)
(2) Diluted	(24.95)	(5.91)	(3.17)	(30.86)	(7.59)	(198.15)

## 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 and as explained to us, the powers of adoption of the standalone financial statements for the quarter and half yearended September 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 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 and half year ended 30 Sep 2021 was reviewed , approved and authenticated and taken on record by the Resolution Professional at the meeting held on 14 Novemebr 2021. The information presented above is extracted from the unaudited standalone financial statements. 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 and half year ended (Apr to Sep 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 operations 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 currrent indicators of future economic conditions. The group is continuously monitoring for any material changes in economic conditions.
- e) 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.
- f) 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 Septemebr 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.

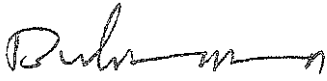
Pursuant to Regulation 54(2) of the SEBI (LODR) Regulations, 2015 it is hereby disclosed that the subsidiary Company Sical Multimodal and Rail Transport Limited [SMART] has provided (1) 0.60 acres of land situated at Anupampattu Village, (2) 19.5 acres of land and building situated there on at Minjur (3) 2 rakes and 1045 Containers and (4) pari passu mortgage charge along with existing charge holder on land (admeasuring around 2.248 acres) at Minjur as security for the 11% secured listed NCDs of Rs. 100 Cr issued to RBL Bank Limited on private placement and the asset cover is 1.5 times retained as on 30 September 2021.

Against the STRPP-4 - 1st instalment of the principal payment due of Rs. 1500 Lakhs on 30-Sep-2021, subsidiary company viz Sical Multimodal and Rail Transport Limited has paid an amount of Rs. 770 lakhs as partial redemption amount.

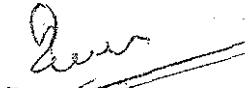
The following additional disclosures are made pursuant to Reg 52 (4) of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 in connection with the 11% listed secured Non-convertible Debentures issued to IDFC First Bank Ltd by the Company and to RBL Bank Limited by the subsidiary company Sical Multimodal and Rail Transport Limited.

- (a) Security Premium account as on 30 September 2021 - Rs. 18403 Lakhs
  - (b) Paid up debt capital/outstanding debt is Rs. 5730 Lakhs as at 30 September 2021 for subsidiary company SMART  
Paid up debt capital/outstanding debt is Rs. 10000 Lakhs as at 30 September 2021 -Sical Logistics Limited
  - (c) debt-equity ratio: (1.49) as at 30 September 2021
  - (d) debt service coverage ratio: (1.91) as at 30 September 2021
  - (e) interest service coverage ratio: (8.21) as at 30 September 2021
  - (f) inventory turnover ratio: 8.71 as at 30 September 2021
  - (g) operating Margin: (1.99)% as at 30 September 2021
  - (h) current Ratio: 0.18 as at 30 September 2021
  - (i) long Term debt to working capital: 2.44 as at 30 September 2021
  - (j) bad debts to account receivable 0.16 as at 30 September 2021
  - (k) current Liability to Long Term Liability ratio 14.10 as at 30 September 2021
  - (l) debtors turn over ratio 0.92 as at 30 September 2021
  - (m) debenture redemption reserve: Rs. 4,500 lakhs as at 30 September 2021
  - (n) capital redemption reserve: Rs.1555 lakhs as at 30 September 2021
  - (o) net worth: Rs. (84,859) lakhs as at 30 September 2021
  - (p) net loss after tax: Rs. (17,870) lakhs for the period ended 30 September 2021
  - (q) earnings per share: Rs.(30.86) as at 30 September 2021
- g) 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 of Sical Logistics Limited and its subsidiaries excluding SMART have been classified as current liability and no debts of Sical Logistics Limited and its subsidiaries excluding SMART were serviced from the commencement of CIRP.
- h) Interest on borrowings for Sical Logistics Limited 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
- i) Exceptional Item relates to the Provision created against the investment made and loans and advances extended to the subsidiary viz. Sical Logixpress Private Limited [since the account has become NPA] being Rs.711 lakh and Rs.3022 lakh respectively, Rs.1580 lakh towards loans and advances for buyback of shares in Sical Iron Ore Terminals Limited, Rs.1515 lakh towards C Form refund receivable [towards fuel purchase at concessional rates] pending with the suppliers and Rs.6000 lakh towards provision for doubtful debt on receivables from a major customer in integrated logistics division.

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


## Statement of assets and liabilities (Consolidated)

Rs. in lakhs

Particulars	As at 30 September 2021	As at 31 March 2021
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	70,810	74,285
Right of use of assets	7,707	7,890
Capital work-in-progress	39,832	39,440
Other intangible assets	978	1,066
Goodwill	706	706
Financial Assets		
- Investments	521	883
- Other non-current financial assets	956	949
Other non-current assets	1,852	1,852
Deferred tax assets (net)	838	838
	1,24,200	1,27,909
<b>Current assets</b>		
Inventories	1,507	1,507
Financial Assets		
- Trade receivables	17,054	21,281
- Cash and cash equivalents	4,660	6,462
- Other current financial assets	1,266	1,280
Current Tax Assets (Net)	5,438	5,019
Other current assets	10,023	9,648
	39,948	45,197
<b>Total Assets</b>	<b>1,64,148</b>	<b>1,73,106</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity Share capital	5,854	5,854
Other Equity	(90,701)	(72,642)
Equity attributable to the owners of the Company	(84,847)	(66,788)
Non-controlling interests	16,809	16,983
<b>Total equity</b>	<b>(68,038)</b>	<b>(49,805)</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial Liabilities		
- Borrowings	4,018	5,194
Provisions	10,953	11,432
Other non-current liabilities	410	410
Deferred tax liabilities (net)		
	15,381	17,036
<b>Current liabilities</b>		
Financial Liabilities		
- Borrowings	36,757	34,107
- Trade payables		
(a) Total outstanding dues of Micro and Small Enterprises		
(b) Total outstanding dues of creditors other than Micro and Small Enterprises	17,805	16,872
- Other financial liabilities	1,00,595	1,01,183
Other current liabilities	61,604	53,670
Provisions	44	43
	2,16,805	2,05,875
<b>Total Equity and Liabilities</b>	<b>1,64,148</b>	<b>1,73,106</b>


The above disclosure is an extract of the unaudited Balance Sheet as at 30 September 2021 and audited Balance Sheet as at 31 March 2021 prepared in compliance with the Indian Accounting Standards (Ind-AS).

  
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. IBB/PA-001/IP-P00015/2016-17/10039

Place: Chennai  
Date: 14 November 2021



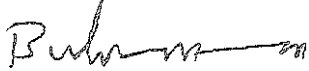
Sical Logistics Limited

Consolidated cash flows statement

Particulars	For the Period ended 30 Sep 2021	For the year ended 31 Mar 2021
<b>Cash flows from operating activities</b>		
Loss before tax	(17,868)	(1,16,670)
Adjustments:		
Depreciation	3,642	7,875
Profit on sale of fixed assets	-	452
Provision for exceptional items as per note (i)	12,828	93,789
Interest and finance charges	897	12,584
Interest income	(14)	(199)
Forex loss	-	-
Operating cash flow before working capital changes	<u>(515)</u>	<u>(2,169)</u>
<i>Changes in</i>		
- Trade receivables	(136)	2,772
- Current/Non current financial assets	-	296
- Current/Non current assets	(375)	2,409
- Inventories	-	120
- Current/Non current financial liabilities	162	528
- Current/Non current liabilities	(364)	7,246
- Trade payables	933	4,810
- Provisions	1	(124)
Cash generated from operations	<u>(294)</u>	<u>15,888</u>
Income taxes paid	<u>(419)</u>	<u>(64)</u>
<b>Cash generated from operations [A]</b>	<b><u>(713)</u></b>	<b><u>15,824</u></b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets (Including Capital Work in Progress)	(288)	(5,192)
Proceeds from sale of fixed assets		1,564
Proceeds from sale of investment		
Purchase of non controlling interests	-	-
Bank deposit	206	846
Interest income	14	199
<b>Net cash generated used in investing activities [B]</b>	<b><u>(68)</u></b>	<b><u>(2,583)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from long term borrowings	(2,753)	2,039
Repayment of long term borrowings		(6,693)
Proceeds from holding company	4	1,663
Repayment of lease liability	181	(202)
Proceeds from issue of shares	-	-
Proceeds from/(repayment of) short term borrowings (net)	2,650	4,810
Finance cost	(897)	(12,584)
<b>Net cash generated from financing activities [C]</b>	<b><u>(815)</u></b>	<b><u>(10,967)</u></b>
Effect of exchange differences on translation of foreign currency cash and cash equivalents [D]		
<b>Increase in cash and cash equivalents [A+B+C+D]</b>	<b>(1,494)</b>	<b>2,274</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b><u>3,773</u></b>	<b><u>1,499</u></b>
<b>Cash and cash equivalents at the end of the year</b>	<b><u>2,177</u></b>	<b><u>3,773</u></b>

**Components of cash and cash equivalents**

Cash on hand	7	14	16
<i>Balances with banks</i>			
in current accounts (excluding deposits)		2,163	3,757
<b>Total cash and cash equivalents</b>		<u>2,177</u>	<u>3,773</u>



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: 14 November 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 Consolidated Quarterly and Year to Date 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 September 30, 2021 and year to date from April 1, 2021 to September 30, 2021 (the "Statement"), 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 14<sup>th</sup> November, 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 quarter ended September 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. 402.31 crores.

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

b) Note No (g) and (h) to the Statement, Confirmation of balances are not available for majority of the trade receivables, loans and advances given, bank balances and bank loans as at 30th September 2021. Claims filed by the creditors and employees with RP is under reconciliation. 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. 1,735 lakhs by the Holding Company and Rs.138 lakhs by the Subsidiaries as on 30.09.2021. (Out of this, Rs.234 lakhs pertains to the period post CIRP initiation date and against this Rs. 233 lakhs have been paid by the Holding Company and Subsidiaries have paid Rs.124.28 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 assets of Rs.1,00,254 lakhs as at September 30, 2021, and total revenues of Rs 2,491 lakhs and Rs.5,398 lakhs, total net profit/(loss) after tax of Rs. 198 lakhs and Rs. (27) lakhs, total comprehensive profit / (loss) (comprising of Net Loss & Other Comprehensive loss) of Rs. 192 lakhs and Rs. (39) lakhs, for the quarter ended September 30 ,2021 and the period from April 1, 2021, to September 30, 2021 respectively and net cash outflows of Rs.1,715 lakhs for the period from April 1, 2021,to September 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 assets of Rs. 2,821 lakhs as at September 30, 2021, and total revenues of Rs. 819 lakhs and Rs. 1,655 lakhs, total net loss after tax of Rs. 91 lakhs and Rs. 263 lakhs and total comprehensive loss (comprising of Net Loss & Other Comprehensive loss) of Rs. 91 lakhs and Rs. 263 lakhs for the quarter ended 30th September 2021 and the period from April 1, 2021, to September 30, 2021 respectively and net cash inflows of Rs.71 lakhs for the period from April 1, 2021, to September 30, 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.212 lakhs and Rs. 363 lakhs for the quarter ended 30th September 2021 and the period from April 1, 2021, to September 30, 2021 respectively, 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.

Place: Chennai  
Dated: Nov 14, 2021



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

*V. Rajeswaran*

V. Rajeswaran  
Partner

Membership No.020881  
UDIN No. 21020881AAAAFE1524