

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

13th August, 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 : Audited financial results for the quarter and year ended
31st March, 2021 – Statement of Impact on Audit Qualifications
Ref : Regulation 33 of the SEBI [Listing Obligations and
Disclosure Requirements] Regulations, 2015


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Pursuant to Regulation 33 of the SEBI [LODR] Regulations, 2015, kindly find enclosed the Statement on Impact of Audit Qualifications both standalone and consolidated for the financial year ended 31st March, 2021 duly signed.

This may kindly be taken on record.

Thanking you,

Yours faithfully,
For Sical Logistics Limited


V. Radhakrishnan
Company Secretary



ANNEXURE I

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 on the Standalone Audited Financial results

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.

Sl.No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. in lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. in lakhs
1	Turnover / Total Income	37891	37891
2	Total Expenditure	59070	59070
3	Net Profit/[Loss]	-21179	-21179
	Exceptional Items	-114968	-114968
4	Earnings Per Share	-196.46	-196.46
5	Total Assets	90626	90626
6	Total Liabilities	153802	153802
7	Net worth	-63176	-63176
8	Any other financial item[s] as felt appropriate by the management	Nil	Nil

II. Audit Qualification (each audit qualification separately):

1	a. Details of Audit Qualification:	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.475.97 crores. The possible impact, if any, arising out of the above matters is presently not quantifiable.
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Appeared for the first time



	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
	e. For Audit Qualification[s] where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	NA
	(ii) If Management is unable to estimate the impact, reason for the same	Corporate Insolvency Resolution Process has been initiated by the Honourable National Company Law Tribunal, Chennai Bench vide order dated 10 th March, 2021. Accordingly, Interim Resolution Professional was appointed and subsequent to this, Resolution Professional was appointed on 02 nd June, 2021. The RP is in the process of obtaining required Expression of Interest and Resolution Plans from Resolution Applicants which shall be put up before the Committee of Creditors ["COC"] and the Honourable NCLT for necessary approval.
	(iii) Auditors' Comments on (i) or (ii) above:	Refer "Basis for Qualified Opinion" in audit report read with relevant notes in the financial results, which is self-explanatory

2	a. Details of Audit Qualification:	Note No. (h) and (m) 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 March 31, 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 possible adjustment if any required in the Statement 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 or contingent liability
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Appeared for the first time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA



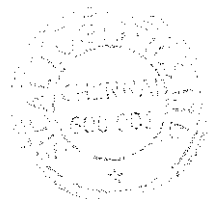
	e. For Audit Qualification[s] where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	For non-receipt of independent balance confirmation from the financial creditors, Management is of the view that there will not be significant variation in respect of the liabilities and once the process of admitting claims under CIRP is completed, any difference in liabilities between claims admitted and liability as per books would be recorded in subsequent periods.
	(ii) If Management is unable to estimate the impact, reason for the same	In accordance with the IBC Code, public announcement was made calling upon the financial creditors, operational creditors and past and present employees of the Company to submit their claims with the Interim Resolution Professional/Resolution Professional ["IRP/RP"]. In accordance with the Code, the IRP/RP has to receive, collate and admit the claims submitted against the Corporate Debtor. Such claims can be submitted to the IRP/RP during CIRP till the approval of a Resolution Plan by the Committee of Creditors ["CoC"].
	(iii) Auditors' Comments on (i) or (ii) above:	Refer "Basis for Qualified Opinion" in audit report read with relevant notes in the financial results, the same is self-explanatory

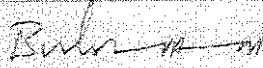



3	a. Details of Audit Qualification:	The Company's net worth as on the reporting date is negative. The Company has significant accumulated losses as at the date of the Balance Sheet and it continues to incur cash losses. Considering the above and the matters more fully explained in the Material Uncertainties Relating to Going Concern section below, we are unable to comment on the appropriateness of preparation of the Statement on a going concern basis.
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Appeared for the second time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
	e. For Audit Qualification[s] where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	NA

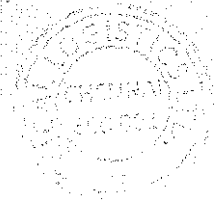


	(ii) If Management is unable to estimate the impact, reason for the same	The Resolution Professional is in the process of obtaining the bids from the Resolution Applicants and a Resolution Plan will be submitted to the Committee of Creditors and subsequently filed with NCLT for approval. A successful resolution plan would ensure the company as a going concern. In view of the above, financials have been prepared on a GOING CONCERN basis.
	(iii) Auditors' Comments on (i) or (ii) above:	Refer "Basis for Qualified Opinion" in audit report read with relevant notes in the financial results, the same is self-explanatory

4	a. Details of Audit Qualification:	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.
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Appeared for the first time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
	e. For Audit Qualification[s] where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	NA
	(ii) If Management is unable to estimate the impact, reason for the same	The Resolution Professional is obliged not to share certain information which are integral part of the CIRP, in order to maintain confidentiality of the process as per the Insolvency and Bankruptcy Code, 2016
	(iii) Auditors' Comments on (i) or (ii) above:	Refer "Basis for Qualified Opinion" in audit report read with relevant notes in the financial results, the same is self-explanatory



Signatories:	
Director	
CFO	
Resolution Professional IP Registration No. IBB/IPA- 001/IP-P00015/2016-17/10039 Taken on record	
Statutory Auditor	<p>Refer our Independent Auditor's report dated 12th August, 2021 on Standalone Financial Results of the Company</p> <p>For SRSV & Associates Chartered Accountants F.R.No. 0150415</p> <p></p> <p>V. Rajeswaran Partner Membership No. 020881</p> <p>Place : Chennai Date : 12th August, 2021</p>



ANNEXURE I

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021 on the Consolidated Audited Financial results:

[See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.

Sl.No.	Particulars	Audited Figures (as reported before adjusting for qualifications) Rs. In lakhs	Adjusted Figures (audited figures after adjusting for qualifications) Rs. In lakhs
1	Turnover / Total income	50673	50673
2	Total Expenditure	73554	73554
3	Exceptional Items	-93789	-93789
4	Net Profit/[Loss]	-116603	-116603
5	Earnings Per Share	-198.15	-198.15
6	Total Assets	173106	173106
7	Total Liabilities	222911	222911
8	Net worth	-49805	-49805
9	Any other financial item[s] as felt appropriate by the management	Nil	Nil

II. Audit Qualification (each audit qualification separately):

1	a. Details of Audit Qualification:	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 Holding 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.475.97 crores. The possible impact, if any, arising out of the above matters is presently not quantifiable.
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Appeared for the first time



	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
	e. For Audit Qualification[s] where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	NA
	(ii) If Management is unable to estimate the impact, reason for the same	Corporate Insolvency Resolution Process has been initiated by the Honourable National Company Law Tribunal, Chennai Bench vide order dated 10 th March, 2021. Accordingly, Interim Resolution Professional was appointed and subsequent to this, Resolution Professional was appointed on 02 nd June, 2021. The RP is in the process of obtaining required Expression of Interest and Resolution Plans from Resolution Applicants which shall be put up before the Committee of Creditors ["COC"] and the Honourable NCLT for necessary approval.
	(iii) Auditors' Comments on (i) or (ii) above:	Refer "Basis for Qualified Opinion" in audit report read with relevant notes in the financial results, which is self-explanatory

2	a. Details of Audit Qualification:	Note No. (h) and (n) 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 March 31, 2021. Pursuant to the CIRP, the Holding Company stopped providing interest on bank borrowings from the CIRP initiation date. In the absence of confirmation of balances the possible adjustment if any required in the Statement 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 Holding Company and confirmations received by the lenders are not recorded as finance cost or contingent liability
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Appeared for the first time



	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	For non-receipt of independent balance confirmation from the financial creditors, Management is of the view that there will not be significant variation in respect of the liabilities and once the process of admitting claims under CIRP is completed, any difference in liabilities between claims admitted and liability as per books would be recorded in subsequent periods.
	(ii) If Management is unable to estimate the impact, reason for the same	In accordance with the IBC Code, public announcement was made calling upon the financial creditors, operational creditors and past and present employees of the Company to submit their claims with the Interim Resolution Professional/Resolution Professional ["IRP/RP"]. In accordance with the Code, the IRP/RP has to receive, collate and admit the claims submitted against the Corporate Debtor. Such claims can be submitted to the IRP/RP during CIRP till the approval of a Resolution Plan by the Committee of Creditors ["CoC"].
	(iii) Auditors' Comments on (i) or (ii) above:	Refer "Basis for Qualified Opinion" in audit report read with relevant notes in the financial results, the same is self-explanatory

3	a. Details of Audit Qualification:	The Holding Company's net worth as on the reporting date is negative. The Holding Company has significant accumulated losses as at the date of the Balance Sheet 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.
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified opinion
	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Appeared for the second time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA

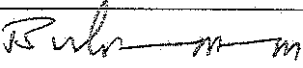
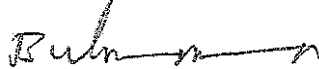



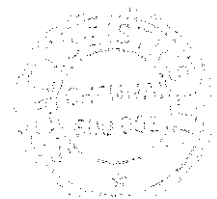
e. For Audit Qualification[s] where the impact is not quantified by the auditor:	
(i) Management's estimation on the impact of audit qualification:	NA
(ii) If Management is unable to estimate the impact, reason for the same	The Resolution Professional is in the process of obtaining the bids from the Resolution Applicants and a Resolution Plan will be submitted to the Committee of Creditors and subsequently filed with NCLT for approval. A successful resolution plan would ensure the company as a going concern. In view of the above, financials have been prepared on a GOING CONCERN basis.
(iii) Auditors' Comments on (i) or (ii) above:	Refer "Basis for Qualified Opinion" in audit report read with relevant notes in the financial results, the same is self-explanatory

4	a. Details of Audit Qualification:	<p>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 the key management personnel, employees, suppliers, customers and 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.</p> <p>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.</p> <p>Additionally, the auditors of some of the subsidiaries have highlighted key audit matters, material uncertainty related to going concern and emphasis of matter paragraphs, non receipt of confirmation of balance from debtors and creditors, delay / defaults in payment of interest and principal to banks and financial institutions amounting to Rs. 33,692 lakhs , receivables outstanding from Holding Company in the books of subsidiaries in their respective audit reports.</p>
	b. Type of Audit Qualification : Qualified Opinion / Disclaimer of Opinion / Adverse Opinion	Qualified opinion



	c. Frequency of qualification: Whether appeared first time / repetitive / since how long continuing	Appeared for the first time
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:	NA
	e. For Audit Qualification[s] where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification:	NA
	(ii) If Management is unable to estimate the impact, reason for the same	The Resolution Professional is obliged not to share certain information which are integral part of the CIRP, in order to maintain confidentiality of the process and in line with the directions of the Committee of Creditors. As regards the observation of some of the subsidiaries, the same will get addressed once a Resolution Plan is achieved by the Corporate Debtor in reviving the Company.
	(iii) Auditors' Comments on (i) or (ii) above:	Refer "Basis for Qualified Opinion" in audit report read with relevant notes in the financial results, the same is self-explanatory

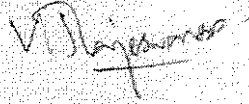
Signatories:	
Director	
CFO	
Resolution Professional IP Registration No. IBBJ/IPA-001/IP-P00015/2016-17/10039 Taken on record	



Statutory Auditor

Refer our Independent Auditor's report dated 12th August, 2021 on
Consolidated Financial Results of the Company

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



V. Rajeswaran
Partner
Membership No. 020881

Place : Chennai
Date : 12th August, 2021

