

INDEPENDENT AUDITOR'S REPORT

To the Members of Sugam Vanijya Holdings Private Limited

Report on the Audit of the Ind AS Financial Statements**Opinion**

We have audited the accompanying Ind AS financial statements of Sugam Vanijya Holdings Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its loss including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Emphasis of Matter – Litigation

We draw attention to Note 31(c)(i) to the Ind AS financial statements which states that the Company is in legal dispute in relation to a portion of its land, alleged to be encroached land reserved for public purposes. Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.



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Key audit matters	How our audit addressed the key audit matter
Accounting for lease rental income (as described in note 2.2(a)(i) of the Ind AS financial statements)	
<p>Lease rental income amounted to Rs. 1,111.68 million for the year ended March 31, 2019. Generally lease revenue is recognized, in accordance with the terms of lease contracts over the lease term on a straight line basis. Also there are lease arrangements involving revenue share, where revenue recognition is not subject to straight line basis. However revenue in these cases are based on management's estimate, depending on the nature of the lease arrangements and performance of the lease.</p> <p>There is an inherent risk around the accuracy of the revenue recorded given the volumes and impact of the terms of lease agreements to the revenue recognition.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none">• We considered the appropriateness of the Company's revenue recognition accounting policies and assessed compliance with the policies in terms of the applicable accounting standards.• We identified and tested controls relating to revenue recognition with specific focus on whether lease income is recorded over the lease term on a straight line basis or other applicable basis as per the terms of the lease contract.• We tested, on a sample basis, the contracts entered into with the customers to assess whether lease income recorded is as per the contract terms and also to identify any non-standard lease clauses and to assess the appropriateness of rental income accounting.• We assessed the completeness of lease rental income recorded during the year through matching the data used in the revenue recognition to the approved lease agreements with the customers on a sample basis. We also on a sample basis, tested the basis of management estimates i.e. tenants sales report obtained by management in relation to the revenue share arrangements.• We also performed analytical procedures of lease rental income and the timing of its recognition.
Assessing the carrying value of Investment property and investment properties under construction (as described in note 2.2(c) of the Ind AS financial statements)	
<p>As at March 31, 2019, the carrying value of the investment property is Rs. 12,950.54 million (including properties under construction - Rs. 118.69 million). The carrying value of the investment property is calculated using land costs, construction costs, interest costs and other related costs. Management reviews on a periodical basis whether there are any indicators of impairment of such investment properties i.e. ensuring that its investment properties are carried at no more than their recoverable amount.</p> <p>We considered the valuation of Investment property a key audit matter given the value of the underlying assets and the significant estimates and judgment involved in its impairment assessment.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none">• We assessed the Company's valuation methodology applied in determining the recoverable amount.• We obtained and read the valuation report used by the management for determining the fair value ('recoverable amount') of the investment property.• We assessed the Company's valuation methodology applied and compared key property related data used as input with historical actual data.• We compared the recoverable amount of the investment property to the carrying value in books.



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Key audit matters	How our audit addressed the key audit matter
	<ul style="list-style-type: none">We also assessed the adequacy of the disclosure on the Investment properties in Note 4.2 and Note 33 to the Ind AS financial statements.
Recording of Financial instruments (as described in note 2.2(h) and 2.2(j) of the Ind AS financial statements)	
<p>As at March 31, 2019, the Company has key financial instruments in the form of -</p> <p>a) Compound financial instruments comprise debentures, which are separated into liability and equity components based on the terms of the contract. On issuance of the compound financial instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria.</p> <p>b) Other financial instruments mainly comprising of long term interest free security deposits from tenants which are discounted at its present value based on discount rates.</p> <p>As the classification and measurement of financial instruments involve significant assumptions and judgement, we regard this as a key audit matter.</p>	<p>Our procedures in assessing classification and measurement of compound financial instruments included the following:</p> <ul style="list-style-type: none">Read and evaluated the accounting policies with respect to classification and measurement of financial instrumentsTested key terms for a sample of the compound financial instruments' contracts and lease contractsTested the computation of the liability and equity components of the compound financial instrumentsTested the computation of the present value of long term interest free security deposits on a sample basis.Assessed the adequacy of the disclosures provided in the financial statements with respect to financial instruments.

We have determined that there are no other key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going



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concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;



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- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2019;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31(c) to the Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Adarsh Ranka
Partner
Membership Number: 209567



Place of Signature: Bengaluru, India
Date: May 29, 2019

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Annexure 1 Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Sugam Vanijya Holdings Private Limited ("the Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets comprising of investment property and property, plant and equipment. The Company's management had initiated the process of tagging for the investment property located at Chennai and is expected to complete the same in the next financial year.
- (b) All property, plant and equipment and investment property have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment and investment property are held in the name of the Company and mortgaged with the lenders of the Company. There is a dispute on certain portion of immovable property at the Company's Bengaluru location. Also refer note 31(c)(i).
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the construction of buildings/structures and other related activities, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been slight delay in remittance of tax deducted at source and goods and service tax in few cases.



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- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount # (Rs. In millions)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service Tax credit including penalty	82.80	April 2011 to September 2015	Customs, Central Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax liability	0.59	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax liability	243.34	2012-13	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax liability	225.79	2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Penalty for non-deduction of taxes	1.96	2014-15	Commissioner of Income Tax (Appeals)

Net of Rs. 120.51 million paid/ adjusted under protest.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of debt instruments in the nature of non-convertible debentures and term loans (representing loans with a repayment period beyond 36 months) for the purpose for which the loan was obtained.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.




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- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act are not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-1A of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004


per Adarsh Ranks
Partner
Membership Number: 209567



Place of Signature: Bengaluru, India
Date: May 29, 2019

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Annexure 2 to the Independent Auditor's Report of even date on the financial statements of Sugam Vanijya Holdings Private Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Sugam Vanijya Holdings Private Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these financial statements.



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Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the operating effectiveness of the Company's internal financial controls over financial reporting with reference to these financial statements as at March 31, 2019

- (a) The Company's internal financial controls with respect to year-end financial statement closure process were not operating effectively which could potentially result in material misstatement in the Company's financial statement balances and presentation and disclosure of financial statement.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting with reference to these financial statements as of March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting with reference to these financial statements were operating effectively as of March 31, 2019.



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Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the financial statements of the Company, which comprise the Balance sheet as at March 31 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2019 financial statements of the Company and this report does not affect our report dated May 29, 2019, which expressed an unqualified opinion on those financial statements.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004



per Adarsh Ranka
Partner
Membership Number: 209567



Place of Signature: Bengaluru, India
Date: May 29, 2019

Sugam Vanliya Holdings Private Limited
Balance sheet as at March 31, 2019

		(Rs. in millions)	
	Notes	As at 31-Mar-19	As at 31-Mar-18
Assets			
Non-current assets			
Property, plant and equipment	4.1	399.09	637.80
Investment property	4.2	12,831.85	8,066.82
Capital work-in-progress	4.3	118.69	6,204.32
Financial assets			
Investments	5	0.00	0.00
Other financial assets	8	35.41	20.93
Assets for current tax (net)		358.68	240.13
Other non-current assets	9	124.21	179.48
		14,067.93	13,346.58
Current assets			
Inventories	6	13.10	13.30
Financial assets			
Trade receivables	7	127.83	74.51
Cash and cash equivalents	10	149.51	45.19
Bank balance other than cash and cash equivalents	10	244.80	251.77
Other financial assets	8	73.00	33.61
Other current assets	9	186.34	236.58
		794.57	652.98
Total assets		14,862.51	13,999.45



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Sugam Varigya Holdings Private Limited
Balance sheet as at March 31, 2019

		(Rs. in millions)	
	Notes	As at 31-Mar-19	As at 31-Mar-18
Equity and liabilities			
Equity			
Equity share capital	11	0.20	0.20
Other equity	12	(298.14)	688.97
Total equity		(297.94)	689.17
Non-current liabilities			
Financial liabilities			
Borrowings	13	13,543.47	11,303.90
Other financial liabilities	14	383.35	326.85
Deferred revenue	15	73.45	8.59
Long term provisions	16	3.61	1.68
Deferred tax liabilities (net)	17	295.45	249.58
		14,299.33	11,890.60
Current liabilities			
Financial liabilities			
Borrowings	13	-	289.41
Trade payables			
i) total outstanding dues of micro enterprises and small enterprises		-	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises	18	165.28	62.91
Other financial liabilities	14	604.09	951.43
Other current liabilities	19	38.10	103.28
Deferred revenue	15	53.26	10.77
Provisions	16	2.39	1.89
		862.12	1,419.69
Total liabilities		15,161.45	13,310.29
Total equity and liabilities		14,863.51	13,999.45

Summary of significant accounting policies 2.2

The accompanying notes are an integral part of the financial statements,
As per our report of even date.

For S.R. Baliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W E300004


per Ansh Ranta
Partner
Membership No.: 209567



Place: Bengaluru, India
Date: May 29, 2019

For and on behalf of the Board of Directors of
Sugam Varigya Holdings Private Limited


Dignjay Singh
Director
DIN: 00561309

Place: New Delhi, India
Date: May 29, 2019

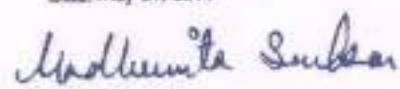

Amit Bhushan
Director
DIN: 01910476

Place: New Delhi, India
Date: May 29, 2019




A. Sander Raj
Chief Financial Officer

Place: Bengaluru, India
Date: May 29, 2019


Madhumita Sarkar
Company Secretary

Place: Bengaluru, India
Date: May 29, 2019

Sugam Vaidya Holdings Private Limited
Statement of profit and loss for the year ended March 31, 2019

		(Rs. in millions)	
	Notes	Year ended 31-Mar-19	Year ended 31-Mar-18
Income			
Revenue from operations	20	1,788.29	751.00
Other income	21	29.40	18.47
Finance income	22	18.81	9.19
Total income		1,836.50	778.67
Expenses			
Employee benefits expense	23	151.85	116.16
Depreciation and amortisation expense	24	338.23	160.30
Finance costs	26	1,359.38	612.54
Other expenses	25	927.57	486.76
Total expenses		2,777.23	1,375.76
Loss before tax		(940.73)	(597.09)
Tax expenses			
Current tax	17	-	-
Deferred tax charge (credit)	17	46.26	(133.19)
Income tax expense		46.26	(133.19)
Loss for the year		(986.99)	(463.98)
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains (losses) on defined benefit plan		(1.51)	0.82
Income tax effect		0.39	(0.25)
Other comprehensive income for the year, net of tax		(1.12)	0.56
Total comprehensive income for the year		(988.11)	(463.34)
Earnings per equity share (in Rs.) (nominal value of Rs. 10 (Previous year - Rs. 10))			
Basic and Diluted		(45.135)	(21.165)
Summary of significant accounting policies		2.2	

The accompanying notes are an integral part of the financial statements.
 As per our report of even date

For S.R. Batliboi & Associates LLP
 Chartered Accountants
 ICAI Firm registration number: 101049W/E300004


 per Anandh Ranka
 Partner
 Membership No.: 205567

Place: Bengaluru, India
 Date: May 29, 2019



For and on behalf of the Board of Directors of
 Sugam Vaidya Holdings Private Limited


 Digvijay Singh
 Director
 DIN: 00561509


Place: New Delhi, India
 Date: May 29, 2019


 A. Sundar Raj
 Chief Financial Officer

Place: Bengaluru, India
 Date: May 29, 2019


 Amit Bhushan
 Director
 DIN: 01910476

Place: New Delhi, India
 Date: May 29, 2019


 Madhura Sarkar
 Company Secretary

Place: Bengaluru, India
 Date: May 29, 2019



Sogam Vanuaja Holdings Private Limited
Statement of changes in equity for the year ended March 31, 2019

a. Equity share capital

	No of Shares in million	Amount in Rs. million
Equity shares of Rs.10 each issued, subscribed and fully paid		
At April 1, 2017	0.02	0.20
At March 31, 2018	0.02	0.20
At March 31, 2019	0.02	0.20

b. Other equity *

For the year ended March 31, 2019

(Rs. in millions)

	Attributable to equity holders of the Company			Total
	Equity component of convertible debentures	Reserves and Surplus Securities premium account	Retained earnings	
As at April 1, 2018	343.10	1,599.59	(1,253.72)	688.97
Loss for the year	-	-	(986.99)	(986.99)
Other comprehensive income	-	-	11.12	11.12
Re-measurement gains/ losses on defined benefit plans	-	-	(2,241.83)	(2,241.83)
Total comprehensive income	343.10	1,599.59	(2,241.83)	(299.14)
At March 31, 2019	343.10	1,599.59	(2,241.83)	(299.14)

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Sugam Vaidya Holdings Private Limited
Statement of changes in equity for the year ended March 31, 2019

For the year ended March 31, 2018

(Rs. in millions)

	Attributable to equity holders of the Company			Total
	Reserves and Surplus			
	Equity component of convertible debentures	Securities premium account	Retained earnings	
As at April 1, 2017	343.10	1,599.59	(790.38)	1,152.31
Loss for the year	-	-	(463.90)	(463.90)
Other comprehensive income				
Re-measurement gains (losses) on defined benefit plans	-	-	0.56	0.56
Total comprehensive income	343.10	1,599.59	(1,253.72)	688.97
At March 31, 2018	343.10	1,599.59	(1,253.72)	688.97

*Also refer note 12

Summary of significant accounting policies

22

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S R. Baliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E/30004

per Adarsh Banka
Partner
Membership No: 289367

Place: Bengaluru, India
Date: May 29, 2019



For and on behalf of the Board of Directors of
Sugam Vaidya Holdings Private Limited

Digvijay Singh
Director
DIN: 00561509

Place: New Delhi, India
Date: May 29, 2019

A. Sankar Raj
Chief Financial Officer

Place: Bengaluru, India
Date: May 29, 2019

Amit Bhushan
Director
DIN: 01910476

Place: New Delhi, India
Date: May 29, 2019

Madhusita Sarkar
Company Secretary

Place: Bengaluru, India
Date: May 29, 2019



Sugam Vanija Holdings Private Limited
Statement of Cash Flows for the year ended March 31, 2019

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Operating activities		
Loss before tax	(940.73)	(997.09)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation on property, plant and equipment & investment property	338.23	160.30
Finance income (including fair value change in financial instruments)	(18.81)	(8.00)
Finance costs (including fair value change in financial instruments)	1,335.86	694.16
Re-measurement gains (losses) on defined benefit plan	(1.12)	0.56
Share of (profit) loss from investments in partnership firm	(0.00)	(0.00)
<i>Working capital adjustments:</i>		
(Increase) decrease in trade receivables	(53.32)	10.95
(Increase) decrease in investments	(0.00)	(0.00)
(Increase) decrease in inventories	0.20	11.55
(Increase) decrease in other financial assets	(54.21)	26.26
(Increase) decrease in other assets	4.69	(78.51)
Increase/ (decrease) in trade payables and other financial liabilities	529.06	235.93
Increase/ (decrease) in provisions	2.44	1.92
Increase/ (decrease) in other non-financial liabilities	(65.18)	37.67
	1,077.10	392.59
Income tax paid (net of refund)	(118.52)	(124.23)
Net cash flows from operating activities (A)	958.57	268.36
Investing activities		
Purchase of property, plant and equipment & Investment Property (including capital work-in-progress and capital advances)	(821.78)	(1,054.91)
Investments in fixed deposits	(1,209.28)	(267.40)
Redemption of fixed deposits	1,216.76	25.30
Interest received	18.99	20.56
Net cash flows used in investing activities (B)	(795.31)	(1,276.25)
Financing activities		
Proceeds from term loan from banks & financial institutions	2,140.45	4,000.00
Proceeds from issue of non-convertible bonds to banks	4,725.00	-
Proceeds from inter-corporate deposits	-	60.00
Proceeds from short-term borrowings	-	35.43
Repayment of term loan from banks & financial institutions	(3,997.89)	(2,400.00)
Repayment of non-convertible bonds issued to banks	(15.09)	-
Repayment of fully compulsorily convertible debentures	(432.81)	(31.62)
Repayment of inter-corporate deposits	(60.00)	-
Repayment of short-term borrowings	(289.41)	-
Interest paid (gross)	(2,126.60)	(702.42)
Net cash flows from/ (used in) financing activities (C)	(56.94)	961.29
Net increase/ (decrease) in cash and cash equivalents	106.32	(46.51)
Cash and cash equivalents at the beginning of the year (refer note 10)	43.19	89.70
Cash and cash equivalents at the end of the year (refer note 10)	149.51	43.19

Summary of significant accounting policies

22

The accompanying notes are an integral part of the financial statements.
As per our report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W-E300004

per Anand Ranika
Partner
Membership No.: 209567
Place: Bengaluru, India
Date: May 29, 2019



For and on behalf of the Board of Directors of
Sugam Vanija Holdings Private Limited

per Dgvijay Singh
Director
DIN: 00561509

Place: New Delhi, India
Date: May 29, 2019

per A. Sundar Raj
Chief Financial Officer

Place: Bengaluru, India
Date: May 29, 2019

per Amit Bhushan
Director
DIN: 01910476

Place: New Delhi, India
Date: May 29, 2019

per Mallikarjuna Sarkar
Company Secretary

Place: Bengaluru, India
Date: May 29, 2019



1. Corporate Information

Sugam Vanija Holdings Private Limited ("the Company") was incorporated on September 8, 1987. The Company is engaged in carrying on the business of real estate development, leasing and hospitality and related services.

The Company is a private limited company incorporated and domiciled in India and has its registered office at Bengaluru, Karnataka, India. Its debentures and bonds are listed on Bombay Stock Exchange (BSE).

The financial statements have been authorised for issuance by the Company's Board of Directors on May 29, 2019.

2. Significant accounting policies

2.1a. Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in INR and all values are rounded to the nearest millions, except when otherwise indicated.

2.1b. Changes in accounting policies and disclosures

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below. Specifically, the Company applied Ind AS 115 for the first time. The nature and effect of the changes as a result of adoption of the new accounting standards are described below.

Ind AS 115 Revenue from Contracts with Customers

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Indian Accounting Standard (Ind AS) 115, Revenue from Contracts with Customers.

Effective April 1, 2018, the Company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has applied the modified retrospective method to contracts that were not completed as of 1 April 2018. The impact on account of applying the one-time accounting standards instead of Ind AS 115 for the year ended March 31, 2019 is not significant. Further, the applicability of Ind AS 115 did not affect the revenue reserves of the Company reporting during earlier year.

Ind AS 115 requires extensive disclosures. However, considering that the application did not have impact on the Company, no further disclosure has been made.

2.2. Summary of significant accounting policies

a) Revenue recognition

i. Rental income from operating leases

Rental income receivable under operating leases (excluding variable rental income) is recognised in the income statement on a straight-line basis over the term of the lease lock in period including lease income on fair value of refundable security deposits. Rental income under operating leases having variable rental income is recognized as per the terms of the contract. Revenue in excess of billings on rental contracts is recorded as unbilled receivables and is included in other current financial assets.

Also refer note 2.2(i) below.



ii Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, credits, concessions and incentives, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, non cash consideration, and consideration payable to the customer (if any).

Recognition of revenue from operational and facility management charges

In respect of the maintenance and marketing services, these services represent a series of daily services that are individually satisfied over time because the tenants simultaneously receive and consume the benefits provided by the Company. The Company applies the time elapsed method to measure progress. Operation, maintenance, utilities, parking fees, gym membership and other fees receivable for services rendered are recognized on a gross basis as and when the services are rendered as per the terms of the contract, except utilities which have been netted off against the expenses.

Recognition of revenue from hotel operations

Revenue from hotel operations comprise of revenue from rooms, restaurants, banquets and other allied services, including telecommunication, laundry, etc. Revenue is recognized as and when the services are rendered and is disclosed net of discounts and rebates.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Unearned and deferred revenue ("contract liability") is recognised when there is billings in excess of revenues.

iii Share in profit/ (loss) of Limited liability partnership (LLP)

The Company's share in profits (loss) from a LLP where the Company is a partner, is recognised on the basis of such LLP's audited accounts, as per terms of the partnership deed.

iv. Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method. Interest on delayed payment by customers are accounted when reasonable certainty of collection is established.

v. Dividend income

Revenue is recognised when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholders approve the dividend.

b) Property, plant and equipment

Property, plant & equipment are stated at their cost of acquisition/construction, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.



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Sugun Vaidya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is derecognised.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Cost of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

c) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

d) Depreciation on Property, plant and equipment and investment property

Depreciation is calculated on a straight-line basis using the following useful lives prescribed under Schedule II, except where specified.

Particulars	Useful lives estimated by the management (in years)
Buildings	60
Leasehold land	Lease term (99)
Leasehold improvements	Lease term (4)
Plant and machinery	
i. General plant and machinery	15
ii. Plant and Machinery - Electrical installations	10
Furniture and fixtures *	4 to 10
Computers	3 to 6
Office equipments *	4 to 5

*For these class of assets, based on Management's internal technical assessment, the Management believes that the useful lives as given above best represent the period over which Management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Act.



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Freshhold land is not depreciated.

The residual values, useful lives and methods of depreciation of property, plant and equipment and investment property are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Impairment of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and - or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

g) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



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Sugam Vasthya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

10) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized to the other comprehensive income (OCI).

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.



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Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- ▶ The rights to receive cash flows from the asset have expired, or
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Loans and borrowings

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.



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i) Fair value measurement

The Company measures financial instruments, such as investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
 - ▶ In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

j) Convertible debentures

Convertible debentures are separated into liability and equity components based on the terms of the contract. On issuance of the convertible debentures, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

k) Borrowing costs

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for inventoriation/ capitalisation are charged to statement of profit and loss.

l) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.



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m) Retirement and other employee benefits

Short term employee benefits:

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, short term compensated absences, performance incentives, etc. and are recognised as expense in the period in which the employee renders the related service.

Defined-contribution plans:

The Company has defined contribution plans (where Company pays pre-defined amounts and does not have any legal or informal obligation to pay additional sums) for post employment benefits (viz., provident fund), and the Company's contributions thereto are charged to the statement of profit and loss every year.

Defined-benefit plans:

The Company has a defined benefit plan (viz., Gratuity) for employees, the liability for which is determined on the basis of valuation carried out by an independent actuary (under projected unit credit method) at the balance sheet date.

Other long term employee benefits:

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefits. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to statement of profit or loss in subsequent periods.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefits for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Actuarial gains/losses are immediately taken to statement of profit and loss and are not deferred.

n) Provisions

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



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Sugam Vanija Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

p) Earnings per share

Basic earnings / (loss) per share is computed by dividing the net profit / (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings / (loss) per share comprises the weighted average shares considered for deriving basic earnings / (loss) per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the year, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and which either reduce earnings per share or increase loss per share are included.

q) Inventory

Inventories are valued at cost which is based on weighted average method or net realizable value, whichever is lower. Unservicable, damaged, discarded stocks and shortages are charged to the Statement of Profit and Loss.

r) Taxes

Tax expense comprises of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are recognised for all taxable temporary differences, except:

> When the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.



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a) Foreign currency translation

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

b) Leases

Where the Company is lessee

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included under investment property. Lease income from operating lease is recognized on a straight-line basis over the term of the lease lock in period including lease income on fair value of refundable security deposits. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized on a straight-line basis over the term of the lease lock in period in the statement of profit and loss.

a) Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

The Company has entered into commercial property leases on its investment properties. The Company has determined, based on an evaluation of the terms and conditions of the arrangements such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all the significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

b) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.



ii) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 13 for further disclosures.

iii) Valuation of investment property

Impairment exists when the carrying value of investment property exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value of investment property is determined by an independent valuation specialist using recognised valuation techniques and the principles of Ind AS 113 Fair Value Measurement. The fair value of investment property is based on discounted cash flows. The fair value is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The significant methods used by the specialist in estimating the fair value of investment property are set out in Note 4.1.

iv) Lease rental income

Lease revenue is recognized, in accordance with the terms of lease contracts over the lease term on a straight line basis. With regard to lease agreements based on the revenue share which are not subject to straight lining, the Company recognizes the rental income based on the estimated sales of the customers based on past trends and expectations. Any changes in the estimated sales of the customers could affect the revenue recognized in profit and loss account.



Sugam Vanija Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

4.1 Property, plant and equipment

	(Rs. in millions)							
	Office equipment	Buildings	Lease Hold Improvement	Computers	Plant and machinery	Electrical Installation	Furniture and fixtures	Total
Cost or valuation								
At 1 April 2017	67.88	396.81	0.26	15.32	104.77	33.85	86.90	705.80
Additions	3.54	-	-	2.28	7.96	0.01	4.69	18.48
Disposals	-	-	-	-	-	-	-	-
At 31 March 2018	71.42	396.81	0.26	17.61	112.73	33.87	91.59	724.28
Additions	0.79	3.33	-	0.74	0.18	0.54	2.29	7.06
Disposals	-	-	-	-	-	-	-	-
At 31 March 2019	72.20	400.14	0.26	18.34	112.91	34.41	93.88	732.14
Depreciation and impairment								
At 1 April 2017	13.00	6.18	0.15	4.57	6.04	3.12	6.51	39.57
Charge for the year	14.36	6.61	0.12	5.07	8.06	3.39	9.31	46.91
Disposals	-	-	-	-	-	-	-	-
At 31 March 2018	27.36	12.79	0.26	9.64	14.10	6.51	15.82	86.48
Charge for the year	14.79	6.66	-	4.71	7.48	3.42	9.52	46.57
Disposals	-	-	-	-	-	-	-	-
At 31 March 2019	42.15	19.44	0.26	14.35	21.58	9.92	25.33	133.05
Net Book value								
At 1 April 2017	54.88	390.62	0.12	10.75	98.73	30.74	80.39	666.23
At 31 March 2018	44.05	384.02	0.00	7.96	98.63	27.36	75.78	637.80
At 31 March 2019	30.05	380.69	0.00	3.99	91.33	24.49	68.55	599.09

Note:

a) Property, plant and equipment with a carrying amount of Rs. 599.09 million (March 31, 2018 - Rs. 637.80 million) are subject to a first charge to secure the Company's bank loans.

b) Asset balances pertaining to hotel operation have been classified under Property, plant and equipment from Investment Property.



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Sugam Varjya Holdings Private Limited
Notes to the financial statements for the year ended March 31, 2019

4.2 Investment property

	(Rs. in million)							
	Freehold land	Buildings	Leasehold land	Computers	Plant and machinery	Electrical installation	Furniture and fixtures	Total
Cost or valuation								
At 1 April 2017	3,223.42	2,064.63	10.51	5.61	490.21	283.75	137.77	6,216.11
Additions	-	13.97	-	1.18	12.47	7.17	34.18	69.16
Disposals	-	-	-	-	-	-	-	-
At 31 March 2018	3,223.42	2,078.60	10.51	6.99	502.68	291.12	171.95	6,285.37
Additions	-	5,327.51	-	26.84	1,181.11	448.86	75.56	7,056.87
Disposals	-	-	-	-	-	-	-	-
At 31 March 2019	3,223.42	7,406.11	10.51	35.83	1,683.79	739.98	247.51	13,342.15
Depreciation and impairment								
At 1 April 2017	-	33.50	0.11	1.18	32.45	27.70	10.30	105.24
Charge for the year	-	34.43	0.11	1.49	33.96	28.72	15.19	113.39
Disposals	-	-	-	-	-	-	-	-
At 31 March 2018	-	67.92	0.22	2.67	66.41	55.92	25.48	218.63
Charge for the year	-	104.50	0.11	6.91	94.44	63.28	22.42	291.66
Disposals	-	-	-	-	-	-	-	-
At 31 March 2019	-	172.42	0.33	9.58	160.85	119.31	47.90	510.39
Net Book value								
At 1 April 2017	3,223.42	2,031.14	10.40	4.63	457.76	256.05	127.47	6,110.87
At 31 March 2018	3,223.42	2,010.68	10.29	4.32	436.28	235.20	146.46	6,066.82
At 31 March 2019	3,223.42	7,233.69	10.18	26.25	1,522.93	620.77	199.60	12,811.86

Note:

a) Investment property with a carrying amount of Rs. 12,831.86 million (March 31, 2018 - Rs. 6,066.82 million) are subject to a first charge to secure the Company's bank loans.

b) Asset balances pertaining to land acquisition have been classified under Property, plant and equipment from Investment Property.



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Sugam Vaidya Holdings Private Limited
Notes to the financial statements for the year ended March 31, 2019

Information regarding income and expenditure of investment property

	31-Mar-19	31-Mar-18
	Rs. in million	Rs. in million
Rental income derived from investment properties	1,604.47	600.17
Direct operating expenses (including repairs and maintenance) generating rental income	(613.38)	(306.00)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(136.96)	(30.26)
Profit arising from investment properties before depreciation and indirect expenses	854.13	263.91
Loss: Depreciation	(291.60)	(113.39)
Profit(loss) arising from investment properties before indirect expenses	562.48	150.52

The management has determined that the investment properties consist of two classes of assets - office and retail- based on the nature, characteristics and risks of each property. As at March 31, 2019 and March 31, 2018, the fair value of the properties are Ru.20,772 million and Ru.5,235 million respectively. These valuations are based on valuations performed by C.BRE South Asia Private Limited an accredited independent valuer.

The fair value of investment property is based on discounted cash flows and classified as level 3 fair value in the fair value hierarchy due to the use of unobservable inputs. There has been no change in valuation technique used since prior years. Fair value hierarchy for investment property has been provided at Note 33.

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Sugam Vanijya Holdings Private Limited
Notes to the financial statements for the year ended March 31, 2019

4.3 Capital work in progress (Rs. in millions)

	Investment property under construction	Total
As at 1 April 2017	4,378.88	4,378.88
- Additions (subsequent expenditure)	1,860.39	1,860.39
- Capitalised during the year	(37.96)	(37.96)
As at 31 March 2018	6,201.32	6,201.32
- Additions (subsequent expenditure)	821.48	821.48
- Capitalised during the year	(6,904.10)	(6,904.10)
As at 31 March 2019	118.69	118.69

Notes:

a) Capitalised borrowing costs: The amount of borrowing costs capitalised during the year ended March 31, 2019 is Rs. 198.40 million (March 31, 2018 - Rs. 750.53 million). The rate used to determine the amount of borrowing costs eligible for capitalisation was 11.97%, which is the effective interest rate of the borrowing.

b) Capital work-in progress represents investment property under construction amounting to Rs. 118.69 millions as at March 31, 2019 (March 31, 2018 - Rs. 6,201.32 million).

As at March 31, 2019 and March 31, 2018, the fair values of the investment property under construction are Rs. 130 million and Rs. 12,430 million respectively. These valuations are based on valuations performed by CBRE South Asia Private Limited, an accredited independent valuer.

The fair value of investment property under construction is based on discounted cash flows. There has been no change in valuation techniques used since prior years.

c) Capital work-in progress with carrying amount of Rs. 118.69 millions (March 31, 2018 - Rs. 6,201.32 million) are subject to a first charge to secure the Company's bank loans.

5 Investments

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Non-current investments:		
Investments carried at fair value through profit and loss		
<i>Investment in the capital of partnership firm</i>		
0.01% (March 31, 2018 - 0.01%) share in the profits of partnership firms:		
Virtuous Retail Property Services LLP - Capital account	0.00	0.00
Virtuous Retail Property Services LLP - Current account	0.00	0.00
Total investments carried at fair value through profit and loss	0.00	0.00
Aggregate amount of unquoted investments	0.00	0.00
Aggregate amount of impairment in value of investments	-	-
Details of investments in partnership firms		
<i>Investment in Virtuous Retail Property Services LLP</i>		
Name of Partner	Share of partner in profits (%)	
	31-Mar-19	31-Mar-18
Sugam Vanijya Holdings Private Limited	0.01	0.01
Morbas Holdings Pvt.Ltd	99.99	99.99
Total capital of the firm (Rs. in million)	0.20	0.20

6 Inventories (valued at lower of cost and net realizable value)

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Food and beverages	2.41	3.59
Hotel consumables	10.20	9.72
	13.18	13.38



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Sugam Vaidya Holdings Private Limited
Notes to the financial statements for the year ended March 31, 2019

7 Trade receivables

	(Rs. in millions)	
	Current	
	31-Mar-19	31-Mar-18
Trade receivables	124.59	67.47
Receivables from related parties (refer note 27)	3.24	7.03
Total Trade receivables	127.83	74.51
<i>Trade receivables</i>		
Secured, considered good	101.38	45.92
Unsecured, considered good	33.21	21.55
Trade Receivables - credit impaired	6.35	4.40
	130.94	71.96
<i>Impairment Allowance (allowance for bad and doubtful debts)</i>		
Trade Receivables - credit impaired	(6.35)	(4.49)
	124.59	67.47
<i>Other receivables</i>		
Unsecured, considered good	3.24	7.03
	3.24	7.03
Total Trade receivables	127.83	74.51

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are interest bearing and are generally on terms of 7 to 30 days.

8 Other financial assets

	(Rs. in millions)			
	Current		Non-current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Others				
Security deposits	0.93	1.37	29.74	14.74
Unbilled revenue	66.76	27.11	-	-
Non-current bank balances (refer note 10)	-	-	5.67	6.18
	3.31	3.14	-	-
Interest accrued on fixed deposits				
	79.80	33.61	35.41	20.93



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Sugam Vanijya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

† Other assets

	(Rs. in millions)			
	Current		Non-current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Capital advances				
Unsecured, considered good	-	-	67.67	81.52
Advances receivable in cash or kind				
Unsecured, considered good (refer note 32(B))	164.25	159.25	-	-
Others				
Prepaid expenses	22.08	77.22	53.20	87.48
Balances with statutory government authorities	-	0.11	3.33	10.48
	<u>186.34</u>	<u>236.58</u>	<u>124.21</u>	<u>179.48</u>

10 Cash and bank balances

	(Rs. in millions)			
	Current		Non-current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Cash and cash equivalents				
Balances with banks:				
- On current accounts	132.13	42.61		
- On Overdraft accounts (refer note 13(B)(i))	16.31	-		
Cash on hand	1.06	9.57		
	<u>149.51</u>	<u>43.19</u>		
Bank balances other than cash and cash equivalents				
- Deposits with maturity for less than 12 months	-	38.00	-	-
- Deposits with maturity for more than 12 months	19.00	-	-	-
- Margin money deposit	215.80	213.77	5.67	6.18
	<u>244.80</u>	<u>251.77</u>	<u>5.67</u>	<u>6.18</u>
Less: Amount disclosed under non current financial assets (refer note 8)	-	-	(5.67)	(6.18)
	<u>394.31</u>	<u>294.96</u>	<u>-</u>	<u>-</u>

Margin money deposits given as security

Margin money deposits with a carrying amount of Rs. 223.28 million (March 31, 2018 - Rs. 219.95 million) are subject to first charge to secure the Company's borrowings. Margin money deposits with a carrying amount of Rs. 8.19 million (March 31, 2018 - Nil) has been pledged against certain bank guarantees.

Short-term deposits are made for varying periods of between seven day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.



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Segam Vanijya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Balances with banks:		
- On current accounts	132.13	42.61
- On Overdraft accounts	16.31	-
Cash on hand	1.08	0.57
	149.52	43.19

Changes in liabilities arising from financing activities :

Particulars	(Rs. in millions)		
	Non-current borrowings	Current borrowings (including current maturities)	Total
Balance as at April 1, 2017	9,679.86	267.18	9,947.04
Cash inflows	4,060.00	35.43	4,095.43
Cash Outflows	(2,431.62)	-	(2,431.62)
Others*	(4.34)	4.34	-
Net debt as at March 31, 2018	11,303.90	306.94	11,610.85
Cash inflows	6,863.45	-	6,863.45
Cash Outflows	(4,506.39)	(289.41)	(4,795.80)
Others*	(119.50)	119.50	-
Net debt as at March 31, 2019	13,543.47	137.05	13,680.52

* Others indicate the effect of movement in reclassification of current portion of long-term borrowings to other financial liabilities basis the balance repayment period.

Break up of financial assets carried at amortised cost

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Trade receivables (refer note 7)	127.83	74.51
Other financial assets (refer note 8)	108.41	54.54
Cash and bank balances (refer note 10)	394.31	294.96
Total financial assets carried at amortised cost	630.55	424.01

Note: Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.



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Sugam Vanifya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

11 Share Capital

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Authorised shares		
150,000 (March 31, 2018 - 150,000) equity shares of Rs.10 each	1.50	1.50
Issued, subscribed and fully paid-up shares		
19,990 (March 31, 2018 - 19,990) equity shares of Rs.10 each	0.20	0.20
Total issued, subscribed and fully paid-up share capital	<u>0.20</u>	<u>0.20</u>

(a) Reconciliation of the shares outstanding at the beginning and end of the reporting year

	31-Mar-19		31-Mar-18	
	No of Shares	Rs. in million	No of Shares	Rs. in million
Equity shares				
At the beginning of the year	19,990	0.20	19,990	0.20
Outstanding at the end of the year	<u>19,990</u>	<u>0.20</u>	<u>19,990</u>	<u>0.20</u>

(b) Terms/ rights attached to equity shares

All equity shares rank equally with regard to share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares in which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Details of shareholders holding more than 5% shares in the Company

	31-Mar-19		31-Mar-18	
	No of Shares	Holding percentage	No of Shares	Holding percentage
Equity shares of Rs.10 each fully paid up				
Marbus Holdings Pte Limited, Singapore	19,989	100%	19,989	100%

Note : As per records of the Company, including its register of shareholders' members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.



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Sagem Vanijya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

12. Other equity

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Equity component of convertible debentures		
Balance at the beginning of the year	343.10	343.10
Closing balance	<u>343.10</u>	<u>343.10</u>
Securities premium account		
Balance at the beginning of the year	1,599.59	1,599.59
Closing balance	<u>1,599.59</u>	<u>1,599.59</u>
Surplus in the statement of profit and loss		
Balance at the beginning of the year	(1,253.72)	(790.38)
Loss for the year	(986.99)	(463.90)
Other comprehensive income		
Re-measurement gains (losses) on defined benefit plans	(1.12)	0.56
Net surplus in the statement of profit and loss	<u>(2,241.83)</u>	<u>(1,253.72)</u>
Total other equity	<u>(299.14)</u>	<u>688.97</u>

- (a) The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the Company to create Debenture Redemption Reserve (DRR) out of profits of the Company available for payment of dividend. However, as the Company has incurred a loss in the year ended March 31, 2019, no amount has been transferred to debenture redemption reserve.

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Sugam Vasidlys Holdings Private Limited
Notes to the financial statements for the year ended March 31, 2019

	31-Mar-19	31-Mar-18
	(Rs. in millions)	
13 Borrowings		
Non-current borrowings		
Structured debentures		
448 (March 31, 2018 - 448) Listed & tradable redeemable non-convertible debentures (RNC'D) of Rs. 10 million each *	4,480.00	4,480.00
(90,227,500) (March 31, 2018 - 190,227,500) Fully convertibility convertible debentures (FCCD) of Rs. 10 each**	638.61	1,071.44
Secured loans		
Term loans from banks	3,832.56	4,898.30
Term loans from financial institutions	-	811.76
4,750 (March 31, 2018 - Nil) Listed & tradable redeemable non-convertible bonds of Rs. 1 million each ***	4,709.31	-
Amount disclosed under the head "other current financial liabilities" (refer note 14)	8,561.88	5,710.00
Nil amount	(137.05)	417.54
	8,424.83	5,092.46
Unsecured loans		
Inter-corporate deposits (refer note 27)	-	60.00
Total non-current borrowings	<u>13,843.47</u>	<u>11,383.00</u>
Current borrowings		
Secured loans		
Cash credit from banks	-	289.41
Total current borrowings	<u>-</u>	<u>289.41</u>

*448 RNC'Ds (March 31, 2018 - 448) of face value Rs. 10,000,000 issued on February 04, 2015 to Argus Holdings Pte Ltd, Singapore, will be redeemed on February 03, 2035. RNC'Ds shall carry a coupon rate of 12% p.a. with effect from the date of issuance upto the date of redemption. On November 07, 2016, those 448 RNC'Ds of Rs. 10,000,000 each aggregating to Rs. 4,480,000,000 were transferred from Argus Holding Pte Ltd, Singapore to Rubens Holdings Pte Ltd, Singapore.



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Sugam Varjya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

**190,227,500 FCYDs (March 31, 2018 : 190,227,500) of face value Rs. 10 each were issued to Vassam Limited during the year ended March 31, 2012 which were subsequently transferred to Virtuous Retail Pte Limited during the year ended March 31, 2014. These debentures will be converted into equity shares in the first board meeting to be held after March 2024. The conversion ratio shall be one equity share against each 100,000 FCYD. The conversion price shall be Rs. 1,000,000 per equity share. These FCYDs carried a coupon rate of 15% p.a. with effect from date of issuance upto March 31, 2012 and 12% p.a. thereafter upto March 31, 2014 and 15% p.a. for rest of the period till the conversion. Interest shall be paid on a quarterly basis and the dates for payment of interest shall be March 31, June 30, September 30, and December 31 of each year. The Board of Directors in their meeting held on November 04, 2016 approved the transfer of 190,227,500 fully compulsorily convertible debentures of Rs. 10 each aggregating to Rs. 1,902,275,000 as at September 30, 2016 from Virtuous Retail Pte Limited, Singapore to Mueiba Holdings Pte. Limited, Singapore.

The above mentioned FCYDs and RMCs and the interest thereon ("subordinated liabilities") have been subordinated to the LRD facilities provided by the creditors banks. Accordingly, the subordinated liabilities cannot be repaid / settled until after the final settlement of the LRD. outstanding balances provided, however that the Company may undertake repayment permitted by the creditor banks subject to the terms and conditions of the subordination deed.

*** During the year, the Company had issued 4,723 secured redeemable non-convertible bonds of Rs.1,000,000 each on December 20, 2018, which were listed on BSE Limited ("BSE") on January 09, 2019.

(A) Non-current borrowings

(i) Unsecured debentures

Particulars	Amount outstanding (Rs. in million)		Effective interest rate	Security details	Repayment terms
	31-Mar-19	31-Mar-18			
Redeemable Non Convertible Debentures (RMCs)	4,480.00	4,480.00	12%	No securities against the debentures.	Repayable on February 03, 2035.
Fully Compulsorily Convertible Debentures (FCYD)	638.63	1,071.44	14.40%	No securities against the debentures.	Convertible into equity shares in the first board meeting to be held after March 2024.



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Sugam Vastlys Holdings Private Limited
Notes to the Financial statements for the year ended March 31, 2019

(H) Secured loans

Particulars	Amount outstanding (Rs. in million)	Effective interest rate	Security details	Repayment terms	
	31-Mar-19	31-Mar-18			
Term loans from banks	-	2,748.30	11% - 14%	Secured by exclusive mortgage on the property, exclusive charge by way of hypothecation on various assets, project account, project expenses account and the Debt Service Reserve Account in relation to the property.	Repayable within 48 months from the first utilisation date.
Term loans from banks	2,362.46	2,150.00	9% - 12%	Secured by exclusive mortgage on the property, exclusive charge by way of hypothecation on certain assets in relation to the property.	One hundred and thirty eight installments commencing from the seventh month from the date of first utilisation.
Term loans from banks	1,470.10	-	9.51%	Secured by exclusive mortgage on the property, exclusive charge by way of hypothecation on certain assets in relation to the property.	One hundred and twenty three installments commencing from the date of first utilisation.
Redeemable Non Convertible Bonds	4,709.31	-	9.51%	Secured by exclusive mortgage on the property, exclusive charge by way of hypothecation on certain assets in relation to the property.	One hundred and twenty three installments commencing from the date of first utilisation.
Term loans from financial institutions	-	561.70	11% - 14%	Secured by exclusive mortgage on the property, exclusive charge by way of hypothecation on certain assets, project account, project expenses account and the Debt Service Reserve Account in relation to the property.	Repayable within 48 months from the first utilisation date.
Term loans from financial institutions	-	250.00	9% - 12%	Secured by exclusive mortgage on the property, exclusive charge by way of hypothecation on certain assets in relation to the property.	One hundred and thirty eight installments commencing from the seventh month from the date of first utilisation.



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Sugam Vaidya Holdings Private Limited
Notes to the financial statements for the year ended March 31, 2019

(iii) Unsecured loans

Particulars	Amount outstanding (Rs. in million) 31-Mar-19	Effective Interest rate	Security details	Repayment terms
Inter-associate deposits	66.00	12%	No securities against the loan	Repayable within 3 years

(iv) Current borrowings

(i) Secured loans

Particulars	Amount outstanding (Rs. in million) 31-Mar-19	Effective Interest rate	Security details	Repayment terms
-------------	---	-------------------------	------------------	-----------------

Cash credit *

-	143.40	9% - 10%	Secured by exclusive mortgages on the property, exclusive charge by way of hypothecation on certain assets in relation to the property	Repayable on demand.
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Cash credit *

-	144.61	9% - 12%	Secured by exclusive mortgages on the property, exclusive charge by way of hypothecation on certain assets in relation to the property.	Repayable on demand.
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* Refer Note 10



Sugam Vanijya Holdings Private Limited
Notes to the financial statements for the year ended March 31, 2019

14 Other financial liabilities

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Non current		
Financial liabilities at amortised cost		
Security deposits	348.83	297.10
Interest accrued but not due on borrowings (refer note 27)	-	2.01
Payable to capital creditors	34.52	27.74
Total non-current other financial liabilities	383.35	326.85
Current		
Current maturities of long-term borrowings (refer note 13)	137.05	17.54
Interest accrued and due on borrowings	-	677.32
Others		
Security deposit	401.83	145.53
Payable to capital creditors	47.99	106.12
Guaranteed income	17.23	4.92
Total other current financial liabilities	604.09	954.43
Total other financial liabilities	987.44	1,278.28

15 Deferred revenue

	(Rs. in millions)			
	Current		Non-current	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Deferred revenue	52.36	10.77	73.45	8.59
	<u>52.36</u>	<u>10.77</u>	<u>73.45</u>	<u>8.59</u>

16 Provisions

	(Rs. in millions)			
	Short term		Long term	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Provision for employee benefits				
Provision for gratuity (refer note 29)	0.34	0.28	3.61	1.68
Provision for leave benefits	2.15	1.61	-	-
	<u>2.39</u>	<u>1.89</u>	<u>3.61</u>	<u>1.68</u>



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17 Income tax

a) Tax expenses

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

Statement of profit and loss:

Profit or loss section	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Current income tax:		
Current income tax charge	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(8.00)	(98.37)
Deferred tax impact on accounting for compound financial instruments	40.03	(8.50)
Deferred tax impact on fair valuation of financial assets and financial liabilities	1.00	(0.05)
Deferred tax impact on other adjustments	5.24	(26.26)
	46.26	(133.19)
Income tax expense reported in the statement of profit or loss	46.26	(133.19)

OCI section

Deferred tax related to items recognised in OCI during the year:	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Net loss/(gain) on rereassessments of defined benefit plans	(8.39)	0.25
Income tax charge to OCI	(8.39)	0.25

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Accounting loss before income tax	(948.73)	(597.89)
Tax on accounting loss at statutory income tax rate 36% (March 31, 2018: 30.9%)	-	-
Deferred tax on other adjustments	46.26	(34.82)
Relating to origination and reversal of temporary differences	(8.00)	(98.37)
At the effective income tax rate of Nil (March 31, 2018: Nil)	46.26	(133.19)
Tax expense reported in the Statement of profit or loss	46.26	(133.19)



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Sugam Vanijya Holdings Private Limited
Notes to the financial statements for the year ended March 31, 2019

b) Deferred tax

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
<i>Deferred tax liabilities</i>		
Difference between carrying amounts of Property, plant and equipment & Investment property in financial statements and the income tax return	267.88	151.97
On account of straight lining of rental income	11.26	7.05
On accounting for compound financial instruments	276.99	236.96
On fair valuation of financial assets and financial liabilities	1.39	0.59
On account of remeasurements of defined benefit plans	-	6.07
On account of other adjustments	17.19	11.95
Gross deferred tax liabilities	574.92	408.59
<i>Deferred tax assets</i>		
On account of interest disallowed on payment made to non-residents	87.66	55.94
On account of provision for gratuity & leave encashment	1.56	0.93
On account of provision for doubtful debts and advances	1.65	1.17
On account of carried forward losses	183.80	90.27
On account of remeasurements of defined benefit plans	0.32	-
On account of other adjustments	4.48	1.70
Gross deferred tax assets	279.47	159.01
Net deferred tax liabilities	295.45	249.58

Reconciliation of deferred tax liabilities (net):

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Balance at the beginning of the year	249.58	382.51
Tax income/(expense) during the period recognised in profit or loss	46.26	(133.19)
Tax income/(expense) during the period recognised in OCI	(0.39)	0.25
Closing balance	295.45	249.58

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

18 Trade payables

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
<i>Trade payables</i>		
- Total outstanding dues of micro enterprises and small enterprises	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 27)	165.28	62.91
	165.28	62.91

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms.

For explanations on the Company's credit risk management processes, refer to note 34.



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Sugam Varjya Holdings Private Limited
 Notes to the financial statements for the year ended March 31, 2019

19 Other liabilities

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Advance from customers	1.69	6.86
Payable towards statutory dues	35.66	95.94
Payable to employees	0.75	0.49
	38.10	103.28

Breakup of financial liabilities carried at amortised cost

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Borrowings (refer note 13)	13,543.47	11,593.31
Other financial liabilities (refer note 14)	987.44	1,278.28
Trade payables (refer note 18)	165.28	62.91
Total financial liabilities carried at amortised cost	14,696.18	12,934.50

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Sugam Varijya Holdings Private Limited
Notes to the financial statements for the year ended March 31, 2019

20 Revenue from operations

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Rental income from operating leases	1,111.68	396.09
Revenue from contract with customers		
Operational and facility management charges		
Maintenance and marketing income	399.52	162.18
Revenue from car parking	91.48	31.30
Gym membership fees	0.67	5.35
Sale of tickets	1.12	3.13
Sale of beverages	-	2.13
Revenue from hotel operations	183.85	150.83
Other operating revenue		
Share in profit/(loss) of Limited liability partnership from investments (post tax)	0.00	0.00
	<u>1,786.29</u>	<u>751.00</u>

20.1 Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers by timing of transfer of goods or services.

Timing of transfer of goods or services

	(Rs. in millions)
	31-Mar-19
Revenue from goods or services transferred to customers at a point in time	276.43
Revenue from goods or services transferred over time	400.19
	<u>676.62</u>

20.2 Contract balances and performance obligations

	(Rs. in millions)
	31-Mar-19
Trade receivables	46.52
Contract liabilities	17.23
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	4.92
Revenue recognised in the reporting period from performance obligations satisfied in previous periods	Nil
Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period	Nil

21 Other income

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Management fees	-	13.77
Others non operating income	29.40	4.70
	<u>29.40</u>	<u>18.47</u>



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Sugam Vanitya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

22 Finance income

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Interest income		
- On bank deposits	18.81	8.00
- Others	-	1.19
	<u>18.81</u>	<u>9.19</u>

23 Employer benefits expense

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Salaries, wages and bonus	130.78	103.37
Contribution to provident and other funds	4.50	3.72
Gratuity expense (refer note 29)	1.26	0.98
Compensated absence	1.11	1.61
Staff welfare expenses	6.19	6.49
	<u>143.85</u>	<u>116.16</u>

24 Depreciation and amortization expense

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Depreciation on property, plant and equipment	46.57	46.91
Depreciation on investment properties	291.66	113.39
	<u>338.23</u>	<u>160.30</u>

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25 Other expenses

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Marketing expenses	163.94	73.01
Brokerage expenses	13.01	20.14
Operations and management fees	90.78	34.90
Housekeeping and security service	113.50	64.46
Power, fuel and water	194.37	67.27
Consumption	54.74	45.94
Parking expenses	75.10	16.61
Rent	5.36	4.73
Repairs and maintenance		
Buildings	17.60	17.48
Plant and equipment	21.62	16.91
Insurance	10.37	6.12
Rates and taxes	60.71	42.96
Travelling and conveyance expenses	15.71	13.42
Communication expenses	5.97	3.70
Legal and professional fees (includes payments to auditor)**	47.10	42.16
Printing and stationery	2.11	1.82
Donation	0.02	0.02
Provision for doubtful debts and advances (net of write off)	15.24	4.49
Software expenses	5.47	3.37
Miscellaneous expenses	12.88	7.27
	<u>927.57</u>	<u>486.76</u>

Payment to auditor **

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
As auditor:		
Audit fee (including for Limited review - Rs. 0.52 million (Previous year - Rs. 0.50 million))	3.41	3.05
In other capacity:		
Other services	1.63	0.80
Reimbursement of expenses	0.08	0.09
	<u>5.12</u>	<u>3.94</u>

** Net of taxes

26 Finance costs

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Interest		
- On borrowings	1,503.18	1,341.29
- On inter-corporate deposits	5.27	2.33
- Others	9.04	4.37
Notional interest on lease deposit	25.51	11.17
Bank charges	14.67	4.01
	<u>1,557.67</u>	<u>1,363.08</u>
Less: Interest capitalised on qualifying assets	(198.40)	(790.53)
Total finance costs	<u>1,359.27</u>	<u>612.54</u>



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27 Related party transactions

a) The following table provides the name of the related party and the nature of its relationship with the Company:

Ultimate Holding Company
Virtuous Retail South Asia Pte Ltd, Singapore

Holding Company
Moribus Holdings Pte. Ltd.

Fellow Subsidiaries
Robusta Holdings Pte Ltd, Singapore
Dhanlaxmi Infrastructure Private Limited
Hamir Real Estate Private Limited
Virtuous Retail Property Services LLP (from 9 June 2017)

Key Management Personnel (KMP)
Mr. R. K. Malpani (Company Secretary) (till 7 August 2018)
Ms. Madhurita Sarker (Company Secretary) (from 7 August 2018)

b) Details of the transactions with the related parties:

Particulars	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Transactions with related parties		
Interest expense on Fully convertible debentures (FCDD's)*		
Moribus Holdings Pte. Ltd	108.19	131.56
* of the amount of interest, Rs. 14.15 million (previous year: Rs. 77.79 million) has been capitalised in CWIP		
Interest expense on Non-convertible debentures (RNCDD's)**		
Robusta Holdings Pte Ltd, Singapore	537.60	537.60
** of the amount of interest, Rs. 67.69 million (previous year: Rs. 323.30 million) has been capitalised in CWIP		
Inter corporate deposits received		
Dhanlaxmi Infrastructure Private Limited	-	60.00
Interest expense on Inter corporate deposits		
Dhanlaxmi Infrastructure Private Limited	5.27	2.23
Inter corporate deposits repaid		
Dhanlaxmi Infrastructure Private Limited	60.00	-
Mall management fee income		
Dhanlaxmi Infrastructure Private Limited	-	13.77
Mall management fee expense		
Virtuous Retail Property Services LLP	90.78	36.14
Lease rental income		
Virtuous Retail Property Services LLP	5.84	1.19



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Sugam Varifys Holdings Private Limited
Notes to the financial statements for the year ended March 31, 2019

Particulars	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Share in profit/ (loss) of partnership firm Virtuous Retail Property Services LLP	0.00	0.00
Amount contributed to partnership capital account Virtuous Retail Property Services LLP	-	0.00
Payments made on behalf of related party Virtuous Retail Property Services LLP	-	19.19
Security deposit received towards lease of office space Virtuous Retail Property Services LLP	-	0.45

II. Transaction with key managerial personnel

Particulars	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Salary (including perquisites) Mr. R. K. Malpani	2.01	3.62
Ms. Madhumita Sarker	0.39	-

c) Details of balances receivable from and payable to related parties are as follows:

Particulars	(Rs. in millions)	
	31-Mar-19	31-Mar-18
I. Balances receivable from and payable to related parties		
Fully compulsorily convertible debentures (FCCD's) Morbus Holdings Pte. Ltd	638.63	1,071.44
Listed & tradable redeemable non-convertible debentures (RNCDD's) Robusta Holdings Pte Ltd, Singapore	4,480.00	4,480.00
Inter-corporate deposits Obanixmi Infrastructure Private Limited	-	60.00
Interest accrued and due on borrowings Morbus Holdings Pte. Ltd	-	168.79
Robusta Holdings Pte Ltd, Singapore	-	508.53
Interest accrued but not due on borrowings Obanixmi Infrastructure Private Limited	-	2.01
Investment in partnership - Capital account Virtuous Retail Property Services LLP	0.00	0.00
Investment in partnership - Current account Virtuous Retail Property Services LLP	0.00	0.00
Trade payables Virtuous Retail Property Services LLP	8.57	10.13
Trade receivable Virtuous Retail Property Services LLP	3.24	7.03
Security deposits Virtuous Retail Property Services LLP	0.45	0.45



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28 Segment Information

The Company is engaged in the business of real estate development w.r.t. mall development and management. As such, the Company operates in single business and geographical segment and hence disclosing information as per requirements of Ind AS 108 "Operating Segments" is not required.

29 Gratuity and other post-employment benefit plans

Particulars	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Defined benefit plan	3.85	1.96
Non-current	3.61	1.68
Current	0.24	0.28

Employees are entitled to a benefit equivalent to fifteen days' last drawn salary for each completed year of service in line with the Payment of Gratuity Act, 1972 subject to a maximum of Rs. 2 million. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service. The Company has not funded the liability as on 31 March 2019.

Following figures are as per the actuarial valuation carried out by an independent actuary as at the Balance Sheet date:

Changes in the projected benefit obligation and fair value of plan assets:

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Change in projected benefit obligation		
Obligation at beginning of the year	1.96	1.90
Service cost	1.12	0.85
Interest cost	0.14	0.13
Benefits directly paid	(0.88)	(0.10)
Actuarial (gain)/loss (through OCI)	1.51	(0.82)
Obligation at end of the year	<u>3.85</u>	<u>1.96</u>
Present value of projected benefit obligation at the end of the year	<u>3.85</u>	<u>1.96</u>
Net liability recognised in the balance sheet	<u>3.85</u>	<u>1.96</u>
Expenses recognised in statement of profit and loss		
Service cost	1.12	0.85
Interest cost (net)	0.14	0.13
Gratuity cost	1.26	0.98
Net gratuity cost	<u>1.26</u>	<u>0.98</u>
Re-assessment gains/ (losses) in OCI		
Actuarial gain / (loss) due to financial assumption changes	(0.00)	(0.02)
Actuarial gain / (loss) due to experience adjustments	0.54	(0.80)
Actuarial gain / (loss) due to demographic assumption changes	0.96	-
Total expenses routed through OCI	<u>1.51</u>	<u>(0.82)</u>

Assumptions

Particulars	31-Mar-19	31-Mar-18
Discount rate	6.95%	6.93%
Future salary increases	8.00%	8.00%
Employee turnover	28.00%	34.00%
Estimated rate of return on plan assets	N.A	N.A



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Sugam Vaidya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

A quantitative sensitivity analysis for significant assumption and its impact on projected benefit obligation are as follows:

Particulars	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Effect of - 1% change in rate of discounting	(0.22)	(0.06)
Effect of + 1% change in rate of discounting	0.25	0.06
Effect of - 1% change in rate of salary increase	0.24	0.06
Effect of + 1% change in rate of salary increase	(0.22)	(0.06)
Effect of - 1% change in rate of employee turnover	(0.74)	(0.04)
Effect of + 1% change in rate of employee turnover	1.01	0.04

The sensitivity analyses above have been determined based on a method that extrapolates the impact on projected benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the projected benefit plan in future years (From Employer):

Particulars	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Within the next 12 months	0.24	0.28
Between 1 and 5 years	2.25	1.41
Between 6 and 10 years	2.11	0.65
Beyond 10 years	1.65	0.12
Total expected payments	6.25	2.46
Contributions likely to be made for next one year	0.24	0.28

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10 Earnings per share ('EPS')

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting for interest on the convertible debentures) by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Loss after tax attributable to equity shareholders	(988.11)	(463.34)
Effect of dilution	-	-
Loss attributable to equity holders adjusted for the effect of dilution	(988.11)	(463.34)
Weighted average number of equity shares for basic and diluted EPS (No.) *	0.02	0.02
Effect of dilution	-	-
Weighted average number of equity shares adjusted for the effect of dilution (No.)	0.02	0.02

* includes 1,902 shares to be issued on conversion of Fully and Compulsorily Convertible Debentures (FCCD) as at March 31, 2019 and March 31, 2018.

Note: Since the convertible debentures are anti dilutive, they have been ignored in the computation of diluted EPS.

11 Commitments and contingencies**a. Leases****Operating lease commitments - Company as lessor**

The Company is primarily engaged in the business of leasing mall and office space. The Company has entered into non-cancellable operating lease agreements with its lessees. The rental income under non cancellable operating lease for the year ended March 31, 2019 amounts to Rs. 497.14 million (March 31, 2018: Rs. 275.21 million). The rental income under cancellable operating leases for the year amounts to Rs. 214.54 million (March 31, 2018: Rs. 130.88 million).

Future minimum rentals receivable under non-cancellable operating lease are as follows:

Particulars	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Within one year	1,035.72	206.61
After one year but not more than five years	1,498.85	273.78
More than five years	45.91	-
	<u>2,580.48</u>	<u>480.39</u>

Operating lease commitments - Company as lessee

The amount of lease rentals towards cancellable lease agreement as lessee is Rs. 2.51 million (March 31, 2018 : Rs. 4.73 million).

b. Commitments

Particulars	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Capital commitments		
The estimated amount of contracts, net of advances remaining to be executed on capital account and not provided for	57.38	529.49



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c. Contingent liabilities (to the extent not provided for)

Particulars	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Guarantees given by the Company	184.32	149.13
Income tax matters in dispute (refer note (iii) below)	588.96	588.96
Service tax & GST matters in dispute (refer note (iii) below)	178.63	86.03
	951.92	824.14

The Company does not expect any reimbursement in respect of the above contingent liability and it is not practicable to estimate the timings of the cash outflows, if any, in respect of matters above pending resolution of the arbitration appellate proceedings and it is not probable that an outflow of resources will be required to settle the above obligations/claims.

Other litigations

(B) In March 2014, the Tehsildar of East Taluk, K.R. Puram, Bengaluru, had issued a notice to the Company to stop the construction of the VR Mall, Bengaluru at Dyvasandra Village, Bengaluru East Taluk, citing inaccurate allegations against the Company when the mall was under construction. The Tehsildar was of the contention that the Company had build the compound area in the encroached land ("the disputed land").

The Company filed a writ petition in Honourable High Court of Karnataka ("the High Court") against the said notice issued by the Tehsildar. A stay was granted by the High Court vide its order dated 15 March 2014 and also directed the Government of Karnataka to file its reply. The Government of Karnataka had filed its reply thereon. The High Court of Karnataka in its judgement dated 16 February 2016 had vacated the stay granted earlier and stated that the Government will take into consideration all the documents produced by the Company and would proceed further only after looking at all the documents. The High Court has also stated that the Company shall not be dispossessed of the disputed land otherwise other than under the process of law. On 3 September 2015, the Company had obtained final occupancy certificate for the Mall.

A new order was passed by the Assistant Commissioner, Bengaluru North, sub-division dated 8 March 2017 stating that the disputed land possessed by the Company was encroached Government land reserved for public purpose. The Commissioner ordered to evict the Company from an extent of 4946.86 square meters of land and directed the Tehsildar, Bengaluru East Taluk to take action to evict the Company from the said land, restore it to Government and safeguard the same as 'Government Property'. The Company had challenged the said order in the High Court of Karnataka. The High Court of Karnataka admitted the writ petition, granted a stay vide its order dated 24 March 2017 and has also directed the Government of Karnataka to file its reply. The Government of Karnataka and other respondents have not filed their objection till date. The Company has also filed a contempt petition on 20 March 2017 stating that new order issued by the Assistant Commissioner was against the earlier order issued by the High Court of Karnataka.

During the previous financial year, a Special court, had initiated a suo moto proceedings against the Company. On 27 February 2018, the said Court has dismissed the proceedings and released the Company from the said proceedings.

In view of pending writ petition, the Company's Management based on its assessment and previously obtained legal opinion on this matter believe that the Company has a strong case based on the facts and documentation available and would in all likelihood succeed and its writ petition on this matter would be allowed. The Company's management believes that the Company is not likely to suffer any financial or other liabilities which would materially impact the Company's finances and operations. Accordingly, the Company is not carrying any provision for the above mentioned case in its books of account.



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Sugam Vanjys Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

(iii) The Company is one of the defendants in a legal case filed by the Hotel Management Services Company ("the Hotel Manager"/"the Plaintiff"). In the given case, the City Civil Judge had passed an interim order ("the Order") restraining the Company from selling, pledging or assigning the Company's shares and from engaging any other "Hotel Management Services Vendor" for managing the Company's Hotel. The Hotel Manager has filed this suit against the Company for breach of the conditions indicated in the term sheet dated October 20, 2015 which was extended on May 20, 2016 till August 18, 2016. The Company is of the view that the conditions mentioned in the term sheet are not binding as the term sheet had expired by efflux of time and that the Order even went beyond the terms and conditions signed in the expired indicative nonbinding term sheet. The Company has appealed against the Order in the High Court of Karnataka and the operation of the Order has been stayed by the High Court of Karnataka till such date parties request for hearing. The Appeal filed by the Company is listed for hearing before the City Civil Court on June 10, 2019.

The Company's Management based on its assessment, previously obtained legal opinion on this matter believes that the final outcome of this matter will not have any adverse financial implications on the Company. The Company's contention is based on the fact that the Plaintiff has not, in the case, made any claim for damages or sought any monetary compensation from the Defendants. Furthermore, the Company is of the view since there is no payment due under the said term sheet, in their view, there is no need to make any provisioning towards any such amounts.

(iii) In relation to certain income tax and service tax matters under dispute, the management of the Company is confident that the matters would be decided in their favour. Accordingly no provision has been made in the books in relation to such matters.

(iv) There are numerous interpretive issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is consulting Legal counsel for further clarity. The impact of the same is currently not ascertainable.

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Sugam Vaidya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

32. Capital work-in-progress

A) The Company has completed construction of its Retail Block and Office Block in its VR Chennai Project and commenced commercial operations during the year. The Company is also developing Hotel Block at Chennai which is expected to be completed by the next financial year. The expenditure incurred for Hotel Block at VR Chennai has been being carried under Capital work-in-progress ("CWIP") are as follows:

VR Chennai Project:

Particulars	(Rs. in millions)				
	31 March 2018	Additions during the year	Total	Capitalised *	31 March 2019
Construction cost	3,604.52	578.32	4,183.34	4,065.39	117.95
Finance cost	2,119.22	198.40	2,317.61	2,317.61	-
Employee cost	78.22	29.04	107.26	107.26	-
Project consultancy	289.80	30.05	319.84	319.11	0.73
Sanction fee	109.56	84.81	194.37	194.37	-
Total	6,201.32	921.11	7,122.42	7,003.73	118.69

*During the year assets have been capitalised from CWIP to the following blocks

Block	(Rs. in millions)	
		Transfer from CWIP
Buildings		5,301.10
Plant and machinery		1,179.64
Electrical installation		440.00
Furniture and fixtures		57.34
Computers		25.66
Total		7,003.73

B) The Metrozone ("Chennai project") is a mixed use of residential cum commercial project being developed by Ozon projects private limited (OPPL) and Sugam Vaidya Holdings Private Limited (SVHPL). The residential portion is to be developed by OPPL and the commercial portion is to be developed by SVHPL. As per the agreement executed between OPPL and SVHPL, OPPL is required to construct a retention wall in order to facilitate the commercial development undertaken by SVHPL. OPPL expressed its inability to construct the said retention wall and further OPPL requested SVHPL to bear the costs of construction of retention wall along with any incidental expenses and the same is refundable by OPPL. In view of above arrangement, the Company had incurred expenditure towards the construction of retention wall amounting to Rs. 152.09 million which was shown under advances receivable in cash or kind.

During the year, the Company has demanded for the payment of the said amount via letter dated 18 March 2019 & 31 March 2019. The management of the Company is confident that the said amount would be recoverable based on their arrangement with OPPL and hence considered current & good.

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Sugama Vasthaya Holdings Private Limited
Notes to the financial statements for the year ended March 31, 2019

33 Fair value measurements

The carrying value of financial instruments by categories is as follows:

Particulars	(Rs. in millions)					
	31-Mar-19			31-Mar-18		
	At Cost	Fair value through profit or loss	At Appointed Cost	At Cost	Fair value through profit or loss	At Appointed Cost
Financial assets						
Investments	-	0.00	-	-	0.00	-
Trade receivables	-	-	127.83	-	-	74.51
Cash and cash equivalents	-	-	149.51	-	-	43.19
Bank balance other than cash and cash equivalents	-	-	244.80	-	-	251.77
Other financial assets	-	-	108.41	-	-	54.54
Total	-	0.00	630.55	-	0.00	424.00
Financial liabilities						
Borrowings	-	-	13,543.47	-	-	11,993.21
Trade payables	-	-	165.28	-	-	62.91
Other financial liabilities	-	-	987.44	-	-	1,278.28
Total	-	-	14,696.18	-	-	12,934.40

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Sugam Varaha Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities

(Rs. in millions)

Particulars	31-Mar-19				31-Mar-18			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets								
<i>Measured at cost: amortised cost/ at value through profit and loss</i>								
Investments at cost	0.00	-	-	0.00	0.00	-	-	0.00
Trade receivables	127.83	-	-	127.83	74.51	-	-	74.51
Cash and cash equivalents	149.51	-	-	149.51	43.19	-	-	43.19
Bank balance other than cash and cash equivalents	244.80	-	-	244.80	251.77	-	-	251.77
Other financial assets	108.41	-	-	108.41	54.54	-	-	54.54
	630.55	-	-	630.55	424.00	-	-	424.00
Assets for which fair value are disclosed								
Investment properties*	12,831.86	-	-	20,772.00	6,066.82	-	-	5,235.00
	12,831.86	-	-	20,772.00	6,066.82	-	-	5,235.00
Financial liabilities								
<i>Measured at amortised cost</i>								
Borrowings	13,543.47	-	-	13,543.47	11,593.31	-	-	11,593.31
Trade payables	165.28	-	-	165.28	62.91	-	-	62.91
Other financial liabilities	987.44	-	-	987.44	1,278.28	-	-	1,278.28
	14,696.18	-	-	14,696.18	12,934.50	-	-	12,934.50

* The carrying amount of Rs. 6,066.82 million as at March 31, 2018 includes freehold land of Rs. 3,186.93 million and leasehold land of Rs 10.29 million relating to capital work-in progress.

Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between the levels during the period.

Financial instruments carried at amortised cost such as trade receivables, other financial assets, borrowings, trade payables and other financial liabilities are considered to be same as their fair values, due to short term nature.

For financial assets & liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



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34 Financial risk management objectives and policies

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents and refundable deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings and security deposits.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations and provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company does not enter into any interest rate swaps.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's loss before tax is affected through the impact on floating rate borrowings, as follows:

	(Rs. in millions)	
	Increase/ decrease in interest rate	Effect on loss before tax *
March 31, 2019		
INR	-1%	(71.25)
INR	-1%	71.25
March 31, 2018		
INR	-1%	(51.89)
INR	-1%	51.89

* Determined on gross basis i.e. with out considering capitalization of such borrowing cost.



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Sugam Varijya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

B Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its investing activities (short term bank deposits). Credit appraisal is performed by the management before lease agreements are entered into with customers. The risk is also mitigated due to customers placing significant amount of security deposits for lease and fit-out rentals.

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at March 31, 2019 and March 31, 2018 is the carrying amounts.

C Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	(Rs. in millions)					
	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Year ended March 31, 2019						
Borrowings	-	48.34	155.73	3,501.28	9,748.12	13,543.47
Interest payable on borrowings	-	71.34	751.61	2,649.75	5,837.44	9,310.13
Trade payables	-	165.28	-	-	-	165.28
Other financial liabilities	219.08	92.19	316.15	328.96	37.06	987.44
	219.08	377.15	1,217.49	6,569.99	15,622.62	24,006.32
Year ended March 31, 2018						
Borrowings	389.41	-	-	3,827.85	7,476.06	11,593.31
Interest payable on borrowings	-	71.34	751.61	2,935.09	6,375.04	10,133.07
Trade payables	-	62.91	-	-	-	62.91
Other financial liabilities	789.59	5.59	169.32	322.78	-	1,277.28
	1,869.99	139.84	920.93	7,085.72	13,851.10	23,867.57



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Sugam Vanijya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

35 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

	(Rs. in millions)	
	31-Mar-19	31-Mar-18
Borrowings (long-term and short-term, including current maturities of long term borrowings) (Note 13 & 14)	13,080.51	11,010.85
Trade payables (Note 18)	165.28	62.91
Other payables (current and non-current, excluding current maturities of long term borrowings) (Note 14 & 19)	888.49	1,364.03
Less: Cash and cash equivalents (Note 10)	(149.51)	(43.19)
Net debt	14,584.77	12,994.60
Equity share capital	0.20	0.20
Other equity	(299.14)	688.97
Total capital	(298.94)	689.17
Capital and net debt	14,285.84	13,683.76
Gearing ratio	102.09%	94.96%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

36 Going concern

The financial statements indicate that the Company has accumulated losses amounting to Rs. 299.14 million. Its net worth has been fully eroded, the Company has incurred net cash loss during the year as well as in previous year and current liability exceeds current assets by Rs. 67.55 million as at March 31, 2019.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities. The financial statements of the Company have been prepared on a "Going Concern" basis, based on the letter of support from its Parent Company for a period of at least 1 year.



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37 Standards issued but not effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

a) Ind AS 116 Leases

On 30 March 2019, MCA notified Ind AS 116 Leases and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The Company will adopt Ind AS 116 effective from April 1, 2019. As at the date of issuance of the Company's financial statements, the Company is in the process of evaluating the requirements of the said standard and the impact on its financial statements in the period of initial application.

b) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgment, to determine whether such tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The interpretation is effective for annual reporting periods beginning on or after 1 April 2019, but certain transition reliefs are available. The Company will apply the interpretation from its effective date.

c) Amendments to Ind AS 109: Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The amendments should be applied retrospectively and are effective for annual periods beginning on or after 1 April 2019.

d) Amendments to Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 April 2019. These amendments will apply only to any future plan amendments, curtailments, or settlements of the Company.

e) Amend improvement to Ind AS (2018)

These improvements include:

i) Amendments to Ind AS 12: Income Taxes

The amendment relating to income tax consequences of dividend clarify that an entity recognises the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.

ii) Amendments to Ind AS 23: Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings.

An entity applies those amendments for annual reporting periods beginning on or after 1 April 2019. Since the Company's current practice is in line with these amendments, the Company does not expect any effect on its financial statements.



Sugam Vaniya Holdings Private Limited

Notes to the financial statements for the year ended March 31, 2019

- 38 Forward contracts entered for the purpose of hedging, which were outstanding as on March 31, 2019 is Nil (March 31, 2018 -Nil). Unhedged foreign currency exposure as on March 31, 2019 is as follows:

Unhedged foreign currency exposure

Underlying asset/liability		(Rs. in millions)			
		31-Mar-19		31-Mar-18	
		Amount in foreign currency	Amount in Rs.	Amount in foreign currency	Amount in Rs.
Trade payables	GBP	1.002	0.09	10.658	0.97

39 Transfer pricing

As per the transfer pricing rules prescribed under the Income-tax Act, 1961, the Company is examining the domestic and international transactions and documentation in respect thereof to ensure compliance with the said rules. The management does not anticipate any material adjustment with regard to the transactions involved.

As per our report of even date

For S.R. Badiboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W E300004


Anand Ranka
Partner
Membership No.: 209567

Place: Bengaluru, India
Date: May 29, 2019



For and on behalf of the Board of Directors of
Sugam Vaniya Holdings Private Limited


Digvijay Singh
Director
DIN: 00561599

Place: New Delhi, India
Date: May 29, 2019


A. Sundar Raj
Chief Financial Officer

Place: Bengaluru, India
Date: May 29, 2019


Anil Bhushan
Director
DIN: 01910476

Place: New Delhi, India
Date: May 29, 2019


Mallumta Sarkar
Company Secretary

Place: Bengaluru, India
Date: May 29, 2019



SUGAM VANIJYA HOLDINGS PRIVATE LIMITED

Regd Office: VR Bengaluru, Plot No. 11B, Sy No. 40/9, Dyaasandra Industrial Area Stage II, KR Puram Hobli Bengaluru -560 048, Karnataka
CIN No: U74899KA1987PTC070519
Website: www.vrbengaluru.com; Phone No. 000-67234313

To,
The Members,

Your Directors have pleasure in presenting their 32nd Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2019.

1. Financial Summary or Highlights/Performance of the Company

The Company's financial performance for the year under review along with previous year's figures are given hereunder:

(All amounts in Millions Indian Rs.)

PARTICULARS	FOR YEAR ENDED 31 st MARCH 2019	FOR YEAR ENDED 31 st MARCH 2018
Net Sales /Income from Operations	1,788.29	751.00
Other Income	48.21	27.67
Total Income	1,836.50	778.67
Profit (Loss) before Tax	(940.73)	(597.09)
Less: Deferred Tax	46.26	(133.19)
Net Profit/ Loss after Tax	(986.99)	(463.90)
EPS (Basic)	(45,135)	(21,165)
EPS (Diluted)	(45,135)	(21,165)

2. Business update (State of Company' s Affair)

During the current financial year, the Company has earned a total income of INR 1,836.50 (in million) and incurred a total expenditure of INR 2,777.23 (in million).

3. Change in Business of the Company

During the financial year 2018-19 ('financial year'), there was no change in the business of the Company.

4. Change in Share Capital & Debenture/ Bonds of the Company

During the financial year, there was no change in the Capital Structure of the Company. However, the Company has issued 4,725 secured rated listed redeemable non-convertible Bonds as on 20th December, 2018.

5. Dividend

Due to Loss the Board of Directors do not recommend any dividend on the equity shares for the financial year ended 31st March, 2019.



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SUGAM VANUJA HOLDINGS PRIVATE LIMITED

Regd Office: VR Bengaluru, Plot No. 11B, Sy No. 40/9, Dyrasandra Industrial Area Stage II, KR Puram Hobli Bengaluru -560 048, Karnataka
CIN No: U74899KA1907PTC070519
Website: www.vrbengaluru.com, Phone No. 080-67234313

6. Transfer of Unclaimed Dividend to Investor Education and Protection Fund

The provisions of Section 125(2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

7. Reserves

The Company has incurred loss, so no amount has been transferred to reserve.

8. Meetings of Board of Directors

Ten meetings of the Board of Directors were held during the period from 1st April, 2018 to 31st March, 2019.

9. Audit Committee Meetings

During the period from 1st April, 2018 to 31st March, 2019, two meeting of the members of Audit Committee.

10. Extract of the Annual Return

The extract of Annual Return in MGT-9 for the current financial year pursuant to the provisions of Section 92(3) of the Companies Act, 2013 is attached in *Annexure - I*. The extract of the said Annual Report will be placed on Company's website at www.vrbengaluru.com

11. Internal Financial Control

The Company has in place proper and adequate internal financial control.

12. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future

No significant and material orders passed by the regulators/courts/tribunals, which have impact on the going concern status and company's operations in future.

13. Internal Auditor

The Company has appointed PricewaterhouseCoopers Private Limited for VR Chennai & M/s. Deloitte Haskins and Sells LLP for VR Bengaluru in the Board Meeting held on 24th April, 2019 as its internal auditor for conducting internal audit as per Section 138 of the Companies Act, 2013.



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SUGAM VANIYA HOLDINGS PRIVATE LIMITED

Regd Office: VR Bengaluru, Plot No. 11B, Sy No. 40/3, Dvasandra Industrial Area Stage II, KR Puram Hobli
Bengaluru -560 048, Karnataka
CIN No: U74899KA1987FTCI70519
Website: www.vrbengaluru.com; Phone No. 080-67234313

14. Details of holding/subsidiary/joint ventures/associate companies

M/s Moribus Holdings Pte. Limited is the holding Company. The Company doesn't have any Subsidiary, associate and joint venture Company.

15. Deposits

The Company has neither accepted nor renewed any deposits during the year under review.

16. Statutory Auditors

The Board considers the ratification of appointment of M/s. S R Batliboi & Associates LLP, Chartered Accountants, (Firm Registration No: 101049W/ E300004) at the ensuing AGM. As per Companies (Amendment) Act, 2017, the Auditors will hold the office till the conclusion of annual general meeting to be held in 2022 without ratification at every AGM.

15. Secretarial Auditor

The Board appointed M/s LegalMonk Advisory Private Limited, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended 31st March, 2019 is annexed herewith as *Annexure - II*.

16. Auditors' Report

The Auditors' Report issued by the Statutory Auditors of the Company, M/s S. R. Batliboi & Associates LLP, Chartered Accountants, contains the below observations on the Financial Statements provided under the head of Opinion - Emphasis of Matter under Main Report on which Board's representation is as follows:

Sl. No.	Observation	Explanation
1.	The Company's internal financial controls with respect to year-end financial statement closure process were not operating effectively which could potentially result in material misstatement in the Company's financial statement balances and presentation and disclosure of financial statement	Due to Company's internal Reporting Structure, certain regrouping was done during year end Financial Statement closure which does not have any impact on overall numbers but change in grouping among expense heads.



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17. Secretarial Standards

The Company complies with all applicable secretarial standards issued by Institute of Company Secretaries of India (ICSI) on Meeting of the Board as well as General Meeting.

18. Share Capital**a) buy back of securities**

There was no buy back for the shares of the Company during the financial year under review.

b) sweat equity

The Company has not issued any Sweat Equity Shares during the year under review.

c) bonus shares

No Bonus Shares were issued during the year under review.

d) employees stock option plan

The Company has not provided any Stock Option Scheme to the employees.

e) Conservation of energy, technology absorption and foreign exchange earnings and outgo**a. Conservation of Energy**

The Company's operations are not energy-intensive and as such involve low energy consumption. However, adequate measures have been taken to conserve the consumption of energy.

b. Technology Absorption

Operations of the company do not involve any kind of special technology and there was no expenditure on research & development during this financial year. However, your company continues to upgrade its technology (computer technology and telecom infrastructure) in ensuring it is connected with its clients across the globe.

c. Foreign Exchange Earnings and outgo

The Foreign Exchange earnings and outgo during the financial period ended 31st March, 2019 is as follows:

Particulars	31 st March, 2019 (INR in million)	31 st March, 2018 (INR in million)
Foreign Exchange Earnings	33.51	29.88
Foreign Exchange Outgo	0.61	109.82



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f) Directors

A. Changes in Directors and Key Managerial Personnel

As on date the following are the Directors and Key Managerial Personnel of the Company:

- 1) Mr. Amit Bhushan, Director
- 2) Mr. Dig Vijay Singh, Director
- 3) Mrs. Aparna Goel, Director
- 4) Mr. Alagarsamy Sundar Raj, Chief Financial Officer
- 5) Mr. Sanjay Kumar Das, Manager
- 6) Mrs. Madhumita Sarkar, Company Secretary

During the current financial year, Mr. Rajendra Kumar Malpani has resigned as Company Secretary of the Company w.e.f. 7th August, 2018 and Mrs. Madhumita Sarkar was appointed as Company Secretary of the Company w.e.f. 7th August, 2018.

Mr. Alagarsamy Sundar Raj was appointed as Chief Financial Officer of the Company w.e.f. 24th April, 2019 and Mr. Sanjay Kumar Das was appointed as Manager of the Company w.e.f. 24th April, 2019.

B. Formal Annual Evaluation

Not Applicable

g) Disclosure under the sexual harassment of women at workplace (prevention, prohibition and redressal) act, 2013

- a. Number of complaints of sexual harassment received in the year – Nil
- b. Number of complaints disposed off during the year – Nil
- c. Number of cases pending for more than ninety days – Nil
- d. Number of workshops or awareness programme against sexual harassment carried out – Nil
- e. Nature of action taken by the employer or district officer - Nil

h) Particulars of loans, guarantees, securities or investments under section 186

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are provided in the financial statement Nil.

i) Particulars of contracts or arrangements with related parties

There was no contract or arrangements made with related parties as defined under Section 188 of the Companies Act, 2013 during the year under review - Nil.



ABL

SUGAM VANUYA HOLDINGS PRIVATE LIMITED

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j) Managerial Remuneration

NOT APPLICABLE

k) Risk Management Policy

The Company has adopted the following measures concerning the development and implementation of a Risk Management Policy after identifying the following elements of risks which in the opinion of the Board may threaten the very existence of the Company itself is furnished in *Annexure - III* and is attached to this report.

l) Corporate Social Responsibility (CSR)

Not Applicable

m) Disclosure for Providing Vigil Mechanism

The Company has established a vigil mechanism and oversees the genuine concerns expressed by the employees and other Directors. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns. The Company has also provided direct access to one of the directors authorized by the Board, on reporting issues concerning the interests of employees and the Company.

n) Directors' Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act, 2013 the Board hereby submit its responsibility Statement: —

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. Internal financial control means the policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors,



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the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

o) Acknowledgements

Your Directors place on record their sincere thanks to bankers, business associates, consultants, and various Government Authorities for their continued support extended to your Companies activities during the year under review. Your Directors also acknowledges gratefully the shareholders for their support and confidence reposed in your Company.

For and on behalf of the Board of Directors of Sugam Vanija Holdings Private Limited



Amit Bhushan
Director
DIN - 01910476



Dig Vijay Singh
Director
DIN - 00561509

Place: New Delhi
Date: May 29, 2019



SUGAM VANIJYA HOLDINGS PRIVATE LIMITED

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ANNEXURE I**Form No. MGT-9****EXTRACT OF ANNUAL RETURN****AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U74899KA1987PTC070519
ii.	Registration Date	08/09/1987
iii.	Name of the Company	Sugam Vanijya Holdings Private Limited
iv.	Category / Sub-Category of the Company	Company limited by Shares/ Non-Govt. Company
v.	Address of the Registered office and contact details	VR Bengaluru, No. 11b, Sy No. 40/9, Devasandra Industrial Area, 2nd Stage, Kr. Puram Hobli Bangalore - 560048, Karnataka
vi.	Whether listed company	Yes (Non-Convertible Debentures only)
vii.	Name, Address and Contact details of Registrar and Transfer Agent, If any	Integrated Enterprises (India) Limited, No. 30, Ramana Residency, 4 th Floor, Sampige Road, Malleshwaram, Bangalore - 560003, Karnataka

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated: -

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Real Estate Activities	686810	100 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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Website: www.vrbengaluru.com, Phone No. 080-67234313

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	Moribus Holdings Pte Limited Add: 10, Marina Boulevard, #16-3, Marina Bay Financial Center, Singapore - 081983	-	Holding Company	99.99%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Individual/ HUF									
b) Central Govt									
c) State Govt(s)									
d) Bodies Corp									
e) Banks / FI									
f) Any Other									






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Area Stage II, KR Puram Hobli

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Website: www.vrbengaluru.com; Phone No. 080-67234313

Sub-total(A)(1): -	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2) Foreign									
g) NRIs- Individuals									
h) Other- Individuals									
i) Bodies Corp.	19,989	01	19,990	100%	19,989	01	19,990	100%	Nil
j) Banks / FI									
k) Any Other....									
Sub-total (A)(2): -	19,989	01	19,990	100%	19,989	01	19,990	100%	Nil
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.Non Institutions									
a) Bodies Corp. (i) Indian									



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(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
Others(Specify)									
Sub-total (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B)=(B)(1)+ (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	19,989	01	19,990	100%	19,989	01	19,990	100%	Nil

B) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Pledge / encumbered to total	No. of Shares	% of total Shares of the company	% of Pledged / encumbered to total	% change in shareholding during the year



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1.	Moribus Holdings Pte Limited <u>Add:</u> 10, Marina Boulevard, #16-3, Marina Bay Financial Centre, Singapore -	19,989	99.99%	--	19,989	99.99%	--	--
2.	Virtuous Retail South Asia Pte Limited <u>Add:</u> 10, Marina Boulevard, #16-3, Marina Bay Financial Centre, Singapore -	01	0.01%	--	01	0.01%	--	--
	Total	19,990	100%	--	19,990	100%	--	--

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No	Shareholding of each Promoter	Shareholdings at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	19,990	100%	19,990	100%



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Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	Nil	Nil
At the End of the year	19,990	100%	19,990	100%

D) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No	Shareholding of each Promoter	Shareholdings at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	Nil	Nil
	At the End of the year	Nil	Nil	Nil	Nil

B) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholding of each Promoter	Shareholdings at the beginning of the year	Cumulative Shareholding during the year
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	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
At the beginning of the year	Nil	Nil	Nil	Nil
Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	Nil	Nil	Nil	Nil
At the End of the year	Nil	Nil	Nil	Nil

C) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (in million)

Particulars	Secured Loans excluding deposits	Unsecured Loan	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,981.87	5,611.44	-	11,593.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid	-	677.32	-	677.32
Total (i + ii + iii)	5,981.87	6,288.76	-	12,270.63
Change in Indebtedness during the financial year	-	-	-	-
- Addition	2,442.96	-	-	2,442.96
- Reduction	-	1,170.13	-	1,170.13
Net Change				



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Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	8,424.83	5,118.63	-	13,543.46
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	842,483.00	5,118.63		847,601.63

REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager - Nil**

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify... (Salary)		



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5.	Others, please specify				
6.	Total (A)	NIL			NIL
	Ceiling as per the Act				

B. Remuneration to other directors: Nil

Sl. No.	Particulars of Remuneration	Name of Directors	Total Amount
	<u>Independent Directors</u> - Fee for attending board committee meetings - Commission - Others, please specify		
	Total (1)	Nil	Nil
	<u>Other Non-Executive Directors</u> - Fee for attending board committee meetings - Commission - Others, please specify (Remuneration)	Nil	Nil
	Total (2)	Nil	Nil
	Total (B)=(1+2)	Nil	Nil
	Total Managerial Remuneration	Nil	Nil
	Overall Ceiling as per the Act		

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD

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Sl. no.	Particulars of Remuneration	Key Managerial Personnel (INR in Million)			
		CEO	CS	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	2.42	Nil	2.42
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
6.	Total	Nil	2.42	Nil	2.42

During the year, Mr. R. K. Malpani has resigned from the position of Company Secretary and Mrs. Madhumita Sarkar has been appointed as the Company Secretary of the Company w.e.f. 7th August, 2018.



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SUGAM VANIYA HOLDINGS PRIVATE LIMITED

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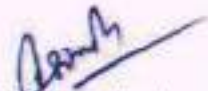
D) PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

Type	Section of the companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD /NCLT/Court]	Appeal made. If any (give details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers in Default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board of Directors of Sugam Vanijya Holdings Private Limited



Amit Bhushan
Director
DIN - 01910476



Dig Vijay Singh
Director
DIN - 00561509



Place: New Delhi

Date: May 29, 2019

SUGAM VANUYA HOLDINGS PRIVATE LIMITED

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Annexure - III

RISK MANAGEMENT POLICY

Sugam Vanijya Holdings Private Limited, Bangalore like any other business entity is exposed to various risks in the normal course of its activities. No business can be conducted without accepting a certain level of risk, and any expected gain from a business activity is to be assessed against the risk that activity involves. The Company's policy is to identify risks particularly those risks which can threaten the existence of the Company. At the same time, the Company will also determine such risks which are within the limit of risk acceptance, followed by actions which need to be taken to avoid, mitigate, and transfer or to purely monitor the risk. Risk Management is a continuous process of analyzing and managing the opportunities and threats faced by the Company in its efforts to achieve its goals, and to ensure the continuity of the business.

The risk can be classified as follows: Firstly, the risk can be identified as being internal or external, secondly subject matter wise the risk can be classified as:

1. Operational risk
2. Compliance related risk
3. Financial risk
4. Hazard risk

OPERATIONAL RISK:

The risks as assessed/faced by the Company at present are as follows:

1. The Company is exposed to normal industry risk factors of competition, economic cycle and uncertainties in the international and domestic markets.
2. Shortage of Skilled / Unskilled labour.
3. Government policies with regard to taxation on imports and domestic production which is affecting demand and putting pressure on prices.

Policy:

The Company has always been on fast track of modernization. The Company is completing one of its Retail Mall at Bangalore in the current financial year, wherein the Company shall be adopting the measures and policies of engaging all skilled Service providing Agencies, Consultants and Employees to run and operate the Mall smoothly and effectively.



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COMPLIANCE RELATED RISKS:

The risks as assessed/faced by the Company at present are as follows: In view of rapidly changing legislative framework in India directed towards a very stringent compliance by the corporate laws as is evident from the new Companies Act, 2013, various regulations framed by SEBI on regular basis and stringent provisions for penalty and prosecution, compliance related risk have assumed high importance.

Policy: The Company's legal & Secretarial department constantly reviews the legislative changes to ensure that the Company complies with the changing regulations as a constant monitoring process and in time. In addition company has also appointed a company secretary in practice on retainer ship basis to regularly monitor the legal compliance and submit its suggestion report on half yearly basis. Departmental Heads furnish compliance certificates regarding compliances of various Laws applicable to their departments, on quarterly basis, which are placed before the Board of Directors. Timely publication of financial results, annual accounts, seeking various approvals from members etc. is also important aspects of Compliance Related risk which is being regularly monitored.

FINANCIAL RISKS:

The risks as assessed/faced by the Company at present are as follows:

The Company does not see any financial risks as the Company is having sufficient funds to complete its Retails Malls. After completion of the Malls, the Company shall be able to operate the Malls on lease basis, where Company shall not require own funds.

HAZARD RISKS:

The risks as assessed/faced by the Company at present are as follows:

There is risk towards damage of Company's Assets like Building, Plant & Machinery, Furniture, Office Equipment, etc. There is also risk of health of its employees and dependent.

Policy: The Company has taken appropriate insurance policy to cover risk related to its moveable and immoveable Assets. As far as health is concern, the company cover a group of employee under Mediclaim Policies issued by Insurance companies approved by IRDA.

OTHER EMPLOYEE RELATED RISK:

The risks as assessed/faced by the Company at present are as follows:



Two handwritten signatures in blue ink, one appearing to be 'S' and the other 'R', located to the right of the stamp.

SUGAM VANIYA HOLDINGS PRIVATE LIMITED

Regd Office: VR Bengaluru, Plot No. 11B, Sy No. 40/9, Dyesandra Industrial Area Stage II, KR Puram Hobli
Bengaluru -560 048, Karnataka
CIN No: U74899KA1987PTC070519
Website: www.vrbengaluru.com, Phone No. 080-67234313

There is risk related to fraud, theft, misuse of company property and transmitting the data accounts to outsider.

Policy: The Company Code of business ethics is the key guideline for all employees. The Company is committed to high ethical standards and integrity in its businesses, preventing corruption and violations of the principles set forth in the code of business ethics of the Company. The Company's top management has zero tolerance for corruption and fraud.

For and on behalf of the Board of Directors of Sugam Vanija Holdings Private Limited


Amit Bhushan
Director
DIN - 01910476


Dig Vijay Singh
Director
DIN - 00561509



Place: New Delhi
Date: 29th May, 2019