

Sugam Vanijya Holdings Private Limited
Corporate Identity Number (CIN): U74899KA1987PTC070519

Registered Office: VR Bengaluru, No. 11B, Sy No. 40/9, Devasandra Industrial Area, 2nd Stage, KR, Puram Hobli, Bengaluru, Karnataka - 560048

Statement of Unaudited Financial results for the half year ended September 30, 2020

a. Statement of profit and loss

(Rs. in millions)

	Particulars	Current 6 months ended 30/09/2020 [Unaudited]	Corresponding 6 months ended in the previous year 30/09/2019 [Unaudited]	Year to Date figures ended 30/09/2020 [Unaudited]	Previous year ended 31/03/2020 [Audited]
1	Income				
	Revenue from operations	247.03	1,251.88	247.03	2,479.75
	Other income	28.06	29.50	28.06	55.18
	Total Income	275.09	1,281.38	275.09	2,534.93
2	Expenses				
	Employee benefits expense	45.33	98.66	45.33	166.58
	Depreciation and amortization expense	205.99	198.26	205.99	400.13
	Finance costs	746.45	761.45	746.45	1,530.10
	Other expenses	245.04	473.36	245.04	1,017.24
	Total Expenses	1,242.81	1,531.73	1,242.81	3,114.05
3	Loss before exceptional items and tax (1-2)	(967.72)	(250.35)	(967.72)	(579.12)
4	Exceptional items (refer note 6)	-	-	-	220.18
5	Loss before tax (3-4)	(967.72)	(250.35)	(967.72)	(799.29)
6	Tax expense				
	(i) Current tax	-	-	-	-
	(ii) Deferred tax charge/(credit)	27.87	24.92	27.87	50.71
	Total	27.87	24.92	27.87	50.71
7	Loss for the year/period (5-6)	(995.60)	(275.27)	(995.60)	(850.00)
8	Other comprehensive income (net of tax expenses)	-	-	-	0.84
9	Total comprehensive income for the year/period (7+8)	(995.60)	(275.27)	(995.60)	(849.16)
10	Paid-up equity share capital (Face value per share - Rs. 10)	0.20	0.20	0.20	0.20
11	Paid-up debt capital (refer note 5)	14,773.82	13,680.52	14,773.82	14,100.56
12	Reserves and Surplus [included under Other Equity]	(2,143.89)	(574.40)	(2,143.89)	(1,148.30)
13	Earnings Per Share (EPS) - (in Rs.) (not annualised, face value Rs.10)				
	a) Basic	(45,477)	(12,574)	(45,477)	(38,826)
	b) Diluted	(45,477)	(12,574)	(45,477)	(38,826)
14	Debt equity ratio (refer note 5)	(6.64)	(23.83)	(6.64)	(12.28)
15	Debt service coverage ratio (DSCR) (refer note 5)	(0.28)	0.63	(0.28)	0.18
16	Interest service coverage ratio (ISCR) (refer note 5)	(0.30)	0.67	(0.30)	0.48

SB

Apomaged

Sugam Vanijya Holdings Private Limited
Corporate Identity Number (CIN): U74899KA1987PTC070519

Registered Office: VR Bengaluru, No. 11B, Sy No. 40/9, Devasandra Industrial Area, 2nd Stage, KR, Puram Hobli, Bengaluru, Karnataka - 560048

b. Balance Sheet

(Rs. in millions)

	Particulars	As at	As at
		30/09/2020	31/03/2020
		[Unaudited]	[Audited]
1	ASSETS		
	Non-current Assets		
	Property, plant and equipment	606.63	629.45
	Investment property	12,394.39	12,565.93
	Capital work-in-progress	26.17	25.39
	Financial Assets		
	Investments	0.01	0.01
	Other financial assets	67.78	64.60
	Assets for Current tax (net)	493.70	538.61
	Other non-current assets	214.59	221.27
	Sub total	13,803.26	14,045.35
	Current Assets		
	Inventories	18.47	20.57
	Financial assets		
	Loans	0.50	0.50
	Trade receivables	130.88	166.64
	Cash and cash equivalents	105.62	501.51
	Bank balances other than Cash and cash equivalents	475.84	339.59
	Other current financial assets	80.18	63.16
	Other current assets	35.31	36.01
	Sub total	846.80	1,127.97
	Total Assets	14,650.07	15,173.33
2	EQUITY AND LIABILITIES		
	Equity		
	Equity share capital	0.20	0.20
	Other equity	(2,143.89)	(1,148.30)
	Sub total	(2,143.69)	(1,148.10)
	Non-Current Liabilities		
	Financial liabilities		
	Borrowings	13,552.58	13,564.60
	Other non-current financial liabilities	1,009.40	846.02
	Deferred revenue	31.38	43.55
	Long term provisions	3.72	3.72
	Deferred tax liabilities (net)	374.33	346.45
	Sub total	14,971.40	14,804.34
	Current Liabilities		
	Financial liabilities		
	Borrowings	348.39	298.45
	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	190.95	184.16
	Other current financial liabilities	1,236.01	955.40
	Other current liabilities	14.38	35.45
	Deferred revenue	30.19	41.17
	Provisions	2.44	2.44
	Sub total	1,822.36	1,517.08
	Total equity and liabilities	14,650.07	15,173.33

Aparna Goyal
AG

Sugam Vanijya Holdings Private Limited
Corporate Identity Number (CIN): U74899KA1987PTC070519

Registered Office: VR Bengaluru, No. 11B, Sy No. 40/9, Devasandra Industrial Area, 2nd Stage, KR. Puram Hobli, Bengaluru, Karnataka - 560018

Notes to the financial results for the half year ended September 30, 2020

- 1 Sugam Vanijya Holdings Private Limited ('the Company' or 'Sugam') had issued 448 redeemable non-convertible debentures ('NCD') of Rs.10,000,000 each on February 04, 2015, which were listed on BSE Limited ('BSE') on February 04, 2015. Further, the Company had issued 4,725 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.
- 2 The above financial results of the Company for the half year ended September 30, 2020 have been reviewed and taken on record at the meeting of the Board of Directors of the Company held on November 27, 2020. The statutory auditors of the Company have reviewed the financial results of the Company for the half year ended September 30, 2020.
- 3 The Company is engaged in carrying on the business of real estate development, leasing and hospitality and related services. 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.
- 4 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 March 15, 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 February 16, 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 September 03, 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 March 08, 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 4046.86 square meters of land and directed the Tehsildar, Bengaluru East Taluk to take action to evict the Company from the said land, resume 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 March 24, 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 March 20, 2017 stating that new order issued by the Assistant Commissioner was against the earlier order issued by the High Court of Karnataka.

During the year ended March 31, 2018, a Special court, had initiated a suo moto proceedings against the Company. On February 27, 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.

5 Assumptions to financial ratios:

- a) Debt Equity Ratio = Paid up debt capital / equity (Net worth)
Equity (Net worth) = Equity share capital + Other equity (including retained earnings and securities premium)
Paid up debt capital = Long term borrowings + current maturities of long term borrowings + short term borrowings.
- b) Debt Service Coverage Ratio (DSCR) = Profit or loss before finance cost and tax expense / (Finance costs + Principal repayment)
- c) Interest Service Coverage Ratio (ISCR) = Profit or loss from operations before finance cost and tax expense / Finance costs.



Apana Grel

Sugam Vanijya Holdings Private Limited
Corporate Identity Number (CIN): U74899KA1987PTC070519

Registered Office: VR Bengaluru, No. 11B, Sy No. 40/9, Devasandra Industrial Area, 2nd Stage, KK. Puram Hobli, Bengaluru, Karnataka - 560048

- 6 The outbreak of COVID-19 pandemic globally and in India has caused significant disturbance and slowdown of economic activities. Due to the lock down announced by the Government, the Company's operations were slowed down/ suspended for part of the current period and accordingly the accompanying financial results are adversely impacted and not fully comparable with those of the earlier periods.

The Company's management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of its assets including property, plant and equipment, investment property, capital work in progress, inventories, loans and receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information to assess the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on the current estimates, the Company expects that the carrying amount of these assets, as reflected in the balance sheet as at September 30, 2020, are fully recoverable. The management has also estimated the future cash flows (after considering the impact of moratorium applied with banks/ financial institutions) with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results.

During the period ended September 30, 2020, the leasing and hospitality operations of the Company was impacted due to COVID-19 restrictions. During the year ended March 31, 2020, an impairment loss of Rs. 220.18 million had been recognised in the statement of profit and loss, which represented the write-down value of certain property, plant and equipment to the recoverable amount as a result of the impact of COVID-19 pandemic. Management continues to monitor its performance as against the projections used for impairment and would perform a detailed impairment testing for March 31, 2021. Due to the prevailing circumstances, the Company has recognized revenue for the period and the underlying receivables after having regard to the Company's ongoing discussions with certain customers on best estimate basis.

- 7 The financial results indicate that the Company has accumulated losses amounting to Rs. 2,143.89 million, its net worth has been fully eroded and current liability exceeds current assets by Rs. 975.55 million as at September 30, 2020.

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 results 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.

- 8 The Company had not accounted interest expenses aggregating to Rs. 313.04 millions on Fully Compulsorily Convertible Debentures (FCCDs) payable on quarterly basis and Non Convertible Debenture (RNCs) payable on annually basis for the six months period ended September 30, 2019. Accordingly, loss before tax for the six month period ended September 30, 2019 was lower by Rs.313.04 million, Shareholders' funds was higher by Rs. 338.63 millions and the auditors had qualified their review report for the six months ended September 30, 2019. The Company has now accounted for the said interest during the year ended March 31, 2020 and the figures in respect of half year ended September 30, 2019 have been restated after adjustment of prior period error.

- 9 Figures pertaining to previous period have been regrouped or reclassified, wherever necessary, to conform to the classification adopted in the current period.

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


Aparna Goel
Director


Amit Bhushan
Director

Place : New Delhi, India
Date : November 27, 2020

Independent Auditor's Review Report on the Half-yearly Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

**Review Report to
The Board of Directors
Sugam Vanijya Holdings Private Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Sugam Vanijya Holdings Private Limited (the "Company") for the half year ended September 30, 2020 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

5. We draw attention to Note 4 to the statement 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 conclusion is not modified in respect of this matter.

6. We draw attention to Note 6 to the Statement, which describes the management's evaluation of COVID-19 impact on the future business operations and future cash flows of the Company and its consequential effects on the carrying value of its assets as at September 30, 2020. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve. Our conclusion is not modified in respect of this matter.

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

ADARSH Digitally signed by
ADARSH RANKA
RANKA Date: 2020.11.27
16:40:36 +05'30'

per Adarsh Ranka
Partner
Membership No.: 209567

UDIN: 20209567AAAHP7363

Place: Bengaluru, India
Date: November 27, 2020