

VR DAKSHIN PRIVATE LIMITED

(formerly Sugam Vanijya Holdings Private Limited)

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

Date: December 19, 2022

To,

BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400-001, Maharashtra.

Dear Sir,

Ref: Security Code: 951654, 958505, 958506
ISIN: INE084S08013, INE084S07015, INE084S07023

Sub: Disclosure under regulation 52 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015

Dear Sir,

Pursuant to Regulations 52 (1) & (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we wish to inform you that the Board of Directors of the Company at its meeting held today i.e., December 19, 2022, has, inter alia, considered and approved the Audited Financial Results for the quarter and year ended March 31, 2022.

Accordingly, we are enclosing the followings:

1. Statement of Audited Financial results for the quarter and year ended March 31, 2022.
2. Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company for the quarter and year ended March 31, 2022.
3. A copy of the Standalone Audited Financial Results of the Company for the year ended 31st March 2022.
4. Independent Auditor's Report on Standalone Financial Results of the Company for the year ended 31st March 2022, issued by Statutory Auditors S.R. Batliboi & Associates LLP, Chartered Accountants.

The Board meeting commenced at 04.30 p.m. and concluded at 06.32 p.m.

We request you to take the above on record.

Thanking you,

For VR Dakshin Private Limited

Rajendra Pai
(Chief Financial Officer)



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Statement of Audited Financial results for the quarter and year ended March 31, 2022

a. Statement of financial results		(Rs. in millions)				
	Particulars	Quarter Ended	Preceding Quarter	Corresponding	Current year ended	Previous year ended
		March 31, 2022	ended December 31, 2021	Quarter ended March 31, 2021	March 31, 2022	March 31, 2021
		Audited (refer note 11)	Unaudited	Unaudited (refer note 3)	Audited	Audited
1	Income					
	Revenue from operations	617.08	534.62	445.34	1,735.64	1,155.90
	Other income	19.86	11.28	11.07	60.50	75.70
	Total Income	636.94	545.90	456.41	1,796.14	1,231.60
2	Expenses					
	Employee benefits expense	20.40	18.99	30.76	79.65	98.08
	Depreciation and amortization expense	95.87	105.20	103.45	403.58	414.40
	Finance costs	389.17	408.22	345.61	1,600.06	1,455.98
	Other expenses	137.20	132.66	217.11	690.28	580.10
	Total Expenses	642.64	665.06	696.93	2,773.57	2,548.56
3	Loss before tax (1-2)	(5.70)	(119.16)	(240.52)	(977.43)	(1,316.96)
4	Tax expense					
	(i) Current tax	-	-	-	-	-
	(ii) Deferred tax charge/(credit)	1.27	(0.80)	15.13	(0.23)	57.62
	Total	1.27	(0.80)	15.13	(0.23)	57.62
5	Loss for the year/period (3-4)	(6.97)	(118.36)	(255.65)	(977.20)	(1,374.59)
6	Other comprehensive income (net of tax expenses)	0.54	-	0.92	0.54	0.92
7	Total comprehensive income for the year/period (5+6)	(6.43)	(118.36)	(254.73)	(976.66)	(1,373.67)
8	Paid-up equity share capital (Face value per share - Rs. 10)	0.20	0.20	0.20	0.20	0.20
9	Reserves and Surplus [included under Other Equity]	(3,498.63)	(3,492.19)	(2,521.98)	(3,498.63)	(2,521.98)
10	Net worth (refer Note 6 below)	(3,498.43)	(3,491.99)	(2,521.78)	(3,498.43)	(2,521.78)
11	Paid-up debt capital (refer note 6)	13,657.25	13,774.43	14,054.38	13,657.25	14,054.38
12	Earnings Per Share (EPS) - (in Rs.) (not annualised, face value Rs.10)					
	a) Basic	(318)	(5,406)	(11,678)	(44,637)	(62,789)
	b) Diluted	(318)	(5,406)	(11,678)	(44,637)	(62,789)
13	Capital Redemption Reserve (CRR)	-	-	-	-	-
14	Debenture redemption reserve (DRR)	-	-	-	-	-
15	Ratios (not annualised) (refer Note 6 below)					
	a) Debt equity ratio	(3.90)	(3.94)	(5.57)	(3.90)	(5.57)
	b) Debt service coverage ratio (DSCR)	1.52	0.57	0.25	0.31	0.08
	c) Interest service coverage ratio (ISCR)	0.99	0.71	0.30	0.39	0.10
	d) CRR/DRR	-	-	-	-	-
	e) Current ratio	0.37	0.32	0.42	0.37	0.42
	f) Long term debt to working capital	(7.86)	(7.60)	(11.93)	(7.86)	(11.93)
	g) Bad debts to account receivable ratio	(0.04)	(0.09)	0.21	0.60	0.58
	h) Current liability ratio	0.15	0.14	0.11	0.15	0.11
	i) Total debts to total assets	0.97	0.99	0.97	0.97	0.97
	j) Debtors turnover	2.77	2.81	1.52	6.81	5.30
	k) Inventory turnover	0.20	0.31	0.12	0.92	0.81
	l) Operating margin %	62.14%	53.71%	23.60%	35.87%	7.25%
	m) Net profit margin %	(1.04%)	(22.14%)	(57.20%)	(56.27%)	(118.92%)

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b. Statement of assets and liabilities		(Rs. in millions)	
	Particulars	As at March 31, 2022	As at March 31, 2021
		[Audited]	[Audited]
1	ASSETS		
	Non-current Assets		
	Property, plant and equipment	605.69	637.61
	Investment property	11,939.56	12,270.26
	Capital work-in-progress	1.82	1.58
	Financial Assets		
	Investments	0.01	0.01
	Other financial assets	47.83	69.55
	Assets for Current tax (net)	296.97	481.55
	Other non-current assets	195.76	196.21
	Sub total	13,087.64	13,656.77
	Current Assets		
	Inventories	18.36	17.86
	Financial assets		
	Loans	-	0.50
	Trade receivables	240.03	269.50
	Cash and cash equivalents	91.99	92.43
	Bank balances other than Cash and cash equivalents	338.99	312.48
	Other current financial assets	209.16	83.42
	Other current assets	46.93	36.34
	Sub total	945.46	812.53
	Total Assets	14,033.10	14,469.29
2	EQUITY AND LIABILITIES		
	Equity		
	Equity share capital	0.20	0.20
	Other equity	(3,498.63)	(2,521.97)
	Sub total	(3,498.43)	(2,521.77)
	LIABILITIES		
	Non-Current Liabilities		
	Financial liabilities		
	Borrowings	12,731.56	13,364.27
	Lease Liabilities	41.75	41.31
	Other non-current financial liabilities	1,765.72	1,223.25
	Deferred revenue	19.61	22.08
	Long term provisions	2.79	2.76
	Deferred tax liabilities (net)	403.98	404.40
	Sub total	14,965.41	15,058.06
	Current Liabilities		
	Financial liabilities		
	Borrowings	925.68	690.11
	Lease Liabilities	4.42	4.73
	Trade payables		
	i) total outstanding dues of micro enterprises and small enterprises	16.59	-
	ii) total outstanding dues of creditors other than micro enterprises and small enterprises	245.47	239.78
	Other current financial liabilities	1,290.93	950.48
	Other current liabilities	64.74	23.71
	Deferred revenue	15.94	21.96
	Provisions	2.35	2.23
	Sub total	2,566.12	1,933.00
	Total equity and liabilities	14,033.10	14,469.29

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c. Statement of cash flows		(Rs. in millions)	
	Particulars	As at March 31, 2022 [Audited]	As at March 31, 2021 [Audited]
1	Cash flows from operating activities		
	Loss before tax	(977.43)	(1,316.96)
	<i>Adjustments to reconcile loss before tax to net cash flows:</i>		
	Depreciation on property, plant and equipment & investment property	403.58	414.40
	Finance income	(38.07)	(55.16)
	Finance costs	1,596.30	1,452.21
	Impairment of trade receivables and contract assets	151.72	126.30
	Re-measurement gains/ (losses) on defined benefit plan	0.54	0.92
	Share of (profit)/ loss from investment in partnership firm	(0.00)	(0.00)
	Operating profit before working capital changes	1,136.64	621.71
	Working capital adjustments:		
	(Increase)/ decrease in trade receivables	(122.26)	(229.16)
	(Increase)/ decrease in investments	(0.00)	(0.00)
	(Increase)/ decrease in inventories	(0.50)	2.71
	(Increase)/ decrease in other financial assets	(105.72)	(25.62)
	(Increase)/ decrease in other assets and loans	(11.79)	(3.59)
	Increase/ (decrease) in trade payables and other financial liabilities	94.85	99.36
	Increase/ (decrease) in provisions	0.15	(1.17)
	Increase/ (decrease) in other liabilities	38.31	(11.75)
	Cash generated from operations	1,029.66	452.48
	Income Tax Paid (net of Refund)	184.39	57.39
	Net cash flows from operating activities (A)	1,214.05	509.87
2	Cash flows from investing activities		
	Purchase of property, plant and equipment & Investment Property (including capital work-in-progress and capital advances)	(59.85)	(100.03)
	Investments in fixed deposits	(69.61)	(491.59)
	Redemption of fixed deposits	42.73	518.70
	Interest received	39.76	55.67
	Net cash flows from investing activities (B)	(46.96)	(17.25)
3	Cash flows from financing activities		
	Proceeds from term loan from banks	-	171.92
	Proceeds from short-term borrowings	36.90	-
	Repayment of term loan from banks & financial institutions	(153.66)	(57.02)
	Repayment of non-convertible bonds issued to banks	(267.34)	(134.00)
	Repayment of short-term borrowings	(12.74)	(27.08)
	Interest paid (gross)	(770.69)	(855.52)
	Net cash flows used in financing activities (C)	(1,167.53)	(901.70)
4	Net increase in cash and cash equivalents (A + B + C)	(0.44)	(409.08)
	Cash and cash equivalents at the beginning of the period	92.43	501.51
	Cash and cash equivalents at the end of the period	91.99	92.43

		(Rs. in millions)	
	Components of cash and cash equivalents	As at March 31, 2022 [Audited]	As at March 31, 2021 [Audited]
1	Balance with banks		
	- On current accounts	90.50	91.13
	Cash on hand	1.49	1.30
	Total cash and cash equivalents as reported in Balance Sheet	91.99	92.43

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Notes to the financial results for the year ended March 31, 2022

- 1 VR Dakshin Private Limited (formerly known as Sugam Vanija Holdings Private Limited) ('the Company') 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 quarter and year ended March 31, 2022 have been reviewed and taken on record at the meeting of the Board of Directors of the Company held on December 19, 2022. The statutory auditors of the Company have audited the financial results of the Company for the quarter and year ended March 31, 2022.
- 3 The figures for the corresponding quarter ended March 31, 2021, as reported in the accompanying Statement of financial results have been approved by the Company's Board of Directors, but have not been subjected to an audit.
- 4 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.
- 5 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 order to safeguard its Interest, Company has kept the writ petition open and the management of the Company does not expect any bearing on the matter whatsoever.

- 6 Assumptions to financial ratios:
 - (a) Debt equity ratio = Paid-up debt capital [long-term borrowings + short-term borrowings] / Total equity (Net worth) [equity share capital+other equity].
 - (b) DSCR = Profit or loss before finance cost and tax expenses/ (Finance cost + Principal repayment).
 - (c) ISCR = Profit or loss before finance cost and tax expenses/ Finance cost.
 - (d) CRR/DRR = Capital Redemption Reserve (CRR) / Debenture redemption reserve (DRR).
 - (e) Current ratio = Total current assets / Total current liabilities.
 - (f) Long term debt to working capital = Non-current borrowings / Working capital [current assets-current liabilities].
 - (g) Bad debts to account receivable ratio = Bad debts incurred during the period / Average of opening and closing balances of Trade Receivables.
 - (h) Current liability ratio = Total current liabilities / Total liabilities.
 - (i) Total debts to total assets = Total debt [long-term borrowings + short-term borrowings] / Total assets.
 - (j) Debtors turnover = Revenue from operations / Average of opening and closing balances of Trade Receivables.
 - (k) Inventory turnover = Cost of materials consumed / Average of opening and closing balances of inventories.
 - (l) Operating margin % = Operating profit [Loss before tax - Other income + Finance cost] / Revenue from operations.
 - (m) Net profit margin % = Profit/(loss) for the year (before OCI) /Revenue from operations.
- 7 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 year and accordingly the accompanying financial results are 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 March 31, 2022, are fully recoverable. The management has also estimated the future cash flows 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. Further as at March 31, 2022, the Company is not in compliance with one of the financial covenants in relation to listed & tradable redeemable non-convertible bonds as specified in clause 2.3 of schedule 3 of Debenture Trust Deed dated December 03, 2018. The management of the Company doesn't foresee any material impact which requires adjustments to financial results.

During the year ended March 31, 2022, the leasing and hospitality operations of the Company was impacted due to COVID-19 restrictions. 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.

- 8 The Metrozone ("Chennai project") is a mixed use of residential cum commercial project being developed by Ozone Projects Private Limited (OPPL) and VR Dakshin Private Limited ("VR Dakshin" or "the Company"). The residential portion is to be developed by OPPL and the commercial portion is to be developed by VR Dakshin. As per the agreement executed between OPPL and VR Dakshin, OPPL was required to construct a retention wall in order to facilitate the commercial development undertaken by VR Dakshin. OPPL expressed its inability to construct the said retention wall and further OPPL requested VR Dakshin 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 and the Company has further given bank guarantee of Rs.96.73 million in favour of Chennai Metropolitan Development Authority on behalf of OPPL. The Company had demanded for the payment of the said amount during the year ended March 31, 2019 and had shown the said amount as good recoverable based on their arrangement with OPPL.

The Company was in advance stages of finalising a plan to recover the above amount through transfer of certain units in the residential project of OPPL by OPPL and accordingly the Company, during the year ended March 31, 2021 had obtained possession of certain units pending for registration. Subsequent to year ended March 31, 2022, the Company has issued notice for execution of registration and possession of remaining units.

Based on Company's future plans the said amount has been classified under capital advances. The management of the Company is confident that the said amount would be recoverable based on their arrangement with OPPL.

- 9 The accumulated losses of the Company as of March 31, 2022 have exceeded its paid up capital and reserves. The Company has incurred net loss for the quarter and year ended March 31, 2022 and the Company's current liabilities exceeded its current assets as at that date indicating uncertainty about company's ability to continue as going concern. However, the Company has obtained a support letter from its Parent indicating that the Parent will take necessary actions to organize for any shortfall in liquidity during the period of 12 months from the balance sheet date. Based on the above, the Company is confident of its ability to meet the funds requirement and to continue its business as a going concern and accordingly, the financial results have been prepared on that basis.

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- 10 Total non-convertible debentures and non-convertible bonds of the Company outstanding as on March 31, 2022 are Rs. 8,725.03 million out of which, secured non-convertible bonds are Rs. 4,245.03 million. The secured non-convertible bonds of the Company aggregating to Rs. 4,245.03 million as on March 31, 2022 are secured by way of exclusive mortgage on the property and exclusive charge by way of hypothecation on certain assets in relation to property.
The asset cover as on March 31, 2022 is 1.66 times the principal amount of the said secured non-convertible bonds.
During the year April 2021 to March 2022, the Company has redeemed listed secured non-convertible bonds amounting to Rs. 267.34 million.
- 11 The figures of the last quarter are the balancing figures between audited figures in respect of the full financial year up to March 31, 2022 and the unaudited published year-to-date figures up to December 31, 2021, being the date of the end of the third quarter of the financial year which were subjected to limited review.
- 12 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 13 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

VR Dakshin Private Limited

Chinoy
Tariq
Maqbool

Digitally signed
by Chinoy Tariq
Maqbool
Date: 2022.12.19
18:46:08 +05'30'

Tariq Chinoy

Director

DIN: 08830666

Place : Mumbai

Date : December 19, 2022

Independent Auditor's Report on the Quarterly and Year to Date Audited Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To
The Board of Directors of
VR Dakshin Private Limited
(Formerly known as Sugam Vanijya Holdings Private Limited)

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of quarterly and year to date financial results of VR Dakshin Private Limited (the "Company") for the quarter ended March 31, 2022 and for the year ended March 31, 2022 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net loss and other comprehensive loss and other financial information of the Company for the quarter ended March 31, 2022 and for the year ended March 31, 2022.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 5 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 opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net loss and other comprehensive loss of the Company and other financial information in accordance with the applicable accounting standards prescribed under Section 133 of the

Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 with reference to financial statements 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 the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 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 results 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 Statement, including the disclosures, and whether the Statement represents 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.

Other Matter

The figures for the corresponding quarter ended March 31, 2021, as reported in these financial results have been approved by the Company's Board of Directors, but have not been subjected to an audit.

The Statement includes the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year ended March 31, 2022 and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subjected to a limited review by us, as required under the Listing Regulations.

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

ADARSH Digitally signed
by ADARSH
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RANKA Date: 2022.12.19
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per Adarsh Ranka
Partner
Membership No.: 209567

UDIN: 22209567BFSUAJ7588

Place: Bengaluru, India
Date: December 19, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of VR Dakshin Private Limited
(Formerly known as Sugam Vanijya Holdings Private Limited)

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

We have audited the accompanying financial statements of VR Dakshin Private Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, 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 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, 2022, 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 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 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 financial statements.

Emphasis of Matter

We draw attention to Note 31(c)(i) to the 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 modified in respect of this matter.

Key Audit Matters

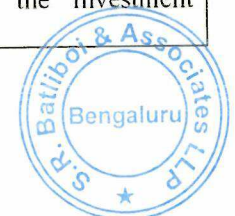
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion 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 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 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 financial statements.

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 financial statements)	
<p>Lease rental income amounted to Rs. 1,168.59 million for the year ended March 31, 2022. 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. 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 recoverability of carrying value of Investment property and Property, plant and equipment (PPE) (as described in note 2.2(b), note 2.2(c), note 2.2(e), note 3(b)(iii) and note 3(b)(v) of the financial statements)	
<p>As at March 31, 2022, the carrying value of the Investment property and PPE is Rs. 11,939.56 million and Rs. 605.69 million respectively. The carrying value of the investment property, PPE and CWIP (collectively referred to as 'Assets') 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 Assets i.e. ensuring that its Assets are carried at no more than their recoverable amount.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We assessed the Company's valuation methodology and assumptions based on current economic and market conditions including effects of COVID-19 pandemic applied in determining the recoverable amount. • We obtained and read the management internal valuation or valuation report used by the management for determining the fair value ('recoverable amount') of the Investment property, PPE and CWIP.



Key audit matters	How our audit addressed the key audit matter
We considered the valuation of Investment property, PPE and CWIP as a key audit matter given the value of the underlying Assets and the significant estimates and judgment including effects of COVID-19 involved in its impairment assessment.	<ul style="list-style-type: none">• We assessed the key assumptions used in the valuation including but not limited to discount rates, cash flows, etc.• We considered the independence, competence and objectivity of the management specialist involved in determination of valuation.• 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, PPE and CWIP to the carrying value in books.• We also assessed the adequacy of the disclosures made in the financial statements.

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 financial statements and our auditor's report thereon.

Our opinion on the 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 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.

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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 with reference to financial statements 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 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 financial statements, including the disclosures, and whether the 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 financial statements for the financial year ended March 31, 2022 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, 2020 ("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 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (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, 2022;
 - (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 financial statements – Refer Note 31(c) to the 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.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities,



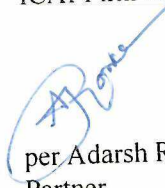
including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

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


per Adarsh Ranka
Partner

Membership Number: 209567
UDIN: 22209567BFSUCM7206



Place of Signature: Bengaluru, India
Date: December 19, 2022

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

Re: VR Dakshin Private Limited (Formerly known as Sugam Vanijya Holdings Private Limited) (“the Company”)

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of investment property and property, plant and equipment.
- (a)(B) The Company has not capitalized any Intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (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) The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) 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).
- (d) The Company has not revalued its property, plant and equipment (including Right of use assets) or Intangible assets during the year ended March 31, 2022.
- (e) As disclosed in Note 45(i) to financial statements, there are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification. There was no inventory lying with third parties.
- (b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks/financial institutions during any point of time of the year on the basis of security of current assets of the Company. Based on representation given by the management, there were no requirements of filing quarterly returns or statements with such banks/financial institutions during the year. Hence, we are unable to comment on the agreement with the books of account of the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability



- Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
- (c), (d) & (e) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c), (d) & (e) of the Order are not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including goods and services tax, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in remittance of provident fund, employees' state insurance and tax deducted at source. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable
- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited 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	-	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax liability	-	2015-16	Income Tax Appellate Tribunal

Net of Rs. 107.61 million paid/ adjusted under protest.

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix) (a) In our opinion and according to the information and explanations given by the management and based on confirmations given by bank/ financial institutions, the Company has not defaulted in repayment of loans and borrowing to bank/ financial institutions, except the Company has defaulted in case of repayment of interest dues to the holders of Fully Compulsorily Convertible Debenture amounting to Rs. 856.02 million. The details are tabulated as under:

Nature of borrowing including debt securities	Name of lender	Amount not paid on due date (Rs. In millions)	Whether principal or interest	No. of days delay	Remarks, if any
Fully Compulsorily Convertible Debentures	Moribus Holdings Pte Ltd	285.34	Interest	731 - 1006 days	In relation to FY 2019-20
Fully Compulsorily Convertible Debentures	Moribus Holdings Pte Ltd	285.34	Interest	366 - 640 days	In relation to FY 2020-21
Fully Compulsorily Convertible Debentures	Moribus Holdings Pte Ltd	285.34	Interest	1 - 275 days	In relation to FY 2021-22

- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, the Company has used funds raised on short-term basis aggregating to Rs. 990.50 million for long-term purposes.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.



- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a), (b) & (c) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with section 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. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) We were unable to obtain any of the internal audit reports of the Company as the internal audit is currently under process, hence we are unable to comment on the requirements under this clause.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

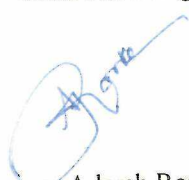


S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has incurred cash losses in the current year amounting to Rs. 305.92 million. In the immediately preceding financial year, the Company had incurred cash losses amounting to Rs. 737.11 million.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in Note 44 to the financial statements, the ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions and considering the Company's current liabilities exceeds the current assets by Rs. 1,620.65 million, the Company has obtained the letter of financial support from the Holding Company, nothing has come to our attention, which causes us to believe that Company is not capable of meeting its liabilities, existing at the date of balance sheet, as and when they fall due within a period of one year from the balance sheet date.
- We, further state that this is not an assurance as to the future viability of the Company and our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) & (b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order are not applicable to the Company.

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



per Adarsh Ranka
Partner

Membership Number: 209567
UDIN: 22209567BFSUCM7206



Place of Signature: Bengaluru, India
Date: December 19, 2022

Annexure 2 to the Independent Auditor's Report of even date on the financial statements of VR Dakshin Private Limited (Formerly known as 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 were engaged to audit the internal financial controls with reference to financial statements of VR Dakshin Private Limited ("the Company") as of March 31, 2022, 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 ("ICAI"). 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 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, both issued by ICAI.

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls with reference to these financial statements of the Company.

Meaning of Internal Financial Controls With Reference to Financial Statements

A company's internal financial control with reference to 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 with reference to 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.

Disclaimer of Opinion

According to the information and explanation given to us, the Company has not established its internal financial control with reference to financial statements on criteria based on or considering the essential components of internal control stated in the Guidance Note issued by ICAI. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the

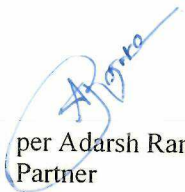


Company had adequate internal financial controls with reference to financial statements as at March 31, 2022 and whether such internal financial controls were operating effectively. Accordingly, we do not express an opinion on Internal Financial Controls with reference to these financial statements.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by ICAI, as specified under Section 143(10) of the Act, the financial statements of VR Dakshin Private Limited, which comprise the Balance Sheet as at March 31, 2022, and the related 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, and our report dated December 19, 2022 expressed an unqualified opinion thereon. We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company, and the disclaimer does not affect our opinion on the financial statements of the Company.

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


per Adarsh Ranka
Partner

Membership Number: 209567
UDIN: 22209567BFSUCM7206



Place of Signature: Bengaluru, India
Date: December 19, 2022

VR Dakshin Private Limited
(formerly known as Sugam Vanijya Holdings Private Limited)
Balance sheet as at March 31, 2022

(Rs. in millions)			
	Notes	As at 31-Mar-22	As at 31-Mar-21
Assets			
Non-current assets			
Property, plant and equipment	4.1	605.69	637.61
Capital work-in-progress	4.3	1.82	1.58
Investment property	4.2	11,939.56	12,270.26
Financial assets			
Investments	5	0.01	0.01
Other financial assets	9	47.83	69.55
Assets for current tax (net)		296.97	481.55
Other non-current assets	10	195.76	196.21
		13,087.64	13,656.77
Current assets			
Inventories	6	18.36	17.86
Financial assets			
Loans	8	-	0.50
Trade receivables	7	240.03	269.50
Cash and cash equivalents	11	91.99	92.43
Bank balance other than cash and cash equivalents	11	338.99	312.48
Other financial assets	9	209.16	83.42
Other current assets	10	46.93	36.34
		945.46	812.53
Total assets		14,033.10	14,469.29
Equity and liabilities			
Equity			
Equity share capital	12	0.20	0.20
Other equity	13	(3,498.63)	(2,521.97)
Total equity		(3,498.43)	(2,521.77)
Non-current liabilities			
Financial liabilities			
Borrowings	14	12,731.56	13,364.27
Lease Liabilities	31	41.75	41.31
Other financial liabilities	15	1,765.72	1,223.25
Deferred revenue	17	19.61	22.08
Long term provisions	18	2.79	2.76
Deferred tax liabilities (net)	19	403.98	404.40
		14,965.41	15,058.06



VR Dakshin Private Limited
(formerly known as Sugam Vanija Holdings Private Limited)
Balance sheet as at March 31, 2022

		(Rs. in millions)	
	Notes	As at 31-Mar-22	As at 31-Mar-21
Current liabilities			
Financial liabilities			
Borrowings	14	925.68	690.11
Lease Liabilities	31	4.42	4.73
Trade payables	20		
i) total outstanding dues of micro enterprises and small enterprises		16.59	-
ii) total outstanding dues of creditors other than micro enterprises and small enterprises		245.47	239.78
Other financial liabilities	15	1,290.93	950.48
Other current liabilities	16	64.74	23.71
Deferred revenue	17	15.94	21.96
Provisions	18	2.35	2.23
		2,566.12	1,933.00
Total liabilities		17,531.53	16,991.06
Total equity and liabilities		14,033.10	14,469.29

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

For and on behalf of the Board of Directors of
VR Dakshin Private Limited



per Adarsh Ranka
Partner
Membership No.: 209567



Place: Bengaluru, India
Date: December 19, 2022


Tariq Chinoy
Director
DIN: 08830666

Place: Mumbai, India
Date: December 19, 2022


Jay Dayani
Director
DIN: 09663289

Place: Mumbai, India
Date: December 19, 2022


Rajendra Pai
Chief Financial Officer

Place: Bengaluru, India
Date: December 19, 2022


Rashmi Sharma
Company Secretary

Place: Gurgaon, India
Date: December 19, 2022

VR Dakshin Private Limited
(formerly known as Sugam Vanija Holdings Private Limited)
Statement of profit and loss for the year ended March 31, 2022

		(Rs. in millions)	
	Notes	31-Mar-22	31-Mar-21
Income			
Revenue from operations	21	1,735.64	1,155.90
Other income	22	60.50	75.70
Total income		1,796.14	1,231.60
Expenses			
Employee benefits expense	23	79.65	98.08
Depreciation and amortisation expense	24	403.58	414.40
Finance costs	26	1,600.06	1,455.98
Other expenses	25	690.28	580.10
Total expenses		2,773.57	2,548.56
Loss before tax		(977.43)	(1,316.96)
Tax expenses			
Current tax	19	-	-
Deferred tax charge/ (credit)	19	(0.23)	57.62
Income tax expense		(0.23)	57.62
Loss for the year		(977.20)	(1,374.59)
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		0.73	1.25
Income tax effect		(0.19)	(0.33)
Other comprehensive income for the year, net of tax		0.54	0.92
Total comprehensive income for the year		(976.66)	(1,373.67)
Earnings per equity share (in Rs.) [nominal value of Rs. 10 (Previous year - Rs. 10)]			
Basic and Diluted	30	(44,637)	(62,789)
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

For and on behalf of the Board of Directors of
VR Dakshin Private Limited

per Adarsh Ranka
Partner
Membership No.: 209567



T2
Tariq Chinoy
Director
DIN: 08830666

Jay
Jay Dayani
Director
DIN: 09663289

Place: Bengaluru, India
Date: December 19, 2022

Place: Mumbai, India
Date: December 19, 2022

Place: Mumbai, India
Date: December 19, 2022

Rajendra Pai
Chief Financial Officer

Rashmi Sharma
Company Secretary

Place: Bengaluru, India
Date: December 19, 2022

Place: Gurgaon, India
Date: December 19, 2022

VR Dakshin Private Limited
(formerly known as Sugam Vanijya Holdings Private Limited)
Statement of Cash Flows for the year ended March 31, 2022

(Rs. in millions)

	31-Mar-22	31-Mar-21
Operating activities		
Loss before tax	(977.43)	(1,316.96)
<i>Adjustments to reconcile loss before tax to net cash flows:</i>		
Depreciation on property, plant and equipment & investment property	403.58	414.40
Finance income (including fair value change in financial instruments)	(38.07)	(55.16)
Finance costs (including fair value change in financial instruments)	1,596.30	1,452.21
Impairment of trade receivables and contract asset	151.72	126.30
Re-measurement gains/ (losses) on defined benefit plan	0.54	0.92
Share of (profit)/ loss from investment in partnership firm	(0.00)	(0.00)
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	(122.26)	(229.16)
(Increase)/ decrease in investments	(0.00)	(0.00)
(Increase)/ decrease in inventories	(0.50)	2.71
(Increase)/ decrease in other financial assets	(105.72)	(25.62)
(Increase)/ decrease in other assets and loans	(11.79)	(3.59)
Increase/ (decrease) in trade payables and other financial liabilities	94.85	99.36
Increase/ (decrease) in provisions	0.15	(1.17)
Increase/ (decrease) in other liabilities	38.31	(11.75)
	1,029.66	452.48
Income tax paid (net of refund)	184.39	57.39
Net cash flows from operating activities (A)	1,214.05	509.87
Investing activities		
Purchase of property, plant and equipment & Investment Property (including capital work-in-progress and capital advances)	(59.85)	(100.03)
Investments in fixed deposits	(69.61)	(491.59)
Redemption of fixed deposits	42.73	518.70
Interest received	39.76	55.67
Net cash flows used in investing activities (B)	(46.96)	(17.25)
Financing activities		
Proceeds from term loan from banks	-	171.92
Proceeds from short-term borrowings	36.90	-
Repayment of term loan from banks & financial institutions	(153.66)	(57.02)
Repayment of non-convertible bonds issued to banks	(267.34)	(134.00)
Repayment of short-term borrowings	(12.74)	(27.08)
Interest paid (gross)	(770.69)	(855.52)
Net cash flows used in financing activities (C)	(1,167.53)	(901.70)
Net increase/ (decrease) in cash and cash equivalents	(0.44)	(409.09)
Cash and cash equivalents at the beginning of the year (refer note 11)	92.43	501.51
Cash and cash equivalents at the end of the year (refer note 11)	91.99	92.43

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: 101049WE300004

For and on behalf of the Board of Directors of
VR Dakshin Private Limited

per Adarsh Ranka
Partner
Membership No.: 209567



Place: Bengaluru, India
Date: December 19, 2022

T2 Jay
Tariq Chinoy Director
DIN: 08830666
Jay Dayani Director
DIN: 09663289

Place: Mumbai, India
Date: December 19, 2022
Place: Mumbai, India
Date: December 19, 2022

Rajendra Pai Chief Financial Officer
Rashmi Sharma Company Secretary

Place: Bengaluru, India
Date: December 19, 2022
Place: Gurgaon, India
Date: December 19, 2022

VR Dakshin Private Limited
 (formerly known as Sugam Vanijya Holdings Private Limited)
 Statement of changes in equity for the year ended March 31, 2022

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, 2020	0.02	0.20
At March 31, 2021	0.02	0.20
March 31, 2022	0.02	0.20

b. Other equity*

For the year ended March 31, 2022

	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, 2021	343.10	1,599.59	(4,464.66)	(2,521.97)
Loss for the year	-	-	(977.20)	(977.20)
Other comprehensive income				
Re-measurement gains/ (losses) on defined benefit plans	-	-	0.54	0.54
At March 31, 2022	343.10	1,599.59	(5,441.31)	(3,498.63)

(Rs. in millions)

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VR Dakshin Private Limited
 (formerly known as Sugam Vanija Holdings Private Limited)
 Statement of changes in equity for the year ended March 31, 2022

For the year ended March 31, 2021

(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, 2020	343.10	1,599.59	(3,090.98)	(1,148.30)
Loss for the year	-	-	(1,374.59)	(1,374.59)
Other comprehensive income				
Re-measurement gains/ (losses) on defined benefit plans	-	-	0.92	0.92
At March 31, 2021	343.10	1,599.59	(4,464.66)	(2,521.97)

*Also refer note 13

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

For and on behalf of the Board of Directors of
 VR Dakshin Private Limited

per Adarsh Ranka
 Partner
 Membership No.: 209567

Place: Bengaluru, India
 Date: December 19, 2022



T2

Tariq Chinoy
 Director
 DIN: 08830666

Place: Mumbai, India
 Date: December 19, 2022

Jay

Jay Dayani
 Director
 DIN: 09663289

Place: Mumbai, India
 Date: December 19, 2022

Rajendra Pai
 Chief Financial Officer

Place: Bengaluru, India
 Date: December 19, 2022

Rashi

Rashmi Sharma
 Company Secretary

Place: Gurgaon, India
 Date: December 19, 2022


45 Other statutory information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- (viii) The Company is not a declared wilful defaulter by any bank or financial institution or any other lender.

As per our report of even date


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

For and on behalf of the Board of Directors of
VR Dakshin Private Limited

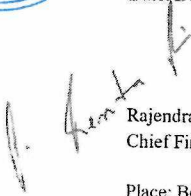

per Adarsh Ranka
Partner
Membership No.: 209567

Place: Bengaluru, India
Date: December 19, 2022





Tariq Chinoy
Director
DIN: 08830666


Place: Mumbai, India
Date: December 19, 2022


Rajendra Pai
Chief Financial Officer

Place: Bengaluru, India
Date: December 19, 2022


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Company Secretary

Place: Gurgaon, India
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