

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

To,
The Manager,
Listing Department,
Debt Market,
BSE Ltd,
PJ Towers, Dalal Street,
Mumbai – 400 001

Date: 14th November, 2019

Dear Sir/Ma'am,

Kind attention: Please ignore the previous covering letter submitted on yesterday

Reference: Sugam Vanijya Holdings Private Limited - Script Code: 951654, 958505 & 958506

Subject: Submission of Limited Reviewed Half-yearly Financial Results under Regulation 52 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015.

Pursuant to Regulation 52 of SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 ("Listing Regulation"), we wish to inform you that the Board of Directors at its meeting held on 13th November, 2019 has approved the Limited Reviewed half-yearly Financial Results for the period ended 30th September, 2019.

Accordingly, we are enclosing the followings:

1. A copy of Limited Reviewed Half-yearly Financial Results of the Company for the period ended 30th September, 2019;
2. Limited Review Report on Half-yearly Financial Results of the Company for the period ended 30th September, 2019, issued by Statutory Auditors M/s S. R. Batliboi & Associates LLP, Chartered Accountant;
3. Disclosures pursuant to Regulation 52(4) of the Listing Regulations; and
4. Statement pursuant to Regulation to Regulation 52(7) of the Listing Regulations;

Further, the certificate of the Debenture Trustee, IDBI Trusteeship Services Limited & Catalyst Trusteeship Limited, as required under Regulation 52(5) of the Listing Regulations and publication of financial results as per Regulation 52(8) shall be provided shortly.

The meeting of the Board of Directors held on 13th November, 2019 commenced at 4.00 PM and concluded at 8.00 PM. Kindly acknowledge the receipt of the same and make these available to the public at large.

Thanks & Regards,
For **Sugam Vanijya Holdings Private Limited**



Madhumita Sarkar
(Company Secretary)
Place: Bangalore



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, 2019 (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. As more fully described in Note 7 of the statement, the Company has not accounted interest expenses aggregating to Rs. 313.04 millions on debentures for the six months period ended September 30, 2019. Had the aforesaid amount been provided in the books of account, profit before tax for the six months period ended September 30, 2019 of the Company would have decreased by Rs. 313.04 millions, Shareholders' funds would have been reduced by Rs. 338.63 millions. In respect of the above matter, our review report for the half year ended September 30, 2018 was also similarly qualified.
5. Based on our review conducted as above, except the matter referred in paragraph 4 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with 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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

6. 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 conclusion is not modified in respect of this matter.

For S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004



per Adarsh Ranka

Partner

Membership No.: 209567



UDIN: 19209567AAAAFN9006

Place: FRANKFURT, GERMANY

Date: November 13, 2019

Sugam Vanija 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, 2019

a. Statement of profit and loss

(Rs. In millions)

	Particulars	Current 6 months ended 30/09/2019	Corresponding 6 months ended in the previous year 30/09/2018	Year to Date figures ended 30/09/2019	Previous year ended 31/03/2019
		[Unaudited]	[Unaudited]	[Unaudited]	[Audited]
1	Income				
	Revenue from operations	1,251.88	662.53	1,251.88	1,788.29
	Other Income	29.50	17.04	29.50	48.21
	Total Income	1,281.38	679.57	1,281.38	1,836.50
2	Expenses				
	Employee benefits expense	98.66	64.29	98.66	151.85
	Depreciation and amortization expense	198.26	144.61	198.26	338.23
	Finance costs	448.41	521.68	448.41	1,359.58
	Other expenses	473.36	340.62	473.36	927.57
	Total Expenses	1,218.68	1,071.21	1,218.68	2,777.23
3	Profit/(loss) before tax (1-2)	62.69	(391.63)	62.69	(940.73)
4	Tax expense				
	(I) Current tax	-	-	-	-
	(II) Deferred tax charge/(credit)	(0.67)	11.82	(0.67)	46.26
	Total	(0.67)	11.82	(0.67)	46.26
5	Profit/(loss) for the period (3-4)	63.37	(403.45)	63.37	(986.99)
6	Other comprehensive income (net of tax expenses)	-	-	-	(1.12)
7	Total comprehensive income for the period (5+6)	63.37	(403.45)	63.37	(988.11)
8	Paid-up equity share capital (Face value per share - Rs. 10)	0.20	0.20	0.20	0.20
9	Paid-up debt capital (refer note 6)	13,680.52	12,255.37	13,680.52	13,680.51
10	Reserves and Surplus [Included under Other Equity]	(235.77)	285.52	(235.77)	(299.14)
11	Earnings Per Share (EPS) - (in Rs.) (not annualised, face value Rs.10)				
	a) Basic	2,894.49	(18,428.79)	2,894.49	(45,135.21)
	b) Diluted	2,894.49	(18,428.79)	2,894.49	(45,135.21)
12	Debt equity ratio (refer note 6)	(58.07)	42.89	(58.07)	(45.76)
13	Debt service coverage ratio (DSCR) (refer note 6)	1.03	0.25	1.03	0.08
14	Interest service coverage ratio (ISCR) (refer note 6)	1.14	0.25	1.14	0.31

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Sugam Vanijya Holdings Private Limited

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b. Balance Sheet

(Rs. in millions)

	Particulars	As at	As at
		30/09/2019	31/09/2019
		(Unaudited)	(Audited)
1	ASSETS		
	Non-current Assets		
	Property, plant and equipment	577.67	599.09
	Capital work-in-progress	169.50	118.69
	Investment property	12,728.94	12,831.85
	Financial assets		
	Investments	0.00	0.00
	Other financial assets	64.69	35.41
	Assets for current tax (net)	443.43	358.68
	Other non-current assets	116.12	124.21
		14,100.36	14,067.93
	Current Assets		
	Inventories	12.63	13.10
	Financial assets		
	Trade receivables	113.51	127.83
	Cash and cash equivalents	124.38	149.51
	Bank balances other than cash and cash equivalents	319.80	244.80
	Other current financial assets	81.19	73.00
	Other current assets	213.99	186.34
		865.50	794.57
	Total Assets	14,965.86	14,862.51
2	EQUITY AND LIABILITIES		
	Equity		
	Equity share capital	0.20	0.20
	Other equity	(235.77)	(299.14)
		(235.57)	(298.94)
	LIABILITIES		
	Non-Current Liabilities		
	Financial liabilities		
	Borrowings	13,442.57	13,543.47
	Other financial liabilities	381.23	383.34
	Deferred revenue	61.90	73.45
	Long term provisions	3.61	3.61
	Deferred tax liabilities (net)	294.78	295.45
		14,184.09	14,299.32
	Current Liabilities		
	Financial liabilities		
	Borrowings	46.58	-
	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	168.84	165.28
	Other financial liabilities	711.44	604.09
	Other current liabilities	38.28	38.10
	Deferred revenue	49.81	52.26
	Provisions	2.39	2.39
		1,017.34	862.12
	Total equity and liabilities	14,965.86	14,862.51



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

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Notes to the financial results for the half year ended September 30, 2019

- 1 Sugam Vanija 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, 2019 have been reviewed by the Audit Committee and taken on record at the meeting of the Board of Directors of the Company held on November 13, 2019. The statutory auditors of the Company have reviewed the financial results of the Company for the half year ended September 30, 2019.
- 3 Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" using the modified retrospective approach which is applied to all lease contracts existing on April 01, 2019. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 116 was insignificant on the financial results.
- 4 The Company is engaged in the business of real estate development w.r.t. mall development and management. As such, the Company operates in single business and geographical segment and hence disclosing information as per requirements of Ind AS 108 "Operating Segments" is not required.
- 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 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.

6 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.

- 7 The Company has not accounted interest expenses aggregating to Rs. 313.04 millions on Fully Compulsorily Convertible Debentures (FCCDs) payable on quarterly basis and Non Convertible Debenture (NCDs) payable on annually basis for the six months period ended September 30, 2019. Accordingly, profit before tax for the six month period ended September 30, 2019 is higher by Rs. 313.04 millions and Shareholders' funds is higher by Rs. 338.63 millions. The auditors have modified their review report in this regard.



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- 8 During half year ended September 30, 2019, the Company has entered into an arrangement with another entity to move out its leasing of office spaces located in Bengaluru and Chennai. In view of which, the Company has terminated existing lease agreements with certain tenants on August 31, 2019. The Company has entered into lease/ maintenance agreement with the aforesaid entity for the said office spaces effective September 01, 2019 and accordingly made necessary adjustments to the financial results.
- 9 The financial results indicate that the Company has accumulated losses amounting to Rs. 235.77 million, its net worth has been fully eroded, the Company has incurred net cash loss during the half year ended September 30, 2019 and current liability exceeds current assets by Rs. 151.85 million as at September 30, 2019.

These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities. The financial 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.

- 10 The Company had not accounted interest expenses aggregating to Rs. 329.62 millions on Fully Compulsorily Convertible Debentures (FCCDs) payable on quarterly basis, Non Convertible Debenture (RNCDS) payable on annually basis and Inter-corporate deposit (ICD) payable at the end of the ICD term for the six months period ended September 30, 2018. Accordingly, loss before tax for the six month period ended September 30, 2018 was lower by Rs. 243.77 millions, Shareholders' funds was higher by Rs. 260.13 millions and Investment Property was lower by Rs. 85.85 millions and the auditors had qualified their review report for the six months ended September 30, 2018. The Company has accounted for the said interest during the year ended March 31, 2019 and the figures in respect of half year ended September 30, 2018 have been restated after adjustment of prior period error.
- 11 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


Amit Bhushan
Director


Neeraj Kumar
Director



Place : New Delhi, India
Date : November 13, 2019



SUGAM VANIJYA HOLDINGS PRIVATE LIMITED

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Date: 14th November, 2019

To,
The Manager,
Listing Department, Debt Market,
BSE Ltd,
PJ Towers, Dalal Street,
Mumbai – 400 001

Dear Sirs/Ma'am,

Ref: Sugam Vanijya Holdings Private Limited - Script Code: 951654, 958505 & 958506

Sub: Submission of Disclosure for Non-Convertible Debenture issued on private placement basis under Regulation 52(4) of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 for the period ended 30th September, 2019.

With reference to the above subject, we submit herewith the information and documents as per the provisions of Uniform Listing Agreement entered into with the Stock Exchange where Debt Securities of the Company are listed and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 thereunder dissemination to the debenture holders as mentioned below:

a) Credit Rating and Changes in Credit Rating (if any):

Sugam Vanijya Holdings Private Limited being rated by rating CRISIL BB+/Stable by agency M/s CRISIL Ltd for 448 NCDs and ICRA BBB+ (SO) for 4725 Bonds.

Note: No change happened during the half year ended 30th September, 2019.

b) Asset Cover Ratio: 3.03

c) Debt Equity Ratio: (58.07)

a) Previous due date for the payment of interest/principal for the period ended 30th September, 2019: Interest/ Principal on 448 NCDs for the year ended 31st March, 2019 interest was paid on 31st December, 2018 and Interest/ Principal on 4725 Bonds for the period ended 30th September, 2019 was paid on 30th September, 2019.



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- d) **Next due date for the payment of interest / principal along with the amount of Interest payable and the redemption amount:** For 448 NCD, Interest is payable on quarterly basis or on a pay as able basis based on sufficiency of funds available with the Company. For 4725 Bonds, Interest is payable on monthly basis.
- e) **Debenture Redemption Reserve:** as the Company has incurred a loss for the year ended 31st March, 2019, no amount has been transferred to debenture redemption reserve.
- f) We do not have any preference share.
- g) **Net Worth:** Net Worth of the Company as on 31st March, 2019 is Rs. (235.77) millions.
- h) **Net Profit after Tax:** the net loss after tax for the year ended 31st March, 2019 is Rs. 63.37 millions.
- i) **Earning Per Share:**
Earning per equity share excluding exceptional items

Basic (EPS) in Rs.	2894.49
Diluted (DPS) in Rs.	2894.49

Earning per equity share including exceptional items

Basic (EPS) in Rs.	2894.49
Diluted (DPS) in Rs.	2894.49

Yours faithfully,

For Sugam Vanijya Holdings Private Limited



Madhumita Sarkar
(Company Secretary)
Bangalore



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Date: 14th November, 2019

To,
The Manager,
Listing Department, Debt Market,
BSE Ltd,
PJ Towers, Dalal Street,
Mumbai – 400 001

Dear Sir/Ma'am,

Reference: Sugam Vanijya Holdings Private Limited - Script Code: 951654, 958505 & 958506

Subject: Submission of Statement under Regulation 52(7) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

We wish to inform you that the proceeds raised from the issue of 448 Non-Convertible Debenture (NCDs) & 4725 Bonds during the period ended 30th September, 2019 have been utilized for the purpose as mentioned in the offer document/disclosure document and there are no material deviations in the utilization of such proceeds

We request you to take the above information on records.

Thanks & Regards,

For **Sugam Vanijya Holdings Private Limited**

Madhumita Sarkar

Madhumita Sarkar
(Company Secretary)
Bangalore

