

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: September 02, 2022

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

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

Pursuant to Regulations 52 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 September 02, 2022 has, inter alia, considered and approved the Unaudited Financial Results for the quarter ended December 31, 2021.

A copy of the above Unaudited Financial Results and the Limited Review Report, as received from the Statutory Auditors, viz; M/s. S.R Batliboi & Associates LLP, is enclosed for your information and record.

The Board meeting commenced at 3.37 p.m. and concluded at 3.55 p.m.

We request you to take the above on record.

Thanking you,

For VR Dakshin Private Limited

Rajendra Pai
Chief Financial Officer

RAJENDRA PAI
Digitally signed
by RAJENDRA
PAI
Date: 2022.09.02
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Statement of Unaudited Financial Results for the quarter and nine month ended December 31, 2021

a. Statement of financial results

(Rs. In millions)

	Particulars	Quarter ended	Preceding	Corresponding	Year to date	Year to date	Previous
		December 31, 2021	Quarter ended September 30, 2021	quarter ended December 31, 2020	figures for current period ended December 31, 2021	figures for previous period ended December 31, 2020	year ended March 31, 2021
		[Unaudited]	[Unaudited]	[Unaudited] (refer note 3)	[Unaudited]	[Unaudited]	[Audited]
1	Income						
	Revenue from operations	534.62	347.03	463.53	1,118.56	710.56	1,155.90
	Other income	9.38	2.50	7.51	15.87	13.23	20.54
	Finance income	1.90	20.51	29.06	24.77	51.40	55.16
	Total Income	545.90	370.05	500.10	1,159.20	775.19	1,231.60
2	Expenses						
	Employee benefits expense	18.99	21.26	21.98	59.25	67.32	98.08
	Depreciation and amortization expense	105.20	98.91	104.97	307.71	310.95	414.40
	Finance costs	408.22	406.02	363.92	1,210.89	1,110.37	1,455.98
	Other expenses	132.66	213.55	117.95	553.08	362.99	580.10
	Total Expenses	665.06	739.75	608.82	2,130.93	1,851.63	2,548.56
3	Loss before tax (1-2)	(119.16)	(369.70)	(108.72)	(971.73)	(1,076.44)	(1,316.96)
4	Tax expense						
	(i) Current tax	-	-	-	-	-	-
	(ii) Deferred tax charge/(credit)	(0.80)	(0.59)	14.62	(1.50)	42.49	57.62
	Total	(0.80)	(0.59)	14.62	(1.50)	42.49	57.62
5	Loss for the year/period (3-4)	(118.36)	(369.11)	(123.34)	(970.23)	(1,118.93)	(1,374.59)
6	Other comprehensive Income (net of tax expenses)	-	-	-	-	-	0.92
7	Total comprehensive income for the year/period (5+6)	(118.36)	(369.11)	(123.34)	(970.23)	(1,118.93)	(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	0.20
9	Reserves and Surplus (included under Other Equity)	(3,492.19)	(3,373.84)	(2,267.23)	(3,492.19)	(2,267.23)	(2,521.97)
10	Net worth (refer Note 6 below)	(3,491.99)	(3,373.64)	(2,267.03)	(3,491.99)	(2,267.03)	(2,521.77)
11	Paid-up debt capital (refer note 6)	13,774.43	14,008.80	14,128.53	13,774.43	14,128.53	14,054.38
12	Earnings Per Share (EPS) - (In Rs.) (not annualised, face value Rs.10)						
	a) Basic	(5,406)	(16,860)	(5,634)	(44,318)	(51,111)	(62,789)
	b) Diluted	(5,406)	(16,860)	(5,634)	(44,318)	(51,111)	(62,789)
13	Capital Redemption Reserve (CRR)	-	-	-	-	-	-
14	Debenture redemption reserve (DRR)	-	-	-	-	-	-
15	Ratios (not annualised) (refer Note 6 below)						
	a) Debt equity ratio	(3.94)	(4.15)	(6.23)	(3.94)	(6.23)	(5.57)
	b) Debt service coverage ratio (DSCR)	0.57	0.07	0.61	0.16	0.03	0.08
	c) Interest service coverage ratio (ISCR)	0.71	0.09	0.70	0.20	0.03	0.10
	d) CRR/DRR	-	-	-	-	-	-
	e) Current ratio	0.32	0.33	0.50	0.32	0.50	0.42
	f) Long term debt to working capital	(7.60)	(8.01)	(14.65)	(7.60)	(14.65)	(11.93)
	g) Bad debts to account receivable ratio	(0.09)	0.33	(0.07)	0.68	0.27	0.58
	h) Current liability ratio	0.14	0.14	0.11	0.14	0.11	0.11
	i) Total debts to total assets	0.99	0.99	0.97	0.99	0.97	0.97
	j) Debtors turnover	2.81	1.72	2.08	4.71	2.95	5.30
	k) Inventory turnover	0.31	0.14	0.49	0.69	0.80	0.81
	l) Operating margin %	53.71%	4.56%	48.78%	19.17%	(2.46%)	7.25%
	m) Net profit margin %	(22.14%)	(106.36%)	(26.61%)	(86.74%)	(157.47%)	(118.92%)

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Notes to the financial results for the quarter and nine month ended December 31, 2021

- 1 VR Dakshin Private Limited (formerly known as Sugam Vanijya 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 unaudited financial results of the Company for the quarter and nine month ended December 31, 2021 have been reviewed by and taken on record at the meeting of the Board of Directors of the Company held on September 02, 2022. The statutory auditors of the company have carried out limited review of the above unaudited financial results of the Company for the quarter and nine month ended December 31, 2021.
- 3 The figures for the corresponding quarter ended December 31, 2020 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 any audit/review by the auditors.
- 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 a) 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 (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.



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- 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 period and accordingly the accompanying financial results are adversely impacted and not fully comparable with those of the earlier periods.

The Company's management has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of its assets including property, plant and equipment, investment property, capital work in progress, inventories, loans and receivables. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external sources of information to assess the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on the current estimates, the Company expects that the carrying amount of these assets, as reflected in the balance sheet as at December 31, 2021, 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 December 31, 2021, the Company is not in compliance with some 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 statements.

During the period ended December 31, 2021, 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 period ended December 31, 2021, 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 December 31, 2021 have exceeded its paid up capital and reserves. The Company has incurred net loss for the quarter ended December 31, 2021 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.

- 10 Total non-convertible debentures and non-convertible bonds of the Company outstanding as on December 31, 2021 are Rs. 8,820.29 million out of which, secured non-convertible bonds are Rs. 4,340.29 million. The secured non-convertible bonds of the Company aggregating to Rs. 4,340.29 million as on December 31, 2021 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 December 31, 2021 is 1.68 times the principal amount of the said secured non-convertible bonds. During the period April 2021 to December 2021, the Company has redeemed listed secured non-convertible bonds amounting to Rs. 172.08 million.



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- 11 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.
- 12 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



Tariq Chinoy
Director
DIN: 08830666

Place : Mumbai, India
Date : September 02, 2022

Independent Auditor's Review Report on the Quarterly and Year to Date 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

VR Dakshin Private Limited (formerly known as Sugam Vanijya Holdings Private Limited)

1. We have reviewed the accompanying statement of unaudited financial results of VR Dakshin Private Limited (the "Company") for the quarter ended December 31, 2021 and year to date from April 01, 2021 to December 31, 2021 (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. The Company's Management is responsible for the preparation of the Statement 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 and in compliance with Regulation 52 of the Listing Regulations. The Statement has been approved by the Company's Board of Directors. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. Emphasis of Matter
 - a) 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.
 - b) We draw attention to Note 7 to the Statement, which describes the management's evaluation of COVID-19 impact on the future business operations and future cash flows of the Company and its consequential effects on the carrying value of its assets as at December 31, 2021. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve. Our conclusion is not modified in respect of this matter.

6. Other matters

The figures for the corresponding quarter ended December 31, 2020 as reported in these unaudited financial results have been approved by the Company's Board of Directors, but have not been subjected to any audit/review by us. Our conclusion is not modified in respect of this matter.

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

ADARSH Digitally signed
by ADARSH
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Date: 2022.09.02
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per Adarsh Ranka
Partner
Membership No.: 209567
UDIN: 22209567AQPXLD1608

Place: Bengaluru, India
Date: September 02, 2022