

Gluhend India Private Limited

(A Sage Group Company)

Corporate Office: 346, F. I. E. Patparganj,

Delhi - 110 092, INDIA Tel: 011- 48464300

E-mail: info@sagemetals.co.in

CIN U74994MH2017FTC303216



Date: 31.12.2021

To,
The Secretary (Listing Department),
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street, 21st Floor, Fort,
Mumbai – 400 001

Scrip Code: 957731

ISIN: INE744Z07019

Sub: Submission of Un-audited Financial Result for the half year ended on September 30, 2020 along with Limited Review Report

Dear Sir,

This is with reference to the captioned subject and pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit the following for your necessary information:

1. Un-audited Financial Results for the half year ended September 30, 2020.
2. Limited Review Report from the Independent Auditor on the Un-audited Financial Results for the half year ended September 30, 2020.

You are requested to take the same on record for appropriate dissemination.

Thanking You,

Yours sincerely,

For **GLUHEND INDIA PRIVATE LIMITED**




Isha Gupta
Company Secretary
(Mem. No. – 22178)

Cc:

1. Vistra ITCL (India) Limited, Debenture Trustee

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE
FINANCIAL RESULTS
TO THE BOARD OF DIRECTORS OF GLUHEND INDIA PRIVATE LIMITED**

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Gluhend India Private Limited** ("the Company"), for the six months ended 30 September 2020 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
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 the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 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 (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel 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 specified under section 143(10) of the Companies Act, 2013 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. Our audit report dated 30 March 2021 on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as included in Annexure A to the Independent Auditor's Report for the year ended 31 March 2020 included a qualification among other matters relating to material weakness identified with respect to issue of inventory for production and consequent impact on inventory records. This could potentially result in a material misstatement in the recording of consumption and year-end inventory account balances in the Company's standalone financial statements. The Company has not remediated the material weakness related to issue of inventory for production during the period ended 30 September 2020.
5. Based on our review conducted as stated in paragraph 3 above and except for the possible effects of the matter described in paragraph 4 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 Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. We draw attention to:

- a) Note 6 to statement, which describes matters relating to non-compliances with certain provisions of the Companies Act, 2013 with respect to presentation and adoption of audited financial statements for the years ended 31 March 2020 and 31 March 2019, before the shareholders in the respective Annual General Meetings within the stipulated time as prescribed under section 96 of the Companies Act, 2013 and submission of audited standalone financial results for the year ended 31 March 2020 and unaudited standalone financial results for the six months ended 30 September 2020 and 30 September 2019 to the stock exchange within the prescribed time pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Accordingly, the Company could be liable to certain penal provisions for the said non-compliances under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The consequential impact of these non-compliances, including the liability for penal charges, if any, on the standalone financial results is presently not ascertainable.
- b) Note 7 to the statement, wherein it is indicated that the Company has received / issued debit and credit notes in foreign currency amounting to Rs. 53.44 million and Rs. 136.75 million respectively which are outstanding as at year end, for which the Company will need to get regulatory approvals under the Foreign Exchange Management Act, 1999. The consequential impact of this matter, including liability for penal charges, if any, on the standalone financial results is presently not ascertainable.

Our conclusion on the Statement is not modified in respect of these matters.



For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W - 100018)

A handwritten signature in black ink, appearing to read "Satpal Singh Arora".

Satpal Singh Arora
Partner
(Membership No. 098564)
UDIN : 21098564AAAAEJ8401

Place : New Delhi
Date : 31 December 2021

GLUHEND INDIA PRIVATE LIMITED
CIN: U74994MH2017FTC303216

Corporate Office : 346, Patparganj Industrial Area, Patparganj, Delhi, 110092
Regd. Office : 23, Floor-2, Plot-59/61, Arsiwala Mansion Nathalal Parikh Marg, Colaba, Mumbai - 400005, Maharashtra

Statement of Standalone Unaudited Financial Results for the six months ended 30 September 2020

(All Amounts in Rs. Millions, unless otherwise stated)

Particulars	For the six months ended 30 September 2020	For the six months ended 30 September 2019	For the year ended 31 March 2020
	(Unaudited)	(Unaudited)	(Audited)
I Revenue from operations			
(a) Sale of products and services	1,086.32	2,250.88	4,204.30
(b) Other Operating Revenue	53.74	143.04	264.45
Total revenue from operations	1,140.06	2,393.92	4,468.75
II Other Income	68.53	56.63	165.49
III Total income (I + II)	1,208.59	2,450.55	4,634.24
IV Expenses			
(a) Cost of materials consumed	693.94	937.32	2,017.81
(b) Changes in inventories of finished goods and work-in-progress	-152.92	185.26	238.40
(c) Employee benefits expense	269.52	334.49	682.17
(d) Finance costs	278.70	302.21	572.20
(e) Depreciation and amortisation expense	56.67	72.79	155.24
(f) Other expenses	450.30	744.19	1,297.22
Total expenses	1,596.21	2,576.26	4,963.04
V Loss before tax (III-IV)	(387.62)	(125.71)	(328.80)
VI Tax expense			
(a) Current tax	-	35.60	51.01
(b) Deferred tax	(133.32)	(35.05)	(65.60)
Total tax expense	(133.32)	0.55	(14.59)
VII Loss for the period / year (V-VI)	(254.30)	(126.26)	(314.21)
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of post employment benefit obligation	3.66	0.62	1.23
(b) Income tax relating to above item	(1.06)	(0.16)	(0.36)
Other Comprehensive Income for the period / year	2.60	0.46	0.87
IX Total Comprehensive Income for the period / year (VII+VIII)	(251.70)	(125.81)	(313.34)
X Paid up equity share capital (Face value of the share Rs.10 each)	356.92	321.23	356.92
XI Other Equity			(847.56)
XII Earnings per equity share (EPS) of Rs. 10 each #:			
(a) Basic (In Rupees)	(1.07)	(0.55)	(1.32)
(b) Diluted (In Rupees)	(1.07)	(0.55)	(1.32)
XIII Net Debt Equity Ratio (refer note (a) below)	1.61	1.57	1.68
XIV Debt Service Coverage Ratio (refer note (b) below)	(0.46)	0.78	0.62
XV Interest Service Coverage Ratio (refer note (c) below)	(0.69)	0.22	0.31

Notes :

(a) Net Debt to Equity : Net Debt / Average Equity

(Net Debt : Non current borrowings (long term borrowings) + Current maturities of long term borrowings + Current borrowings - Cash and cash equivalents)

(Equity : Equity Share Capital + Other Equity + Compulsorily convertible preference shares)

As Compulsorily Convertible Preference Shares (CCPS) will mandatorily be converted into equity shares, hence the same has been considered as part of equity and not debt for the purposes of computation of net debt to equity ratio.

(b) Debt Service Coverage Ratio : (Loss before tax + Depreciation and amortisation expense + Interest on long term borrowings) / (Interest on long term Borrowings + Repayment of long term borrowings during the period/year)

(c) Interest Service Coverage Ratio : Earnings before interest and tax (EBIT) / Interest on borrowings

(EBIT : Loss before tax + interest on borrowings)

EPS is not annualised for the six months ended 30 September 2020 and 30 September 2019.



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Statement of Unaudited Standalone Assets and Liabilities as at 30 September 2020

(All Amounts in Rs. Millions, unless otherwise stated)

Particulars	As at 30 September 2020 (Unaudited)	As at 31 March 2020 (Audited)
A. ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	907.75	903.70
(b) Capital work-in-progress	67.13	78.83
(c) Right-of-use assets	426.33	431.66
(d) Goodwill	2,177.72	2,177.72
(e) Other Intangible assets	2.22	2.60
(f) Intangible assets under development	21.11	16.81
(g) Investment in subsidiary	656.52	653.12
(h) Financial assets		
(i) Loans	0.77	1.19
(ii) Other financial assets	22.88	24.33
(i) Non-current tax assets (net)	284.49	284.56
(j) Other non-current assets	4.35	184.18
Total non-current assets	4,571.27	4,758.70
(2) Current assets		
(a) Inventories	1,108.43	964.25
(b) Financial assets:		
(i) Investments	-	1.03
(ii) Trade receivables	592.36	1,152.61
(iii) Cash and cash equivalents	49.12	87.64
(iv) Bank balances other than (iii) above	0.20	1.44
(v) Loans	1.32	2.53
(vi) Other financial assets	10.83	11.10
(c) Other current assets	680.45	391.29
Total current assets	2,442.71	2,611.89
Total Assets	7,013.98	7,370.59
B. EQUITY AND LIABILITIES		
(1) Equity		
(a) Equity share capital	356.92	356.92
(b) Other equity	(1,082.98)	(847.56)
Total equity	(726.06)	(490.64)
(2) Non-current liabilities		
(a) Financial liabilities		
(i) Compulsorily convertible preference shares [refer note 9 (b)]	2,495.27	2,548.27
(ii) Borrowings	-	3,118.75
(iii) Other financial liabilities	-	416.84
(b) Provisions	76.49	78.64
(c) Deferred tax liabilities (net)	47.22	179.48
(d) Other non-current liabilities	-	18.67
Total non-current liabilities	2,618.98	6,360.65
(3) Current liabilities		
(a) Financial liabilities		
(i) Borrowings [refer note 9 (a) and (c)]	3,126.43	341.54
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises	317.70	298.68
Total outstanding dues of other than micro enterprises and small enterprises	944.22	655.36
(iii) Other financial liabilities	555.09	30.07
(b) Provisions	93.11	114.75
(c) Current tax liabilities	4.08	4.19
(d) Other current liabilities	80.43	55.99
Total current liabilities	5,121.06	1,500.58
Total liabilities	7,740.04	7,861.23
Total Equity and Liabilities	7,013.98	7,370.59



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Note:

- 1 These standalone unaudited financial results have been reviewed and approved by the Board of Directors of the Company in its meeting held on 31 December 2021.
- 2 These standalone unaudited financial results have been prepared in accordance with recognition and measurement principles of Indian Accounting Standards ('Ind AS') 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in accordance with Regulation 52 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 3 The Company is primarily engaged in the business of manufacturing of electrical wiring accessories and fittings. The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocate resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore, the Company's business activity falls within a single business segment in terms of Ind AS 108.
- 4 The Company has incurred loss of Rs. 251.70 millions during the six months ended 30 September 2020 (six months ended 30 September 2019 Rs. 125.81 millions) and has accumulated losses of Rs. 1,167.04 millions as at 30 September 2020 (Rs. 915.34 millions as at 31 March 2020) resulting in complete erosion of the net worth of the Company. Further as at 30 September 2020, the Company's current liabilities exceeds its current assets by Rs. 2,678.35 millions. These conditions cast a significant doubt on the Company's ability to continue as a going concern and the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent on the improvement of the Company's future operations, continued financial support from Delos Investment Fund II, LP, the Ultimate Holding Entity and deferment of borrowing.

However, the financial statements of the Company have been prepared as going concern as :

- (a) Delos Investment Fund II, LP, the Ultimate Holding Entity, has confirmed to provide financial support as and when the need arises;
- (b) Current liabilities as at 30 September 2020 includes NCD's amounting to Rs. 2,842.50 millions (as at 31 March 2020 Rs. 2,834.13 millions and included under non current borrowings), Redeemable Optionally Convertible Preference Shares (ROCPs) amounting to Rs. 280.36 millions (as at 31 March 2020 Rs. 280.36 millions and included under non current borrowings) and interest on NCD's and ROCPs amounting to Rs. 426.72 millions and 122.23 millions respectively (as at 31 March 2020 Rs. 335.07 millions and Rs. 93.64 millions respectively included in other current and non current liabilities). Subsequent to year end, for the NCD's outstanding (including interest), the Company has entered into a restructuring term sheet with the lenders wherein along with other changes / modifications from the original debenture agreement, the maturity date of NCD's has been extended to 30 June 2023. Further, the Company has also commenced the process of renegotiating the terms of the ROCPs (including interest) with the ROCPs holder and the ROCPs holder has confirmed that the amount of ROCPs will not be called for the next twelve months;
- (c) Compulsorily Convertible Preference Shares (CCPS) amounting to Rs. 2,495.27 millions (as at 31 March 2020 Rs. 2,548.27 millions) disclosed as non current financial liability in the standalone financial results will be converted into equity share capital in the future;
- (d) Based on future projections, the management of the Company is confident of generating profits in the near future and;
- (e) Subsequent to period end, in October, 2020 and March, 2021, the Ultimate Holding Entity has further subscribed to CCPS amounting to Rs. 285.83 millions and Rs. 361.70 millions respectively.

Accordingly, the financial results do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the classification of liabilities that might be necessary, should the Company be unable to continue as a going concern.

- 5 The disclosure required as per provision of Regulation 52(4) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 is given below :

- (i) The listed 12.90% non convertible debentures (NCD's) of the Company aggregating to Rs. 2,857.50 million as on 30 September 2020 are secured by way of mortgage / charge on Company's fixed and current assets and is further guaranteed by its Holding Company.
- (ii) Debenture Redemption Reserve has not been created by the Company as the Company does not have any profits during the current / previous period.
- (iii) As per rating issued in December 2020 and June 2021, Non Convertible Debentures (NCD's) of the Company were rated 'BWR B (Credit watch with Developing Implications)' and 'BWR D (Credit watch with Negative Implications)' respectively by Brickwork Ratings India Private Limited.
- (iv) The details of due date for payment of interest / repayment of principal of NCD's is given in table below :

Particulars	Previous due date	
	Principal	Interest
12.90% Secured, Listed Non Convertible Debentures	12 September 2019	12 September 2020
	Next due date [Refer note 9(a)]	
	Principal	Interest
12.90% Secured, Listed Non Convertible Debentures	30 June 2021	12 December 2020

Notes :

- (a) The debentures issued carries an interest rate of 12.90% per annum. Out of 12.90%, 8.00% shall be payable on a quarterly basis to the lenders and the balance interest will be deferred and added back to principal amount on quarterly basis.
- (b) The debentures were partly redeemed (10% of face value amounting to Rs. 317.50 million) on 12 September 2019 along with proportionate deferred interest amount. The balance principal amount along with deferred interest shall be redeemed on 30 June 2021.

6 Regulatory Compliances

- (a) Pursuant to section 96 of the Companies Act, 2013 the Company had obtained extension to hold its Annual General Meeting ("AGM") up to 31 December 2019 for the year ended 31 March 2019. The audited financial statements of the Company for the year ended 31 March 2019 could not be presented at the AGM held on 31 December 2019. Consequently, the financial statements for the year ended 31 March 2019, were presented in the adjourned Annual General Meeting held on 20 July 2020. On 16 December, 2020 the Company had filed a petition under section 441 of the Companies Act, 2013, for compounding of offences before the National Company Law Tribunal which was subsequently cancelled due to defects or incompleteness noted in the application.

Further, for the year ended 31 March 2020, the Company was required to hold AGM by 31 December 2020 (as per the provision of Section 96 of the Companies Act 2013 and further as extended by ROC order No. ROC/Delhi/AGM Ext./2020/11538 dated 08 September, 2020). The Company was not able to hold the meeting within the prescribed time. The financial statements for the year ended 31 March 2020, were presented in the Annual General Meeting held on 05 April, 2021.

The Company is in process of filing petitions under section 441 of the Companies Act, 2013, for compounding of above offences for the year ended 31 March 2019 and 31 March 2020 before National Company Law Tribunal.

- (b) The Company is in non-compliance with respect to submission of standalone audited financial results for the years ended 31 March 2020 and standalone unaudited financial results for the six months ended 30 September 2019 and 30 September 2020 to stock exchange within the prescribed time pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR'). The Company had submitted the standalone audited financial results for the year ended 31 March 2020 and standalone unaudited financial results for the six months ended 30 September 2019 on 31 March 2021.

Accordingly, the Company could be liable to certain penal provisions for the aforesaid non-compliances under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The consequential impact of these non-compliances, including the liability for penal charges, if any, on the standalone financial results is presently not ascertainable and have accordingly not been recorded in the standalone financial results.



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7 As at 30 September 2020, the Company has received / issued debit and credit notes in foreign currency amounting to Rs. 53.44 millions and Rs. 136.75 millions (including debit and credit notes amounting to Rs. 53.11 millions and Rs. 134.83 millions respectively from wholly owned subsidiary company) respectively which are outstanding as at year end, for which the Company will need to get regulatory approvals under the Foreign Exchange Management Act, 1999. The consequential impact of this matter, including liability for penal charges, if any, on the financial statements is presently not ascertainable.

8 The Company had closed all its manufacturing plants and offices with effect from 24 March 2020 following countrywide lockdown due to Covid-19. Subsequently, the Company has gradually resumed its operations across all the plants adhering to the safety norms prescribed by the Government of India.

The Company has assessed the impact of Covid-19 pandemic on its business operations and has considered relevant internal and external information available up to the date of approval of these standalone unaudited financial results, in determination of the recoverability and carrying value of property, plant and equipment, goodwill, inventories, and trade receivables. Based on current estimates, the Company expects the carrying amount of these assets will be recovered. Further, the management believes that there may not be significant impact of Covid-19 pandemic on the financial position and performance of the Company, in the long-term. The Company will continue to monitor any material changes to future economic conditions.

The management has concluded that the COVID-19 outbreak is non-adjusting event as defined under Ind AS 10 "Events after the Reporting Period".

9 Subsequent events.

(a) As per the Debenture agreement, NCD's [6350, 12.9% secured, Non-convertible debentures of Rs. 450,000 each] amounting to Rs. 2,842.50 millions and accrued interest of Rs. 426.72 millions as at September 30, 2020 respectively were, as per the terms of the original agreement, due for re-payment on 30 June, 2021. The Company in September, 2021 has entered into a "Restructuring Term Sheet" with lenders wherein along with other changes / modifications from the original debenture agreement, the maturity date of borrowing has been extended to 30 June 2023, with no extension option. As the Restructuring Term Sheet has been executed after the reporting period and before the financial statements are approved for issue the same has been classified as current borrowings.

(b) The Company on November 9, 2021 (effective date) entered into a "Confidential Settlement Agreement and Release Agreement" with holder of class B Compulsory Convertible Preference Shares (CCPS). As per the agreement the company would buy back the CCPS for a sum of US\$30,000 (the "Buy back payment"). As at 30 September, 2020, the CCPS (including derivative component) are value at Rs. 162 million.

(c) The Company subsequent to year end has started the process of renegotiating / restructuring the terms of the ROCPS (including interest thereon) and the ROCPS holder has confirmed that the amount of ROCPS will not be called for the next twelve months.

The impact of amendments, settlements and renegotiations as stated in para (a) to (c) above, would be recorded on its completion.

10 The figures for the previous period/year have been regrouped wherever necessary, to make them comparable to current period classifications.

Place : New Delhi
Date: 31 December 2021

