NEL

Holdings South Limited

September 7, 2020

To
BSE Limited
(Stock Code: 533202)
Floor 25, P J Towers
Dalal Street
Mumbai-400 001

Dear Sir/Madam,

Sub: Annual Report 2019-20

In terms of Regulation 34(1) of the Listing Regulations, please find enclosed the Annual Report for the financial year 2019-20 along with the Notice of the Annual General Meeting being dispatched to the shareholders of the Company through electronic mode, whose e-mail addresses are registered with the Company / Depository Participants / Registrar and Transfer Agent.

The said Annual Report is uploaded on the website of the company www.nelholdings.in.

Request you to take the same on record.

Thanking you,

For NEL Holdings South Limited
(Formerly NEL Holdings Limited)

Prasant Kumar

Prasant Kumar
Company Secretary & Chief Compliance Officer

NEL Holdings South Limited ★ Bangalore ★

Encl.: As above

NEL

Holdings Limited

16th annual report 2019 - 20

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CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. NITESH SHETTY
Chairman & Managing Director

MR. L. S. VAIDYANATHAN
Executive Director

MR. ASHWINI KUMAR
Executive Director

MR. JAGDISH CAPOOR
Independent Director

MRS. DIPALI KHANNA
Independent Director

MR. SHANTANU CONSUL
Independent Director

MR. S ANANTHANARAYANAN
Independent Director

MR. MAHESH BHUPATHI
Independent Director

MR. RAKESH SINGH
Chief Executive Officer

MR. KAMAL DALUKA
Executive Director & Chief Financial Officer

MR. PRASANT KUMAR
Company Secretary & Chief Compliance Officer

COMMITTEES OF THE BOARD

Audit Committee

Mrs. Dipali Khanna - Chairperson

Mr. L. S. Vaidyanathan – Member

Mr. S. Ananthanarayanan - Member

Nomination & Remuneration Committee

Mrs. Dipali Khanna - Chairperson

Mr. S. Ananthanarayanan – Member

Mr. Mahesh Bhupathi –Member

Stakeholders Relationship Committee

Mrs. Dipali Khanna - Chairperson

Mr. L. S. Vaidyanathan - Member

Mr. Nitesh Shetty - Member

STATUTORY AUDITORS INCLUDING SUBSIDIARIES

M/s Ray & Ray
Chartered Accountants
No: 824, Ground Floor
2nd Cross, 11th Main, Hal 2nd Stage, Indiranagar
Bengaluru-560 008

SECRETARIAL AUDITORS INCLUDING SUBSIDIARIES

Mr. S. Kedarnath
Practicing Company Secretary
85, Ojus Apartments, No. 4, 4th Main Road, 13th Cross
Malleswaram, Bengaluru-560 003

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Private Limited
Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli, Financial District,
Nanakramguda, Serilingampally
Hyderabad – 500 032
Telephone No. : 040 67161510, Toll Free no.: 1800-345-4001
Email: mailmanager@karvy.com

EQUITY SHARES LISTED AT

BSE Limited (BSE)
National Stock Exchange of India Limited (NSE) *(up to Oct 30, 2019)*

PRINCIPAL BANKERS

HDFC Limited
Yes Bank Limited

SOLICITORS

Holla & Holla	Cyril Amarchand Mangaldas
Shetty and Hegde Associates	Justlaw
J. Sagar Associates	K Suman
Uday Shankar & Associates	C V Nagesh
KMP Law	Hari Priya Padmanabhan

REGISTERED OFFICE
Level 7, Nitesh Timesquare
 # 8, M.G. Road
Bengaluru – 560 001
Tel: +91 80 4017 4000;
email ID:investor@nelholdings.in Website: www.nelholdings.in

SUBSIDIARY COMPANIES

NHDPL SOUTH PRIVATE LIMITED
(formerly *NHDPL Properties Private Limited*)
Registered Office: No 110, 7, Level 01
Andrews Building, M. G. Road, Bengaluru-560 001

Board of Directors

MR. L. S. VAIDYANATHAN	Director
MR. ASHWINI KUMAR	Director
MR. S. ANANTHANARAYNAN	Independent Director
MS. DIPALI KHANNA	Independent Director

NUDPL VENTURES PRIVATE LIMITED
(formerly NUDPL Enterprises Private Limited)
Registered Office: No 110 A, 7, Level 01
Andrews Building, M. G. Road, Bengaluru-560 001

Board of Directors

MR. ASHWINI KUMAR	Managing Director
MR. L. S. VAIDYANATHAN	Director
MR. S. ANANTHANARAYNAN	Independent Director
MS. DIPALI KHANNA	Independent Director
MR. PRADEEP NARAYAN	Director

NITESH INDIRANAGAR RETAIL PRIVATE LIMITED
Registered Office: Level 7, Nitesh Timesquare
#8, M.G. Road, Bengaluru-560 001

Board of Directors

MR. NITESH SHETTY	Director
MR. L. S. VAIDYANATHAN	Director
MR. ASHWINI KUMAR	Director
MS. DIPALI KHANNA	Independent Director
MR. S. ANANTHANARAYNAN	Independent Director

LOB PROPERTY MANAGEMENT PRIVATE LIMITED
Registered Office: Level 7, Nitesh Timesquare
#8, M.G. Road, Bengaluru-560 001

Board of Directors

MR. P. C. ASHOK	Director
MR. PRADEEP NARAYAN	Director

COURTYARD HOSPITALITY PRIVATE LIMITED
(formerly Courtyard Constructions Private Limited)
Registered Office: Level 7, Nitesh Timesquare
#8, M.G. Road, Bengaluru-560 001

Board of Directors

MR. L. S. VAIDYANATHAN	Director
MR. ASHWINI KUMAR	Director
MR. PRADEEP NARAYAN	Director

NEL HOLDINGS LIMITED

(Formerly known as Nitesh Estates Limited)
CIN: L07010KA2004PLC033412
Regd. Office: Level 7, Nitesh Timesquare, # 8, M. G. Road, Bengaluru-560 001
Ph. +91-80-4017 4000 Website: www.nelholdings.in; email: investor@nelholdings.in, cs@nelholdings.in

Notice

NOTICE is hereby given that the 16th Annual General Meeting ("AGM") OF NEL HOLDINGS LIMITED will be held on Wednesday, 30th September 2020 at 9:00 a.m. through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility to transact following business:

ORDINARY BUSINESS:

1. **To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2020, together with the Reports of the Board of Directors and Auditor's thereon**

   To consider and if thought fit, to adopt the following resolution as an **Ordinary Resolution**:

   *"**RESOLVED THAT** the Audited Annual Financial Statements (including the balance sheet of the Company as at March 31, 2020 and the statement of profit and loss together with the notes on accounts, schedules, statement of cash flow, etc.), in the prescribed format, annexed to and forming part of the accounts for the year ended March 31, 2020, including the consolidated financial statements for the year ended as on that date, together with the report of the Director' and Auditors' thereon as presented to the meeting, be and are hereby approved and adopted."*

SPECIAL BUSINESS:

2. **To re-appoint and approve the remuneration payable to Mr. L. S. Vaidyanathan (DIN: 00304652), as Whole-time Director designated as Executive Director – Business Development of the Company**

   To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

   *"**RESOLVED THAT** pursuant to the provisions of Sections 196 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof ("the Act"), read with Schedule V to the Act, and subject to 'No Objections' received from the Secured creditors approval of the Shareholders be and is hereby accorded to the re-appointment of Mr. L. S. Vaidyanathan (DIN: 00304652), as a Whole-time Director of the Company for a period of one year from 1st April, 2020 to 31st March, 2021 (both days inclusive).*

   ***RESOLVED FURTHER THAT** subject to the provisions of Sections 196, 197 read with Schedule V of the Act, Mr. L S Vaidyanathan as a Whole-time Director of the Company, be paid such remuneration (including perquisites) and upon such terms and conditions as set out in the draft Agreement entered into between the Company and Mr. L S Vaidyanathan with the authority to the Board of Directors ("the Board" which shall be deemed to include any Committee of the Board) to alter or vary the terms and conditions of his re-appointment as may be agreed between the Board and Mr. L S Vaidyanathan subject to the limits specified in Schedule V to the Act.*

   ***RESOLVED FURTHER THAT** in the event of any loss or inadequacy of profits during the tenure of Mr. L S Vaidyanathan as Whole-time Director, the remuneration (including perquisites) as set out in the aforesaid draft Agreement be paid to him as minimum remuneration subject to the limits specified in Schedule V to the Act.*

   ***RESOLVED FURTHER THAT** subject to the provisions of Section 152 of the Act, Mr. L. S. Vaidyanathan shall not be liable to retire by rotation during his tenure as a Whole-time Director of the Company.*

   ***RESOLVED FURTHER THAT** the Board of Directors or the Company Secretary or the Chief Financial Officer of the Company be and are hereby severally/jointly authorized to do all such acts, deeds, matters and things as may be considered necessary, expedient, usual or proper to give full effect to this resolution."*

3. To re-appoint Mrs. Dipali Khanna (DIN: 03395440) as an Independent Director of the Company for the second term:

To consider and if thought fit, to adopt, the following resolution as a **Special Resolution**:

*"**RESOLVED THAT** pursuant to provisions of sections 149, and any other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the Companies Act, 2013 and Regulations 17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mrs. Dipali Khanna (DIN: 03395440) also registered with Indian Institute of Corporate Affairs vide registration no. IDDB-DI-202002-009535, who was appointed as an Independent Director of the Company for a first term of Five years up to September 27, 2020, is eligible for being re-appointed as an Independent Director for a Second Term, be and is hereby reappointed as an Independent Director of the Company, to continue to hold office upto September 27, 2025, and whose office shall not be liable to retire by rotation.*

***RESOLVED FURTHER THAT** the Board of Directors and/or Company Secretary of the Company be and are hereby severally authorized to do all acts, deeds and things as may be deemed necessary to give effect to the above Resolution."*

4. To approve formal exit from residential/housing real estate business and venturing into new diversified business due to change in current business scenario and new business prospects.

To consider and if thought fit, to adopt, the following resolution as a **Special Resolution**:

***"RESOLVED FURTHER THAT** pursuant to the provisions of Section 13 of the Companies Act, 2013 ("the Act") including any modification or re-enactment thereof and other applicable provisions thereof the Object clause of the Memorandum of Association of the Company be and is hereby altered and following Clause no. 27 be inserted after clause no. 26 of objects incidental or ancillary to the attainment of main objects:*

B. THE OBJECTS INCIDENTAL OR ANCILLARY TO THE ATTAINMENT OF MAIN OBJECTS:

'27. To enter into commercial real estate business and venturing into diversified business related to logistic real estate and warehousing'

***RESOLVED FURTHER THAT,** the any of the Board of Directors of the Company be and are hereby severally authorized to do all such things, deeds, matters and acts as may be deemed proper, necessary, or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution."*

5. To write off the investment made in wholly owned Subsidiary - Nitesh Indiranagar Retail Private Limited towards Indiranagar Mall Project.

To consider and if thought fit, to adopt, the following resolution as an **Ordinary Resolution**:

*"**RESOLVED THAT** consent of the Members be and is hereby accorded to write off Rs.236 Crores worth of investment made in wholly owned Subsidiary - Nitesh Indiranagar Retail Private Limited toward Indiranagar Mall Project which is 100% of the provisions provided in the books.*

***FURTHER RESOLVED THAT** any of the Board of Directors of the Company be and is hereby authorized, on behalf of the Company to do all such things as may be necessary to give effect to the aforementioned resolution."*

6. To approve further investments in Lob Properties Management Private Limited (Subsidiary of the Company) of the Company in order to expand its business opportunities in new areas of business like providing manpower for facilities management business, securities business and other service oriented businesses

To consider and if thought fit, to adopt, the following resolution as an **Ordinary Resolution**:

*"**RESOLVED THAT** consent of the Members be and is hereby given to arrange the Private Equity funding or Venture Capital funding for an amount not exceeding Rs. 2 crores in the form of equity or preference or any other securities for investment in Lob Properties Management Private Limited (Subsidiary of the Company) of the Company.*

***RESOLVED FURTHER THAT** any of the Board of Directors of the Company be and is hereby authorised to sign all such forms, returns declarations, undertakings and such other documents as may be required and to do all such acts, deeds as may be necessary to give effect to the transaction specified above."*

7. To approve disinvestment in Courtyard Hospitality Private Limited, a Wholly Owned Subsidiary

To consider and if thought fit, to adopt, the following resolution as a **Special Resolution**:

***"RESOLVED THAT** pursuant to applicable sections and rules of the Companies Act, 2013 and Regulation 24 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2018, the consent of the Members be and is hereby accorded to sell/dispose of the entire Equity Shares held by the Company in Courtyard Hospitality Private Limited, a Wholly Owned Subsidiary to such person(s)/ entity at such price as may be decided by the Board of Directors and agreed upon by the prospective investor(s).*

***RESOLVED FURTHER THAT** M any of the Board of Directors of the Company, be and is hereby authorized to negotiate, determine the terms of the said disposal of investments including the selling price thereof, and to do all such further acts, deeds, things, and to execute all such documents, instruments and writings as may be required to give effect to the above resolution."*

8. To approve divestment of Nitesh Whitefield – As partner of Company

To consider and if thought fit, to adopt, the following resolution as an **Ordinary Resolution**:

***"RESOLVED THAT** pursuant to applicable sections and rules of the Companies Act, 2013, the consent of the Members be and is hereby accorded to disinvestment of the Company rights in Nitesh Whitefield by sale of its existing rights in profit sharing to the other two parties namely Mr. Joji Reddy and Mr. Showri Reddy and to sign and execute the Transfer Agreement and all other documents as applicable for transferring the rights to the prospective buyers.*

***RESOLVED FURTHER THAT** any of the Board of Directors of the Company be and is hereby authorized to do all such further acts, deeds, things, and to execute all such documents, instruments and writings as may be required to give effect to the above resolution."*

9. To approve write off old dues and stuck investments in Subsidiaries of NHDPL South & NUDPL Ventures.

To consider and if thought fit, to adopt, the following resolution as an **Ordinary Resolution**:

***"RESOLVED THAT** the Board be and hereby approves for writing off old, bad and stuck investments in NHDPL South & NUDPL Ventures, Subsidiaries of the Company, together up to 237 Crores in Balance Sheet.*

***FURTHER RESOLVED THAT** any of the Board of Directors of the Company be and is hereby authorized, on behalf of the Company to write off the old, bad and stuck investments NHDPL South & NUDPL Ventures, Subsidiaries of the Company."*

10. To approve write back Vendor Dues related to past outstanding dues which are due over a period of more than three years.

To consider and if thought fit, to adopt, the following resolution as an **Ordinary Resolution**:

***"RESOLVED THAT** the Members be and is hereby approve write back of Vendor dues which are considered as non-payable and are outstanding for more than three years now.*

***FURTHER RESOLVED THAT** any of the Board of Directors of the Company be and is hereby authorized, on behalf of the Company to write off the old, bad and stuck investments NHDPL South & NUDPL Ventures, Subsidiaries of the Company."*

11. To approve venturing into logistic real estate and warehousing by partnering with global real estate funds and strategic partners.

To consider and if thought fit, to adopt, the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** *the Members be and is hereby approves for venturing into logistic real estate and warehousing by partnering with global real estate funds and strategic partners for diversifying the current business of the Company.*

FURTHER RESOLVED THAT *any of the Board of Directors of the Company be and is hereby authorized, on behalf of the Company to look for the strategic partners and enter into various agreements and MOU and do all other acts as may be necessary in this regard on behalf of the Company.*

12. To approve the sale of Knights Bridge residential project (Undertaking) to Garden City Builders

To consider and if thought fit, to adopt, the following resolution as a **Special Resolution**:

***"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with the Rules made thereunder and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / transfer its Knights Bridge residential project situated at Shadashiv Nagar, Bangalore ("Undertaking"), together with development rights on an "as is where is" basis or in any other manner as the Board may deem fit in the interest of the Company, to Garden City Builders with all required approvals from Banks/Lenders, RERA and others for a consideration not below Rs. 8.00 Crores (Rupees Eight Crores only) on such terms and conditions as may be deemed fit by the Board.*

***RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions,* difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit."

13. To approve the sale of Park Avenue residential project (Undertaking) to Garden City Builders

To consider and if thought fit, to adopt, the following resolution as a **Special Resolution**:

***"RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 read with the Rules made thereunder and subject to other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred as the "Board" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute from time to time to exercise its powers including the power conferred by this resolution), to sell / transfer its Park Avenue residential project situated at Sankey Road, Bangalore ("Undertaking"), together with development rights on an "as is where is" basis or in any other manner as the Board may deem fit in the interest of the Company, to Garden City Builders with all required approvals from Banks/Lenders, RERA and others for a consideration not below Rs. 35.00 Crores (Rupees Thirty Five Crores only) on such terms and conditions as may be deemed fit by the Board.*

***RESOLVED FURTHER THAT** the Board be and is hereby authorised and empowered to finalise and execute necessary documents including but not limited to definitive Agreements, deeds of assignment / conveyance and other ancillary documents, with effect from such date and in such manner as is decided by the Board to do all such other acts, deeds, matters and things as they may deem necessary and/or expedient to give effect to the above Resolution including without limitation, to settle any questions, difficulties or doubts that may arise in regard to sale and transfer of the Undertaking as they may in their absolute discretion deem fit."*

Registered Office:
Level 7, Nitesh Timesquare
8, M G Road,
Bengaluru – 560 001

Place: Bengaluru
Date: July 31, 2020

By order of the Board of Directors of
NEL Holdings Limited

Prasant Kumar
Company Secretary &
Chief Compliance Officer

Notes:

General instructions for accessing and participating in the 16th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as "MCA Circulars") permitted holding of the Annual General Meeting of companies through Video Conferencing or Other Audio Visual Means ("VC / OAVM"), without physical presence of the Members at a common venue.

2. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the MCA Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 16th Annual General Meeting of the Company is being conducted through Video Conferencing ("VC") (hereinafter referred to as "AGM' or "e-AGM"). In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM.

3. **E-AGM**: Company has appointed KFin Technologies Private Limited, Registrars and Transfer Agents, to provide Video Conferencing facility for the e-AGM and the attendant enablers for conducting of the e-AGM.

4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf who may or may not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC, physical attendance of Members has been dispensed with. Further as per the MCA Circulars, the facility for appointment of proxies by the Members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The said Resolution/Authorization should be sent electronically through their registered email address to the Scrutinizer at sudhindraksfcs@gmail.com with a copy marked to cs@nelholdings.in.

6. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Private Limited, (KFin) having office at Selenium Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032.

7. **Attending e-AGM:** Members will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin. Members may access the same at https://emeetings.kfintech.com/ by clicking on "Video Conference" and access the shareholders'/ members' login by using the remote e-voting credentials which shall be provided as per Note No. 18 below. Kindly refer note no. 17 below for detailed instruction for participating in e-AGM through Video Conferencing.

8. The Members can join the e-AGM 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure mentioned in the Notice.

9. As per the MCA Circular up to 1000 members will be able to join the e-AGM on a first-come-first-served basis. However, this restriction shall not apply to large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc.

10. A member's log-in to the Video Conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the e-AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

11. **Remote e-Voting**: Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Company's Registrar and Transfer Agent KFin. Kindly refer Note no. 18 below for detailed instruction for remote e-voting.

12. **Voting during the AGM:** Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting may cast their vote during the e-AGM through the e-voting system provided by KFin in the Video Conferencing platform during the e-AGM. Kindly refer Note No. 19 below for instruction for e-voting during the AGM.

13. The Company has fixed September 25, 2020 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.

14. The Register of Members and Transfer Book of the Company will be closed from September 24, 2020 (Thursday) to September 30, 2020 (Wednesday) (both days inclusive).

15. In compliance with the aforesaid MCA Circulars and the SEBI Circular dated 12th May, 2020, Notice of the e-AGM along with the Annual Report for the financial year ended on 31st March, 2020 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories as on September 04, 2020. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at www.nelholdings.in . The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The same is also available on the website of KFin website address https://evoting.kfintech.com/.

16. **Procedure for registering the email addresses and obtaining the Annual Report, e-AGM notice and e-voting instructions by the shareholders whose email addresses are not registered with the Depositories (in case of shareholders holding shares in DEMAT form) or with RTA (in case the shareholders holding shares in physical form):**

    i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:

       a. Members holding shares in DEMAT form can get their e-mail ID registered by contacting their respective Depository Participant.

b. Members holding shares in physical form may register their email address and mobile number with Company's Registrar and Share Transfer Agent, KFin by sending an e-mail request at the email ID einward.ris@kfintech.com along with signed scanned copy of the request letter providing the email address, mobile number, self-attested PAN copy and copy of share certificate for registering their email address and receiving the Annual report, AGM Notice and the e-voting instructions.

ii. Those members who have not registered their email addresses with the Company / Depository Participants, as the case may be, are requested to contact the Compliance Officer of the Company at cs@nelholdings.in to register their email id with the Company.

In case of any queries, shareholder may write to einward.ris@kfintech.com.

iii. Those members who have registered their e-mail address, mobile nos., postal address and bank account details are requested to validate/update their registered details by contacting the Depository Participant in case of shares held in electronic form or by contacting KFin, the Registrar and Share Transfer Agent of the Company, in case the shares held in physical form.

17. Instructions to the Members for attending the e-AGM through Video Conference:

i. **Attending the e-AGM**: Member will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin. Members may access the same at logging in https://emeetings.kfintech.com/ using the login credentials and click on "Video Conference". Select the EVENT and click on the camera icon to join the meeting.

ii. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the instructions provided in remote e-Voting in Note No. 18 below.

iii. Members are encouraged to join the Meeting through Laptops with Google Chrome for better experience.

iv. Further Members will be required to allow access to the Camera, if any, and are requested to use Internet with good speed to avoid any disturbance during the meeting.

v. Please note that participants using Mobile Devices or Tablets or Laptops and are accessing the internet via "Mobile Hotspot" may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

vi. **Submission of Questions / queries prior to e-AGM:**

a. Members desiring any additional information with regard to Accounts/ Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's investor email-id cs@nelholdings.in between September 21, 2020 9.00 AM to September 24, 2020 6.00 PM so as to enable the Management to keep the information/answer ready. Please note that the questions will be answered only if they continue to hold the shares as of cut-off date.

b. Alternatively, shareholders holding shares as on cut-off date may also visit https:// evoting.kfintech.com and click on the tab "Post Your Queries Here"" to post their queries/ views/questions in the window provided, by mentioning their name, DEMAT account number/folio number, email ID, mobile number. The window shall be activated during the remote e-voting period and shall be closed 24 hours before the time fixed for the e-AGM.

vii. **Speaker Registration before e-AGM:** In addition to above, speaker registration is also allowed during the remote e-voting period. Shareholders who wish to register as speakers are requested to visit https://evoting.kfintech.com and click on 'Speaker Registration' during this period. Shareholders shall be provided with a 'queue number' before the e-AGM. Shareholders are requested to remember the same and wait for their turn to be called by the Chairman of the meeting during the Question Answer Session. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. Due to limitations of transmission and coordination during the e-AGM, the Company may have to dispense with or curtail the Speaker Session. The Company however, reserves the right to restrict the number of speakers depending on the availability of time for the AGM; hence shareholders are encouraged to send their questions etc. in advance as provided in note no. 17(vi) above and the same will be replied by the Company suitably at the AGM or by email.

viii. All documents referred to in the accompanying explanatory statement are available for inspection upto the date of the e-AGM on the website of the Company at the https://nelholdings.in

ix. Members who wish to inspect, the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under Section 189 of the Companies Act, 2013, can send an email to cs@nelholdings.in.

18. Instructions for members for remote e-Voting:

In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations the Members are provided with the facility to cast their vote remotely on all resolutions set-forth in this notice through remote e-voting platform provided by KFin ('remote e-voting').

Members attending the e-AGM who have not already cast their vote by remote e-Voting shall be able to cast their vote electronically during the meeting (e-voting) when window for e-voting is activated upon instructions of the Chairman.

i. **The remote voting through electronic means will commence on Sunday, September 27, 2020 at 9.00 AM to Tuesday, September 29, 2020 at 5.00 P.M.** The remote e-voting shall not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by KFin upon expiry of aforesaid period.

ii. Details of Website: https://evoting.kfintech.com

iii. The voting rights of the Members holding shares in physical form or in dematerialized form, in respect of e-voting shall be reckoned in proportion to their share in the paid-up equity share capital as on the cut-off date being Day, **September 25, 2020**. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

iv. The Company is sending through email, the AGM Notice and the Annual Report to the shareholders whose name is recorded as on **September 04, 2020** in the Register of Members or in the Register of Beneficial Owners maintained by the depositories. Any person who acquires Shares of the Company and becomes Member of the Company after September 04, 2020 being the date reckoned for the dispatch of the AGM Notice & Annual Report and who holds shares as on the cut-off date i.e. **September 04, 2020**, may obtain the User Id and password in the manner as mentioned below:

a. If the mobile number of the Member is registered against Folio No./ DPID Client ID, the Member may send SMS:
MYEPWD <space> 'e-Voting Event Number'
+Folio number or DPID Client ID to
+91-9212993399
Example for NSDL: MYEPWD<SPACE>IN12345612345678
Example for CDSL: MYEPWD<SPACE>1402345612345678
Example for Physical: MYEPWD<SPACE>
XXXX1234567890
If e-mail address or mobile number of the Member is registered against Folio No./ DPID Client ID, then on the home page of https://evoting.kfintech.com, the Member may click "Forgot Password" and enter Folio No. or DPID Client ID and PAN to generate a password.

b. Member may call KFin's Toll free number 1-800-3454-001.

c. Member may send an e-mail request to evoting@karvy.com.

v. Details of persons to be contacted for issues relating to e-voting: Ms. Krishna Priya M, Manager - Corporate Registry, KFin Technologies Private Limited, Unit: COMPANY NAME –NEL Holdings, Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramgud, Hyderabad – 500 032, Contact No. 040-6716 2222/ 7961 1000, Toll Free No.: 18003454001, E-mail: priya.maddula@kfintech.com.

vi. Mr. Sudhindra K. S., Practicing Company Secretary (FCS 7909, CP No. 8190) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

vii. The procedure and instructions for remote e-Voting facility are as follows:

a. Open your web browser during the remote e-voting period and navigate to 'https:// evoting.kfintech.com'.

b. Enter the login credentials (i.e. User ID and password mentioned in the email). Your Folio No. or DP ID /Client ID will be your

User ID. However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your vote.

c. After entering these details appropriately, click on "LOGIN".

You will now reach password change menu wherein you are required to mandatorily change your login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (like *, #, @, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc., on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

d. You need to login again with the new credentials.
e. On successful login, the system will prompt you to select the E- Voting Event Number for Company's Name.
f. If you are holding shares in DEMAT form and had logged on to https:// evoting.kfintech.com and casted your vote earlier for any other Company, then your existing login id and password are to be used.
g. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date i.e. day, dd mmm, 2020 under "FOR/ AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on the cut- off date.
h. You may also choose the option "ABSTAIN" and the shares held will not be counted under either head.
i. Members holding multiple folios/ DEMAT accounts shall choose the voting process separately for each of the folios/DEMAT accounts.
j. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
k. You may then cast your vote by selecting an appropriate option and click on "Submit". A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote.
l. During the voting period, Members can login any number of times till they cast their vote on the Resolution(s).
m. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRIs, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/ Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at e-mail ID: sudhindraksfcs@gmail.com with a copy to evoting@karvy.com. They may also upload the same in the e-voting module in their login. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_ EVENT NO."

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and e-voting User Manual for Members available at the download section of https://evoting.kfintech.com or contact Ms. Krishna Priya M of KFin Technologies Private Limited at 040- 6716 1510 or at 1800-3454-001 (toll free).

n. The Scrutinizer's decision on the validity of the vote shall be final.
o. Once the vote on a resolution stated in this notice is cast by Member through remote e-voting, the Member shall not be allowed to change it subsequently and such e-vote shall be treated as final. The Members who have cast their vote by remote e-voting may also attend the e-AGM, however such Member shall not be allowed to vote again during the e-AGM.
p. The Scrutinizer after scrutinising the votes cast by remote e-voting and e-voting during the e-AGM will make a consolidated Scrutinizer's Report and submit the same forthwith not later than 48 hours of conclusion of the e-AGM to the Chairman of the Company or a person authorised by him in writing, who shall countersign the same.
q. The Results declared along with the consolidated Scrutinizer's Report shall be hosted on the website of the Company i.e. www.nelholdings.in and on the website of KFin i.e. https://evoting.kfintech.com. The results shall simultaneously be communicated to BSE Limited and shall also be displayed on the Notice Board at the Registered Office of the Company.
r. The Resolutions shall be deemed to be passed at the Registered Office of the Company on the date of the e-AGM, subject to receipt of the requisite number of votes in favour of the Resolutions.

19. Instructions for members for Voting during the e-AGM session:

i. The e-voting window shall be activated upon instructions of the Chairman during the e-AGM.
ii. E-voting during the AGM is integrated with the VC platform and no separate login is required for the same. The shareholders shall be guided on the process during the e-AGM.
iii. Members / shareholders, attending the e-AGM through Video Conference and who have not cast their vote on resolutions through Remote e-Voting shall be eligible to cast their vote through e-voting system available during the e-AGM.

iv. Members who have voted through Remote e-Voting will be eligible to attend the e-AGM, however, they shall not be allowed to cast their vote again during the e-AGM.

By order of the Board of Directors of
NEL Holdings Limited

Prasant Kumar
Company Secretary &
Chief Compliance Officer

Place: Bengaluru
Date: July 31, 2020

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 2:

Mr. L S Vaidyanathan, Whole-time Director designated as Executive Director-Business Development was appointed for a period of three years from April 1, 2017 to March 31, 2020 with the remuneration of - Basic salary of Rs 95,85,000/- per annum & Performance linked pay not exceeding Rs 32,85,000/- per annum was approved by the Shareholders through Postal Ballot on March 30, 2017.

In view of the aforesaid approval expired on March 31, 2020, the Board of Directors has re-appointed Mr. L S Vaidyanathan as Whole-time Director for a period of One (1) year with effective April 1st, 2020.

The remuneration for Mr. L S Vaidyanathan as Whole-time Director has been approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee at their meetings held on February 14, 2020.

The terms of appointment of Mr. L S Vaidyanathan are set out below:-

i. Basic salary of Rs 95,85,000/- (Rupees Ninety Five Lakh Eighty Five Thousand Only) per annum.
ii. Performance linked pay not exceeding Rs 32,85,000/- (Rupees Thirty Two Lakh Eighty Five Thousand Only) which will be approved by the Nomination and Remuneration Committee, at the end of each year
iii. Use of telephone(s) in Mr. Vaidyanathan’s residence; mobile phone and blackberry phone, the rent, call charges for the Company's business and other outgoings in respect thereof being paid by the Company;
iv. A chauffeur driven motor car, all expenses for the running, maintenance and upkeep of such motor car as also the salary of the chauffeur being borne and paid by the Company;
v. Reimbursement of medical expenses reasonably incurred by Mr. Vaidyanathan and his family and approved by the Chairman and/or the Board;
vi. Reimbursement of entertainment expenses reasonably incurred by Mr. Vaidyanathan wholly and exclusively for the purpose of the business of the Company and approved by the Chairman and/or the Board;
vii. Eligible for Employee Group medical insurance and benefit of personal accident insurance policy, the premium of which shall be borne by the Company.
viii. Benefit of the Company's Provident Fund Scheme in accordance with the rules of the Scheme in force for the time being provided that the Company's contribution thereto shall not exceed 12% (twelve per cent) of Mr. Vaidyanathan’s salary as laid down in the Income-tax Rules, 1962 in force for the time being and from time to time;
ix. Leave on full remuneration in accordance with the rules of the Company in force for the time being and amended from time to time;
x. He is also eligible to participate in the Company's Employee Stock Option Plan/ Scheme, if announced; and
xi. Two club membership, the annual fee will be payable by the Company.

The expression "family" used in above shall mean Mr. Vaidyanathan’s spouse and dependent children.

Income-tax, if any, on or in respect of the remuneration stated above shall be borne and paid by Mr. Vaidyanathan.

Save as aforesaid, Mr. Vaidyanathan shall not be entitled to any other payment, benefit or perquisite, whether by way of remuneration, compensation or otherwise, for or in respect or by virtue of his employment with the Company as a whole-time Director designated as Executive Director – Business Development

The approval of the Members is being sought for Mr. L S Vaidyanathan re-appointment as Whole-time Director and for the aforesaid remuneration proposed to be paid to him. Hence, the Special resolution is submitted to the Members seeking consent.

The Board considers that the remuneration and perquisites proposed to be paid to Mr. L S Vaidyanathan are commensurate with his duties and responsibilities as a Whole-time Director designated as Executive Director – Business Development.

Mr. L S Vaidyanathan holds 139501 equity shares of the Company.

Accordingly, the resolution set in Item No. 2 is submitted before the Shareholders for the reappointment of Mr. L S Vaidyanathan as a Whole Time Director for a term of 1 year.

Except Mr. L S Vaidyanathan, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Since the Company has outstanding borrowings from Banks and Financial Institutions and has amount outstanding on this account, as per the requirement specified under Section II (ii) Part II of Schedule V of the Companies Act, 2013, the Company has received prior 'No Objections' from the Secured creditors for the appointment and for the aforesaid remuneration payable to Mr. L S Vaidyanathan.

A statement as per Section II (iv) of Part II of Schedule V to the Companies Act, 2013 and for re- appointment of Mr. L. S. Vaidyanathan as Executive Director is set out below:

I. General Information

Nature of industry	Construction, Development of Projects including Real Estate, Housing, Commercia premises, hospitality etc.			
Date or expected date of commencement of commercial production	2004 (Date of Incorporation : 20th February 2004)			
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
Financial performance based on given indicators Rs. Cr.	Details	**2016-17**	**2017-18**	**2018-19**
	Paid Up Capital	14,583	14,583	14,583
	Reserves & Surplus	47,279	34,146	12,870
	Turnover	19,618	4,112	8617
	Profit/(Loss) Before Tax	(4,164)	(10,739)	(14,463)
	Profit/(Loss) After Tax	(4,254)	(9,562)	(14,550)
Export performance and net foreign exchange collaborations	No foreign exchange earnings on account of Export			

Foreign Investment or Collaboration	FDI 2006-07 : Rs. 32.85 Cr. 2007-08 : Rs. 3.65 Cr. **Total Rs. 36.50 Cr.** During the IPO in April 2010, total amount in foreign currency collected from FII /QIB RS.208.86 Cr., towards Equity and Share Premium.

II. Information about the appointee:

(1) Background details	Mr. L S Vaidyanathan holds a Bachelor of science degree from Madras University. He is also a Chartered Accountant from the Institute of Chartered Accountants of India. Before joining the Company in the year 2005, Mr. Vaidyanathan was a Practising Chartered Accountant. Mr. Vaidyanathan has over 35 years of experience in auditing, consulting, and in real estate industry. He was also a partner in Janardhan & Associates, K S Sanghavi & Company, Chartered Accountants, Bengaluru. Mr Vaidyanathan has been associated with the real estate industry for the last 30+ years. As a Director of the Company, Mr Vaidyanathan is responsible for all strategic matters relating to business including business development, transaction strategy, Resources mobilisation and Direct Taxation.
(2) Past 3 (Three) Financial years remuneration	For FY 2016-17 - Rs 95,85,000/- For FY 2017-18 – Rs 95,85,000/- For FY 2018-19 – Rs 95,85,000/-
(3) Recognition or awards	NA
(4) Job profile and his suitability	Mr. L.S. Vaidyanathan is holding the position of Whole-time Director designated as Executive Director – Business Development. He is responsible for Business Development, identification of new projects and acquisition of land / land rights through Joint Development / JV as the case may be. As a qualified Chartered Accountant Mr. L. S. Vaidyanathan is adept in financial dealings and is capable of evaluating the potential opportunities and assessing the risk in the business. His 30+ years of previous experience as Practicing Chartered Accountant his exposure to various Real Estate firms / business is an asset to the Company. He is an acknowledged leader in the Real Estate market.

(5) Remuneration proposed	**Proposal:** i. Basic salary of Rs 95,85,000/- (Rupees Ninety Five Lakh Eighty Five Thousand Only) per annum. ii. Performance linked pay not exceeding Rs 32,85,000/- (Rupees Thirty Two Lakh Eighty Five Thousand Only) which will be approved by the Nomination and Remuneration Committee, at the end of each year iii. Use of telephone(s) in Mr. Vaidyanathan’s residence; mobile phone and blackberry phone, the rent, call charges for the Company's business and other outgoings in respect thereof being paid by the Company; iv. A chauffeur driven motor car, all expenses for the running, maintenance and upkeep of such motor car as also the salary of the chauffeur being borne and paid by the Company; v. Reimbursement of medical expenses reasonably incurred by Mr. Vaidyanathan and his family and approved by the Chairman and/or the Board; vi. Reimbursement of entertainment expenses reasonably incurred by Mr. Vaidyanathan wholly and exclusively for the purpose of the business of the Company and approved by the Chairman and/or the Board; vii. Eligible for Employee Group medical insurance and benefit of personal accident insurance policy, the premium of which shall be borne by the Company. viii. Benefit of the Company's Provident Fund Scheme in accordance with the rules of the Scheme in force for the time being provided that the Company's contribution thereto shall not exceed 12% (twelve per cent) of Mr. Vaidyanathan’s salary as laid down in the Income-tax Rules, 1962 in force for the time being and from time to time; ix. Leave on full remuneration in accordance with the rules of the Company in force for the time being and amended from time to time; x. He is also eligible to participate in the Company's Employee Stock Option Plan/ Scheme, if announced; and xi. Two club membership, the annual fee will be payable by the Company. The expression "family" used in above shall mean Mr. Vaidyanathan’s spouse and dependent children. Income-tax, if any, on or in respect of the remuneration stated above shall be borne and paid by Mr. Vaidyanathan. Save as aforesaid, Mr. Vaidyanathan shall not be entitled to any other payment, benefit or perquisite, whether by way of remuneration, compensation or otherwise, for or in respect or by virtue of his employment with the Company as a whole-time Director designated as Executive Director – Business Development.

<table>
<tr>
<td>(6)Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)</td>
<td>Mr. L.S. Vaidyanathan, being a Chartered Accountant with 35 years will receive a higher remuneration in any sector. With his 30+ years of experience in this Real Estate Business the proposed remuneration is much lower compared to other in similar Board level position.
<table>
<tr><th>Name of the employee and Employer</th><th>Position, Qualification, Experience</th><th>Remuneration as disclosed in Annual Report for F.Y. 2018-19 (Rs. in Crs.)</th></tr>
<tr><td>Mr. Ashish Puravankara
Puravankara Limited</td><td>Whole time Director, MBA, 17+ yrs</td><td>2.20</td></tr>
<tr><td>Mr. Irfan Razack
Prestige Estates Projects Limited</td><td>Managing Director
B.Com, 40+ Yrs</td><td>6.40</td></tr>
<tr><td>Mr. J.C. Sharma,
Sobha Limited</td><td>Vice Chairman & Managing Director, B.Com, ACA, ACS, 30+ Yrs</td><td>7.90</td></tr>
</table>
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<tr>
<td>(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.</td>
<td>There is no pecuniary relationship direct or indirect with the Company and Mr. L.S. Vaidyanathan is also not related to any of the Directors of the Company.</td>
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III. Other information:

<table>
<tr>
<td>(1) Reasons of loss or inadequate profits</td>
<td>a. The Company has achieved a lower Turnovers during the since Financial Year 2018-19, on a standalone basis, mainly due to reduction in Contractual Receipts and also due to reduction in the Income from Property Development. The Contractual Income has declined, as the projects fetching the same is still under construction phase, resulting in lower billing compared to the preceding year. Similarly the Properties which are under Development in the preceding year have still not reached a completion stage during the year, impacting the billing in comparison to the previous years.

b. The Company follows the new Revenue recognition method as prescribed under IND-AS and as such the Total Income for the year FY19 was lower compared to FY18.

c. The Operating Margin was significantly lower consequent upon decline in the Total Income, however the fixed costs were fully charged off as per the Accounting norms, resulting in net Loss during the preceding Financial Years.

d. The Company also had a Negative Cash Flow, which has further impacted the business.</td>
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(2) Steps taken or proposed to be taken for improvement:	**The Company's Ongoing projects** There are various residential projects which are still at different stages of construction. The Company has also planned to exit from its residential real estate business and enter into Commercial real estate business including facility management and warehousing businesses. The Company is currently planning to diversify its business and scouting for a partner for raising funds thought its subsidiary as Special Purpose Vehicle. The Company has also implemented SAP system for efficient planning of material and business activities so as to bring down the cost. The Company is selectivity looking at opportunities into new geographies and businesses for a sustainable growth
(3) Expected increase in productivity and profits in measurable terms	NA

Item No. 3:

Mrs. Dipali Khanna was appointed as an Independent Director of the Company in the Annual General Meeting held on September 28, 2015 for a term of 5 years and the tenure expires on September 27, 2020.

Mrs. Khanna has rich knowledge and immense experience in the field of finance, which brings Balance to the Board in various decisions making and strategic planning of the Company and appointing her as an Independent Director on the Board would take care the combination of the Board as per the Companies Act and SEBI Regulations. Therefore, based on the recommendation of the Nomination and Remuneration committee, the Board of Directors have reviewed the performance of Mrs. Dipali Khanna and have recommended her re-appointment for the second term of 5 years.

Accordingly, the resolution set in Item No. 3 is submitted before the Shareholders for the reappointment of Mrs. Dipali Khanna as an Independent Director for a second term of 5 years.

Except Mrs. Dipali Khanna, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 4:

Keeping in mind the long term business strategy and after discussions and debates with various Strategic Advisors, the Board Members, Senior Employees and Industry Experts, it was decided to exiting from the Residential/Housing Real Estate space.

Upon completion of on-going residential projects and all obligations of delivery to our Customers, other Stakeholders and lenders in the residential business, we shall be focusing on rent yielding assets and other verticals. All the land parcels for the residential projects which we hold and have not launched the project shall either be exited completely or sold down to reduce the debt or converted to commercial wherever the same is feasible.

Once the Company completes all its obligations of delivery to its customers, other stakeholders and lenders in the residential business, The Company shall be exiting this space of home building (Residential) totally.

All the land parcels for the residential projects which the Company hold and have not launched the project shall either be exited completely or sold down to reduce the debt or converted to commercial wherever the same is feasible. Going forward company shall focus only on rental producing assets.

Accordingly, the resolution set in Item No. 4 is submitted before the Shareholders for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 5:

The Members are informed that the Company has made an investment in its Subsidiary – Nitesh Indiranagar Retail Private Limited toward the joint venture project for development of Indiranagar Mall Project in Indiranagar, Bangalore.

Since investment, the project went into litigation and currently an Arbitration award in its favour against the litigation for Rs. 42 Crores is pending since last couple of years.

Meanwhile the Shareholders in its last General Meeting has already approved for disposal/sale of the holdings in its Subsidiary – Nitesh Indiranagar Retail Private Limited by sale of the entire Equity shares held by the Company in NIRPL to a Buyer, at a price not less than a value of Rs. 42 Crores with adjustments to current assets and current liabilities.

The Company further wishes to write off Rs. 236 Crores worth of investment made in wholly owned Subsidiary – Nitesh Indiranagar Retail Private Limited toward Indiranagar Mall Project which has been earlier provided in the books and currently wish to write off 100% of the provisions so made earlier.

Accordingly, the resolution set in Item No. 5 is submitted before the Shareholders to approving the write-off of Rs. 236 Crores worth of investment made in wholly owned Subsidiary – Nitesh Indiranagar Retail Private Limited toward Indiranagar Mall Project.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 6:

The Company is currently planning to diversify its current business and wish to arrange further investment in its subsidiaries through Private Equity funding or Venture Capital funding to expand its business opportunities in new areas of business like providing manpower for facility management business, securities business and other service oriented businesses.

It was proposed to approve further investment of Rs. 2 Crores over a period of two years in its Subsidiaries to expand its business opportunities and create new brands in future on the above said business proposals.

Further, following details regarding the investments are as follows:

a. Particulars of the investment to be made

Investments to be made in its wholly owned subsidiaries in the form of equity or preference or any other securities of the Subsidiaries Company.

b. Purpose for which the investment is made

Investments to be made in its wholly owned subsidiaries to expand its business opportunities in new areas of business like providing manpower for facility management business, securities business and other service oriented businesses.

c. Particulars of the body corporate in which the investment is proposed to be made

Investments to be made in its wholly owned subsidiaries

d. Source of funding for meeting the proposal

Funds need to be arranged through Private Equity funding or VC funding

Accordingly, the resolution set in Item No. 6 is submitted before the Shareholders for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 7:

The Board is informed that the subsidiary Company, Courtyard Hospitalities Private Limited (formerly known as Courtyard Constructions Private Limited) had one land parcel of 21,000 sqft which was acquired by erstwhile owners. The Company had initially bought in 50% shares into the Courtyard Hospitalities Private Limited. Later the Company bought 100% shares of Courtyard Hospitalities Private Limited to develop the underline assets of 21,000 sqft on Cunningham Road.

Later the Company in the endeavour to exit from its residential space and reduce its debt, the Company wish to sell this land parcel and hence identified a buyer for the property bearing Municipal No. 11/37 (Old No. 37/11) situated at Sampangi Ramaswamy Temple Road (formerly known as Cunningham Road), Bangalore 560 052, measuring 21,000 square feet which was held by Courtyard Constructions Private Limited.

Further, in respect of this project the Company had earlier availed construction finance from HDFC Limited and the outstanding loan amount as of that date was approx. is Rs. 36 Crore. And HDFC has issued NOC dated 4th February 2019, confirming their willingness to release the charge / security interest over the property subject to receipt of Rs. 40 Crore, which is towards clearance of the Loan outstanding amount together with interest dues.

Upon issuance of NOC dated 4th February 2019 by HDFC in March 2019 confirming their willingness to release the charge / security interest over the property, the Company sold this property to Midas Developers for a total consideration of Rs. 55 Crores towards settlement for both Courtyard Construction of an amount of Rs. 10 Crores towards sale of land of 21,000 sqft and balance of Rs. 45 Crores to NEL Holdings South Limited which was utilised in clearance of the Loan outstanding amount together with interest dues with HDFC Limited.

Currently this subsidiary Company, Courtyard Hospitalities Private Limited does not have any assets for any project development and also has no future business plan.

Hence it is proposed to consider the disinvestment plan of Courtyard Hospitalities Private Limited and in principally approve for the sale of Shares held in Courtyard Hospitalities Private Limited and also authorize Mr. Nitesh Shetty, Chairman and Managing Director or Mr. L S Vaidyanathan, Executive Director of the Company to sign the duly executed Share Transfer Form on behalf of the Company.

As per the applicable provisions of the Companies Act, 2013 and Regulation 24 of SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, listed entity shall dispose of shares in its subsidiary resulting in reduction of its shareholding to less than fifty percent or cease the exercise of control over the subsidiary only after necessary approval through special resolution in its General Meeting.

Accordingly, the resolution set in Item No. 7 is submitted before the Shareholders for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No.8:

The Members are informed that the Company along with two of other Persons namely Joji Reddy and Showri Reddy executed an agreement on 25th day of January, 2020 constituting an undertaking to exploit their individual strength to maximize the profits of undertaking by developing and building residential apartments on the Schedule Property under the name and style of M/s Nitesh Estates – Whitefield

Further, it was agreed that each party shall share the Profit or losses under the agreed percentage as agreed below:

Showri Reddy (First Party)	-	42%
Joji Reddy (First Party)	-	34%
NEL Holdings Limited (Second Party)	-	24%

Both the Parties namely Showri Reddy (First Party) and NEL Holdings Limited (Second Party) earlier in the month of Feb 2020 have now come forward and wish to change the profit sharing under the supplementary agreement by transferring its 6% right from NEL Holdings Limited (Second Party) to Showri Reddy (First Party).

The Company has signed this land parcel as the joint development for executing the project specifically by the name of Forest Hills and Flushing Meadows. This project is now 100% complete and Occupancy Certificate has been obtained.

Hence the purpose and objective of this partnership agreement is now complete from the Company's end.

Further, the Company is discussion with other two partners for disinvesting its rights in profit sharing of M/s Nitesh Estates – Whitefield and other two parties namely Joji Reddy and Showri Reddy has expressed their interest to acquire the 24% rights of the Company in the ratio as agreed between them.

Accordingly, the resolution set in Item No. 8 is submitted before the Shareholders for their approval for divestment of Nitesh Whitefield – As partner of Company.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 9:

Over the last 10 years, Company has made several investments in joint development, procurement of lands and settlement of disputed lands along with procurement of TDR for 7-8 of its projects and in many cases the MOUs have transpired to JDAs and in certain cases TRD have been procured.

But over the years in the process of expansion of the Business into Chennai, Cochin, Ahmedabad, Goa, Hyderabad and north Bangalore along with TDR for about 2 Million Sq. ft. many of these have stuck into various complications including hurdles with Government, landowners, and other statutory authorities.

The Company, for last many years have provided 100% for these investments. In its endeavour to make a fresh beginning, it is proposed to write off these the old, bad and stuck investments held in NHDPL South & NUDPL Ventures, Subsidiaries of the Company together up to 237 Crores in Balance Sheet through write offs.

Accordingly, the resolution set in Item No. 9 is submitted before the Members for approving the writing off old dues and stuck investments in Subsidiaries of both NHDPL South & NUDPL Ventures as onetime exercise.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 10:

Over the last 10 years, Company has accumulated several Vendors outstanding which are outstanding for over a period of three years now and necessary provisions has been passed in the books of accounts every year.

In its endeavour to make a fresh beginning, it is proposed to write off the Vendor dues which are considered as non-payable and are outstanding for more than three years.

Accordingly, the resolution set in Item No. 10 is submitted before the Members for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 11:

Members may take note that the Company is currently scouting for a partner for raising private equity capital as Special Purpose Vehicle its wholly owned subsidiaries. In the past the Company has earlier tried tied up with an overseas venture capital to invest in its shopping mall in Pune.

The Company is currently planning to diversify its business through its wholly owned subsidiary and requires huge investment in Subsidiaries in the form of private equity.

Accordingly, the resolution set in Item No. 11 is submitted before the Members for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 12:

According to Section 180(1)(a) of the Companies Act, 2013, sale, lease or otherwise disposal of the whole or substantially the whole of an undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking, requires the approval of the shareholders by way of a special resolution.

The Company proposes to sell / dispose-off its Knights Bridge residential project situated at Shadashiv Nagar, Bangalore ("Undertaking"), together with development rights on an "as is where is" basis or in any other manner as the Board may deem fit in the interest of the Company, to Garden City Builders with all required approvals from Banks, RERA and others for a consideration not below Rs. 8.00 Crores (Rupees Eight Crores only) on such terms and conditions as may be deemed fit by the Board.

The sale proceeds upon disposal of Knights Bridge residential project shall be utilised against the loan outstanding for the Knights Bridge project as one time settlement with Bank/Lender and towards other outstanding dues of the project.

Accordingly, the resolution set in Item No. 12 is submitted before the Members for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 13:

According to Section 180(1)(a) of the Companies Act, 2013, sale, lease or otherwise disposal of the whole or substantially the whole of an undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking, requires the approval of the shareholders by way of a special resolution.

The Company proposes to sell / dispose-off its Park Avenue residential project situated at Sankey Road, Bangalore ("Undertaking"), together with development rights on an "as is where is" basis or in any other manner as the Board may deem fit in the interest of the Company, to Garden City Builders with all required approvals from Banks, RERA and others for a consideration not below Rs. 35.00 Crores (Rupees Thirty Five Crores only) on such terms and conditions as may be deemed fit by the Board.

The sale proceeds upon disposal of Park Avenue project shall be utilised against the loan outstanding for the Park Avenue project as one time settlement with Bank/Lender and towards other outstanding dues of the project.

Accordingly, the resolution set in Item No. 13 is submitted before the Members for their approval.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Brief particulars of the Director being appointed pursuant to the applicable provisions of Companies Act, 2013 and Regulation 36 of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015and Secretarial Standards on General Meeting

Name of Directors	**Mr. L. S. Vaidyanathan**	**Mrs. Dipali Khanna**
Age	59	68
Qualification(s)	Mr. L S Vaidyanathan holds a degree of Bachelor of Science from Madras University. He is a fellow member of the Institute of Chartered Accountants of India	Mrs. Dipali Khanna holds Masters in Arts from the Delhi University (Lady Sri Ram College) and she is M.Sc. (National Security) from the National Defense College, ICMA and Certificate of Leadership Programme, Harvard.
Date of first Appointment	30.06.2005	28.05.2015
Expertise in specific Functional areas	Mr. L S Vaidyanathan holds a Bachelor of science degree from Madras University. He is also a Chartered Accountant from the Institute of Chartered Accountants of India. Before joining the Company in the year 2005, Mr. Vaidyanathan was a Practising Chartered Accountant. Mr. Vaidyanathan has over 35 years of experience in auditing, consulting, and in real estate industry. He was also a partner in Janardhan & Associates, K S Sanghavi & Company, Chartered Accountants, Bengaluru. Mr Vaidyanathan has been associated with the real estate industry for the last 30+ years. As a Director of the Company, Mr Vaidyanathan is responsible for all strategic matters relating to business including business development, transaction strategy, Resources mobilisation and Direct Taxation.	Ms. Dipali Khanna started her career with the Indian Railway Accounts Service in the year 1976 and has contributed substantially during her career spanning over 39 years with various Government Departments. Formulation of long-term plans that addressed key Ms. Dipali Khanna Independent Director Ministries of the Government of India was a critical component of her responsibilities. Ms. Khanna has played a key role in establishment of National Disaster Management Authority (NDMA) and was also responsible for overseeing the restructuring of the then defunct National Film Development Corporation Ltd. (NFDC) by the Government of India, resulting in the Company achieving profitability within one year of restructuring after more than a decade of recurring losses.
Name of listed entities in which the person also holds the directorship	NA	1. India Power Corporation Limited 2. Techno Electric & Engineering Company Limited
Membership of Committees in Listed Companies	NEL Holdings limited 1. Audit Committee - Member 2. Stakeholders' Relationship Committee- Member	Nil
No. of shares held in the Company as on the date of the notice	139501	NA

By order of the Board of Directors of
NEL Holdings Limited

Prasant Kumar
Company Secretary &
Chief Compliance Officer

Place: Bengaluru
Date: July 31, 2020

Board's Report

Dear Members,

Your Directors present their Sixteenth Annual Report with the standalone and consolidated annual audited accounts of the Company for the year ended March 31, 2020.

1. Financial Results:

(Rupees in Lakh)

Particulars	**STANDALONE**		**CONSOLIDATED**	
	2019-20	**2018-19**	**2019-20**	**2018-19**
Revenue from operations	1920	8439	4165	11292
Other Income	612	178	1072	23
Total Income	**2532**	**8617**	**5236**	**11315**
Total Expenses	12426	11214	20004	27772
Profit/(loss) before Exceptional Items and Tax	(9894)	(2597)	(14768)	(16457)
Exceptional Items	92461	11866	6284	-
Profit/(Loss) before Tax	(102355)	(14463)	(77592)	(16457)
Less : Tax	(1834)	87	(5695)	(93)
Net Profit / (Loss) after tax	**(100521)**	**(14550)**	**(71898)**	**(16550)**

2. State of Company's Affairs:

I. <u>Financial Statement:</u>

The Company has complied with the applicable provisions of the Companies Act, 2013 (the Act) and the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements), Regulations, 2015 ('the Listing Regulations') in preparation of Standalone and Consolidated financial statements.

The audited consolidated Balance Sheet as at 31st March, 2020, consolidated statement of Profit and Loss for the year ended as on that date together with the Notes and Reports of Auditors along with the Statement on Impact of Audit Qualifications as stipulated in regulation 33(3)(d), Cash flow Statements , Management Discussion and Analysis Report forms part of the Annual Report. The financial figures have been regrouped, wherever required, in line with Schedule III of the Act disclosure requirements.

a. Standalone:

During the year under review the Company has earned a total income of Rs. 2532 Lakhs as against Rs. 8617 Lakh in the previous year. The Company has incurred total expenses of Rs. 12426 Lakh as compared to previous year's expenses of Rs. 11214 Lakhs. The Company has incurred net loss of Rs. 100521 Lakhs for the year 2019-2020 as against a loss of Rs. 14550 Lakhs in the previous year.

b. *Consolidated*:

During the year under review the Company has earned a total income of Rs. 5236 Lakhs as against Rs. 11315 Lakh in the previous year. The Company has incurred total expenses of Rs. 20004 Lakh as compared to previous year's expenses of Rs. 27772 Lakhs. The Company has incurred net loss of Rs. 71898 Lakhs for the year 2019-2020 as against a loss of Rs. 16550 Lakhs in the previous year.

II. <u>Delisting from National Stock Exchange of India Limited</u>

The equity shares of the Company have been voluntarily delisted from the National Stock Exchange of India Limited with effect from October 30, 2019 pursuant to Regulation 6 (a) of the SEBI (Delisting of Equity Shares) Regulations, 2009, as amended. The Board of Directors of the Company had accorded their approval for the delisting proposal at their meeting held on August 09, 2019 and as required pursuant to the aforementioned regulation, a public notice was published in the Kannada, Hindi and English newspapers having wide circulation.

3. Dividend:

In view of the loss, no dividend could be considered.

4. Deposits

The Company has not accepted any fresh deposits as per the provisions of Section 73 of the Act during the current financial year.

5. Transfer to Reserves

In view of the loss incurred by the Company during the financial year, no amount was required to be transferred to the reserves.

6. Material changes and commitments, if any, affecting the financial position of the Company occurred between the end of the financial year to which the financial statement relate and the date of the report:

There were no such material changes and commitments, affecting the financial position of the Company occurred between the end of the financial year and the date of this Report. However, The Company has incurred losses over the years resulting in negative net worth, negative working capital and negative cash flows. The default in payment of dues to banks and financial institution and creditors etc are the identified events that, individually or collectively, cast significant doubt on the Company's ability to continue as a going concern.

7. Significant or material orders passed by the regulators/ courts :

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals against the Company, impacting the Company's operations in future. There have been up to 23 NCLT matters filed against the Company till the end of last financial year and out of which Company has effectively settled 14 cases and all in its favour of which 6 matters have been dismissed by NCLT and 3 matters have been withdrawn.

8. Significant events/actions, having a major bearing on the Company's affairs:

During the year under review, the significant events/actions that may have a major bearing on the Company Affairs were:

a. The name of the Company was changed from Nitesh Estates Limited to NEL Holdings Limited and the Company has once again applied for the name change after a period of one year since last change of name of the Company.
b. The Company has voluntarily delisted its shares from the National Stock Exchange Limited.
c. There are pending cases filed under Section 138 of the Negotiable Instruments Act in respect of Cheque bounces involving about Rs.345.90 Million for which Summons were received by the Company.
d. Raids conducted by Central Crime Bureau, Bangalore on the Company relating to delay / non delivery of completed units to the customers as published in the newspapers, is pending before the authorities.

9. The Board of Directors and the composition thereof

I. Composition of the Board

The Board of the Company currently comprises of 5 (Five) Directors of which three are Independent Directors. The Composition of the Board of Directors is in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

<u>Declaration by Independent Directors</u>

The Company has received necessary declarations from the Independent Directors stating that they meet the criteria of independence as specified in Section 149 (6) of the Companies Act, 2013 and in the Listing Regulations. 2 out of 3 Independent Directors of the Company has also registered themselves as Independent Director with Indian Institute of Corporate Affairs at Manesar in accordance with the Companies (Appointment and Qualification of Directors) Rules, 2014.

II. Change in the Board

During the period under review, Mr. Shantanu Cousul and Mr. Jagadish Capoor resigned as Independent Directors with effect from August 01, 2019 and February 14, 2020 respectively. Further, Mr. Ashwini Kumar has resigned as the Executive Director of the Company with effect from February 24, 2020. Your Board places its deep appreciation for the services rendered by them during their association with the Company.

Reasons for resignation:

Name of the Director	Reason for Cessation
Mr. Shantanu Consul, Independent Director (DIN: 08366933)	Being unable to devote time and attention
Mr. Jagdish Capoor, Independent Director (DIN: 00002516)	Attained more than 81 years and unable to devote much time and attention because of health issues, inability to travel, age factor and other personal reasons
Mr. Ashwini Kumar, Executive Director (DIN: 02034498)	Personal reasons

No New Directors were inducted on the Board during the year.

All resignations of the Directors of the Company have been duly intimated to the Stock Exchanges and to the Ministry of Corporate Affairs, New Delhi.

III. Meetings of the Board

The Board of Directors met 7 (Seven) times during the year on April 10, 2019, April 23, 2019, May 30, 2019, August 09, 2019, November 13, 2019, January 10, 2020 and February 14, 2020.

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors was held on February 14, 2020.

The Composition of the Board and the Committees along with the meeting attendance details are provided in the Corporate Governance Report.

IV. Annual Evaluation of the Board, its Committees and Individual Directors

The Independent Directors of the Company at their separate meeting held as per the provisions of Section 149 read with Schedule V of the Companies Act, 2013 and the Listing Regulations, had carried out an annual evaluation of the Board, Committees and individual Directors' performance. The performance of the Board was evaluated after seeking inputs from the Independent Directors on the basis of criteria such as Board composition, Structure, Board processes and their effectiveness, information given to the Board, etc.

The Board and the Nomination and Remuneration Committee (NRC) reviewed the performance of the individual Directors' on the basis of criteria such as their participation, contribution at the meetings, and their preparedness on the agenda items to be discussed etc. Additionally the Chairman was also evaluated on key aspects of his role.

V. Familiarization programme for Independent Directors

The Company proactively keeps its Directors informed of the activities of the Company, it's Management and operations and provides an overall industry perspective as well as issues being faced by the industry.

The Company also keeps the Board updated on the applicable Laws, Regulations, Enactments etc. and any changes, amendments thereon from time to time.

10. Directors' Responsibility Statement

In terms of the requirements of Section 134(5) of the Companies Act, 2013, we, on behalf of the Board of Directors, hereby state that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis; and

e) the directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively.

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. Nomination and Remuneration Policy

The Nomination and Remuneration Committee (NRC) has formulated a policy relating to nomination of and remuneration for the directors, Key Managerial Personnel and Senior Management personnel.

The Nomination and Remuneration policy has been prepared pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

Non-Executive Directors are remunerated by way of sitting fees for attending the meetings of the Board and the Committees thereof. The sitting fees paid for Board Meetings and Audit Committee meetings is Rs. 50,000/- per meeting, the Nomination & Remuneration Committee is Rs 25,000/- per meeting and the Stakeholders Relationship Committee, other Committees including for a separate meeting of Independent Directors is Rs. 20,000/- per meeting.

The Nomination & Remuneration Policy of the Company is uploaded on the Website of the Company at:
https://nelholdings.in/policies-other-related-matters/

Remuneration Details of Directors and Employees pursuant to Section 134 of the Companies Act, 2013 and the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

Ratio of remuneration of each Director to the median remuneration of the employees and percentage increase in the remuneration is as follows:

Sl. No.	Name of the Directors	Designation	Ratio of remuneration to median remuneration of the Company	% increase in the remuneration of Directors
1.	Mr. Nitesh Shetty	Managing Director	-	Nil
2.	Mr. L. S Vaidyanathan	Executive Director	26	Nil
3.	Mr. Ashwini Kumar	Executive Director	-	Nil

12. Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism policy for its Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct/business ethics that provides for adequate safeguards against victimization of the director(s) and employee(s) who avail of the mechanism. None of the Directors/Employees of the Company have been denied access to the Chairman of the Audit Committee. No complaint has been received during the financial year 2019-20.

13. Corporate Social Responsibility

In view of continues losses, the Company was not required contribute towards CSR activities and the Company was not required to constitute Corporate Social Responsibility Committee.

14. Political Contribution

The Company has not made any political contribution to any political parties during the financial year.

15. Internal Financial Controls

The Board of the Company is of the opinion that the Company's Internal Financial Controls were adequate and effective during the period ended as on 31st March, 2020, based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants specially appointed for this purpose, including audit of Internal Financial Controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board committees, including the Audit Committee.

The Company has an established Internal Financial Control framework including internal controls over financial reporting, operating controls and anti-fraud framework. The framework is reviewed regularly by the management and tested by internal audit team and presented to the audit committee. Based on periodical testing, the framework is strengthened, from time to time, to ensure adequacy and effectiveness of Internal Financial Controls.

The Company has a proper and adequate Internal Control System to ensure that all the assets of the Company are safeguarded and protected against any loss and that all the transactions are properly authorized and recorded. Information provided to Management is reliable and timely. Company ensures adherence to all statutes.

16. Statutory Auditors

M/s Ray & Ray Chartered Accountants (Firm Registration Number: 301072E), were re-appointed as the Statutory Auditors of the Company for a second term of 5 (five) consecutive years at the 15th Annual General Meeting of the Company held on 27th September, 2019.

The Statutory Auditors have expressed a modified opinion in their Audit Report for the financial year ended 31st March, 2020.

The Statement on Impact of Audit Qualifications as stipulated in regulation 33(3)(d) along with the management response to the same is as below:

Audit Qualification (each Audit Qualification separately)

1. a. **Detail of Audit Qualification:** *The Company has incurred losses over the years resulting in negative net worth, negative working capital and negative cash flows. The default in payment of dues to banks and financial institution and creditors etc are the identified events that, individually or collectively, cast significant doubt on the Company's ability to continue as a going concern.*

In this financial scenario, the management has no concrete plan to improve upon the situation which indicates that a material uncertainty exists that may cast significant doubt on the Company`s ability to continue as a going concern. The financial statements do not adequately disclose this fact.

As the Company has not recognized this fact and has prepared the financial statement on going concern assumption basis without carrying out any adjustments, in our opinion, the financial statements may not give a true and fair view.

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of Qualification:** First Time Qualification

d. **For Audit qualification where the impact is quantified by the Auditor** :
Not Applicable as Auditor has not quantified the impact

e. **For Audit qualification where the impact is not quantified by the Auditor:**

i. Management's estimation on the impact of audit qualification: Cannot be quantified.

ii. If Management is unable to estimate the impact, reasons for the same-Cannot be quantified.

iii. Auditor's comment on (i) or (ii) above: It depends on the future plan of the management to improve the situation by resolving uncertainties to continue the business as a going concern. However management has not provided any concrete plan to ascertain the future of the company.

2. a. **Detail of Audit Qualification:** *The Company has given unsecured advance amounting to Rs 1911.70 Lakhs to Winter Lands Pvt. Ltd and Rs 3515.33 Lakhs to Boulevard Developers Pvt. Ltd for acquiring various immovable properties on behalf of the Company for which no Joint Development Agreements could be produced to us. We have been informed that these companies are not in a position to honor their commitment and repay the advance. No provision has been made by the Company with respect to these advances resulting in understatement of loss and overstatement of the networth by the said amount.*

However, in case of Winter Lands the Company has represented that they are in the process of taking appropriate measures to regularize and enter development agreements with the land owners & aggregators within next two quarters.

b. **Type of Audit Qualification:** Qualified Opinion

c. Frequency of Qualification: First Time Qualification

d. For Audit qualification where the impact is quantified by the Auditor:

The Auditor has quantified the amount of Rs. 1911.70 lakhs & Rs. 3513.33 lakhs for not making provision. However, Management is in the process of taking appropriate measures to regularize and enter development agreements with the land owners & aggregators within next two quarters for advances related to Winter Land for Rs. 1911.70 lakhs for which the impact is not being considered in aforesaid table. However, the provision of Rs. 3513.33 lakhs has been considered in Impact.

e. **For Audit qualification where the impact is not quantified by the Auditor:**

i. Not Applicable as impact is quantified.

ii. If Management is unable to estimate the impact, reasons for the same- Not applicable.

iii. Auditor's comment on (i) or (ii) above: Refer to para no 2 of "Adverse Opinion para" of our standalone audit report of even date, in respect of advance of Rs 1911.70 Lakhs to Winter lands Pvt Ltd which have been informed that the Company is not in a position to honor their commitment and repay the advances. Hence necessary provision is required.

3. a. **Detail of Audit Qualification:** *The Company had advanced Rs. 1227.98 Lakhs to Somerset Infra Projects Pvt. Ltd (Somerset) for acquiring immovable properties on behalf of the Company. Somerset has neither delivered any property to the Company as per the agreement nor refunded the money. The Company has made full provision for the said advance and has entered into an agreement for assignment of claims against the party with another company at a substantially lower consideration which may result in substantial loss to the Company.*

Considering these factors, we are concerned about the manner in which the funds were given to Somerset and other companies without obtaining any security and the corresponding provision made in the books without taking necessary legal action for recovery.

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of Qualification:** First Time Qualification

d. **For Audit qualification where the impact is quantified by the Auditor:**
The Auditor has quantified the amount of Rs. 1227.98 lakhs for which provision has already been made in the year ended 31st March, 2018. Hence, no further impact has been considered.

e. **For Audit qualification where the impact is not quantified by the Auditor:**

i. Not Applicable as impact is quantified.

ii. If Management is unable to estimate the impact, reasons for the same- Not applicable

iii. Auditor's comment on (i) or (ii) above: Though there is no financial impact we are concerned about the manner of disbursing of advance and their subsequent recovery.

a. **Detail of Audit Qualification:** *As stated in Note No 17, the Company has not accounted for the demand of penal interest amounting to Rs. 2,177 lakhs by banks and financial institutions on credit facilities, resulting in the understatement of loss and overstatement of net worth by the said amount.*

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of Qualification:** First Time Qualification

d. **For Audit qualification where the impact is quantified by the Auditor**:
The Auditor has quantified the amount of Rs. 2177 lakhs towards penal interest which has not been provided for which Management is confident to get the waiver of penal interest as the request is being made to lenders to take haircut of principal & normal interest outstanding also whenever a project exit is being discussed. Hence, no further impact has been considered.

e. **For Audit qualification where the impact is not quantified by the Auditor:**

i. Not Applicable as impact is quantified.

ii. If Management is unable to estimate the impact, reasons for the same- Not applicable

iii. Auditor's comment on (i) or (ii) above: Bank has yet not confirmed the waiver of penal interest amounting as on the balance sheet date. As uncertainties is still existing for payment of the liability, provision is required.

4. a. **Detail of Audit Qualification:** *As stated in Note No 17 of the standalone financial statements, the Company has short provided interest on debentures amounting to Rs 6,966/- lakhs against the interest demand of Rs 11,812/- Lakhs (includes interest plus penal interest) in respect of appeal filed by Investcorp Real Estate Yield Fund (Formerly known as IDFC Real Estate Yield Fund) before the National Company Law Tribunal (NCLT), Bangalore, resulting in the understatement of loss and overstatement of net worth by the said amount.*

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of Qualification:** First Time Qualification

d. **For Audit qualification where the impact is quantified by the Auditor**:
The Auditor has quantified the amount of Rs. 6966 lakhs (Rs. 11,812 lakhs – Rs. 4846 lakhs) towards penal interest which has not been provided, for which Management is confident to get the waiver of penal interest as the discussion with debenture holders to take haircut of principal & normal interest outstanding is in final stages of conclusion. Hence, no further impact has been considered.

e. **For Audit qualification where the impact is not quantified by the Auditor:**

i. Not Applicable as impact is quantified.

ii. If Management is unable to estimate the impact, reasons for the same- Not applicable.

iii. Auditor's comment on (i) or (ii) above: Trustee of debenture holder has yet not confirmed the waiver of interest as on the balance sheet date. As uncertainties still exist for payment of the liability, provision is required.

5. a. **Detail of Audit Qualification:** *As stated in Note No 43 of the standalone financial statements, the Company has collected Rs 1,414 Lakhs as advance from customers for closed/suspended residential projects in the earlier years which have now been abandoned and such receipts, are now in the nature of deemed deposits under rule 2(c) (xii) (b) of the Companies Acceptance of deposit (Rules) 2014 and are also within the purview of sections 73 to 76 of the Companies Act, 2013 and proper disclosure has not been made in the books of accounts in this respect.*

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of Qualification:** First Time Qualification

d. **For Audit qualification where the impact is quantified by the Auditor**:
The Auditor has quantified the amount of Rs. 1414 lakhs for which Liability is already appearing and no further impact has been considered.

e. **For Audit qualification where the impact is not quantified by the Auditor:**

i. Not Applicable as impact is quantified.

ii. If Management is unable to estimate the impact, reasons for the same- Not applicable.

iii. Auditor’s comment on (i) or (ii) above: It is a violation of Companies Act and liability of interest and penalty may arise in future.

6. a. **Detail of Audit Qualification:** *The Company holds investments in its subsidiaries and also disbursed advances of Rs. 9,126 lakhs as on the balance sheet date. The subsidiaries have reported consolidated negative net worth as on 31st March, 2020. The Company has provided for impairment loss on such investments due to negative net worth in its books of account but no adjustments have been made in respect of the advances given to such subsidiaries which are also doubtful of recovery.*

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of Qualification:** First Time Qualification

d. **For Audit qualification where the impact is quantified by the Auditor**:
The Auditor has quantified the amount of Rs. 9126 lakhs for which impact has been considered in above table.

e. **For Audit qualification where the impact is not quantified by the Auditor:**

i. Not Applicable as impact is quantified.

ii. If Management is unable to estimate the impact, reasons for the same- Not applicable

iii. Auditor’s comment on (i) or (ii) above: No comments

7. a. **Detail of Audit Qualification:** *The Company has CWIP and Inventories relating to projects amounting to Rs 8,835/- Lakhs and Rs 23,232/- Lakhs [Net of “Payable to land owner for land under Joint Development Agreement, JDA) respectively as on 31st March, 2020. No impairment test has been carried out to ascertain the realizable value of Rs. 3,492 lakhs and Rs 19,603/- Lakhs estimated by the management against these projects assets respectively. [Refer Note No 4.2(i) and 8 of the financial statements].*

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of Qualification:** First Time Qualification

d. **For Audit qualification where the impact is quantified by the Auditor**:
The Auditor has quantified the amount of Rs. 3,492 lakhs and Rs 19,603/- Lakhs mentioning that no impairment test has been done to ascertain the realisable value. However, the management is confident of realising Rs. 3,492 lakhs and Rs 19,603/- Lakhs respectively. Hence, the balance value Rs 5,343 lakhs & Rs. 3,629 lakhs has been shown under impact in above table.

e. **For Audit qualification where the impact is not quantified by the Auditor:**

i. Not Applicable as impact is quantified.

ii. If Management is unable to estimate the impact, reasons for the same- Not applicable.

iii. Auditor’s comment on (i) or (ii) above: Realizable value of CWIP and Inventories amounting Rs 3492 Lakhs and Rs 19,603 Lakhs respectively are estimated by the management. The basis for the same is not provided to us hence we are in doubt of the realisability.

8. a. **Detail of Audit Qualification:** *Year-end balance confirmation certificates in respect of trade receivables, trade payables, advances and other advances have not been provided for our verification and record. In absence of adequate* *audit evidence, we are unable to ascertain as to whether any provision is required with respect to the carrying amounts of these balances as at reporting date.*

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of Qualification:** First Time Qualification

d. **For Audit qualification where the impact is quantified by the Auditor**:
Not applicable as impact is not quantified.

e. **For Audit qualification where the impact is not quantified by the Auditor:**

i. The Company could not obtain balance confirmation due to Covid-19 post year-end and reduced resources to undertake such tasks. However, Management is of the view that it will not have any additional impact on realisable value more than what has already been impaired under various heads.

ii. If Management is unable to estimate the impact, reasons for the same-

Owing to the nature of observation, impact cannot be quantified. However, Management is of the view that it will not have any additional impact on realisable value more than what has already been impaired under various heads.

iii. Auditor's comment on (i) or (ii) above: Impact is not ascertainable at this stage.

9. a. **Detail of Audit Qualification:** *As stated in Note No 19(a) of the standalone financial statements, the Company has neither ascertained nor accounted for component wise Deferred Tax Assets/ Liabilities as on balance sheet date and its adjustment in the Statement of profit & loss during the year.*

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of Qualification:** First Time Qualification

d. **For Audit qualification where the impact is quantified by the Auditor:**
Not applicable as impact is not quantified.

e. **For Audit qualification where the impact is not quantified by the Auditor:**

i. The Company could not ascertain component wise Deferred tax due to reduced resources to undertake such tasks. However, impact cannot be quantified until component wise deferred tax is determined.

ii. If Management is unable to estimate the impact, reasons for the same-

Owing to the nature of observation, impact cannot be quantified until component wise deferred tax is determined.

iii. Auditor's comment on (i) or (ii) above: Management comment is self-explanatory

10. a. **Detail of Audit Qualification:** *The Company has not provided customer wise reconciled figures for the outstanding balances for "Billing in excess of revenue" (Net of debit balance) of Rs 12,600 lakhs (Refer Note No 20(ii) to the financial statement). Due to non-availability of the said details we are unable to verify the correctness of the same.*

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of Qualification:** First Time Qualification

d. **For Audit qualification where the impact is quantified by the Auditor**:
Not applicable as impact is not quantified.

e. **For Audit qualification where the impact is not quantified by the Auditor:**

i. The Company could not provide the customer wise reconciliation for "Billing in excess of revenue" as the same was never done in the past. However, the same will be addressed within next 2 quarter. However, impact cannot be quantified nor the management is not expecting any impact because of such reconciliation.

ii. If Management is unable to estimate the impact, reasons for the same-

Owing to the nature of observation, impact cannot be quantified until reconciliation is made. However, the management is expecting any impact because of such reconciliation.

iii. Auditor's comment on (i) or (ii) above: No comments

17. Secretarial Auditor

Mr. Kedarnath, Practicing Company Secretary was appointed as the Secretarial Auditors of the Company for the financial year 2019-20 by the Board of Directors of the Company. The Secretarial Audit Report for the year ended 31st March, 2020 issued by the Secretarial Auditor in accordance with the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder is annexed to this report separately as **Annexure - A.**

The qualifications or adverse remakes in the Secretarial Audit Report as explained by the Board of Directors of the Company are as below:

1. *The Company has not updated Website as required under Regulation 46 of the SEBI(LODR) Regulation, 2015.*
   Management Response: The Company has recently updated the new website and were in the process of updating the website during which the audit was conducted. The Company has updated its website in accordance with the Regulation 46 of the SEBI LODR and few more updates are still pending and the Company is in the process of updating the same.

2. *Advances collected from customers towards proposed projects which are delayed and being outstanding in the books for more than one year attract Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014.*
   Management Response: Due of inadequacy of funds the Company was unable to pay off the advances collected from its Customers and its making its sincere efforts to repay the same at the earliest.

3. *The Company has defaulted compliance of the following:*

   a. *Repayment of principal and interest to Debenture Holders (IDFC) as per the terms.*
   b. *Payment of Listing Fee to National Stock Exchange Limited by delay.*
   c. *Applicable General Laws, such as ESI and PF requirements and MSME Act.*

   Management Response: The payment has been delayed due to scarcity of funds and the Company is making its sincere efforts to pay the same and ensure compliance at the earliest.

18. Particulars of employees

The details of remuneration to Directors, Key Managerial Personnel and the statement of employees in receipt of remuneration exceeding the limits prescribed under Section 134 of the Companies Act, 2013 read with rules made thereunder has been provided in **Annexure B** to this report. There were a total of 102 employees during the end of the financial year and the Company has failed to pay the Salary dues to few of its employees on time.

19. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

In terms of Section 134 of the Companies Act, 2013 read with rules made thereunder, the particulars of conservation of energy, technology absorption, and foreign exchange earnings and outgo are set out in **Annexure C** to this report.

20. Corporate Governance

In terms of Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, a Corporate Governance Report is form part of this Annual Report.

Further, a certificate from Mr. S. Kedarnath, Practicing Company Secretary affirming the compliance with the various provisions of the Corporate Governance in terms of Regulation 27 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 forms part of the Annual Report and exhibited separately.

21. Secretarial Standards

The Company complies with all applicable mandatory secretarial standards issued by the Institute of Company Secretaries of India.

22. Cost Audit and Cost Records

During the year under review, Cost Audit was not applicable to the Company. However, the maintenance of Cost Records as prescribed under the provisions of Section 148 of the Act was applicable for the business activities carried out by the Company.

23. Code of Conduct

In terms of Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, a declaration signed by Mr. Nitesh Shetty, the Chairman & Managing Director of the Company affirming compliance with the Code of Conduct by the Directors and Senior Management Personnel of the Company for the financial year 2019-20 forms part of the Corporate Governance Report.

24. Management Discussion and Analysis Report

In terms of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is presented in a separate section of the Annual Report.

25. Extract of the Annual Return

In accordance with the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in the prescribed format of MGT-9 for the financial year 2019-20 is provided in **Annexure D** to this Report.

26. Particulars of Loans, Guarantees and Investments

Pursuant to the provisions of Section 134 of the Companies Act, 2013 the particulars of the loans, guarantees and investments made by the Company under Section 186 of the Companies Act, 2013 is detailed in the Notes to Accounts section of the Annual Financial Statements.

27. Related Party Transactions

During the year under review, the Company has not entered into any contract/ arrangement/ transaction with a related party which can be considered as material in terms of the policy adopted by the Company, Section 188 of the Companies Act, 2013 and the Listing Regulations on the Related Party transactions.

The Related Party Transactions under IND-AS 24 undertaken during the financial year 2019-20 are detailed in the Notes to Accounts section of the Annual Financial Statements.

28. Disclosures as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace.

29. Risk Management Policy

The Company has formulated a comprehensive Risk Management Policy and the is in regular compliance of the same.

30. Review of Subsidiaries and Associates

Pursuant to Section 129 of the Companies Act, 2013, the consolidated financial statements of the Company and its subsidiaries and associates, prepared in accordance with the relevant Accounting Standards specified under Section 133 of the Companies Act, 2013 read with the rules made thereunder, forms part of the Annual Report.

A statement containing the salient features of the financial statements of the Company's subsidiaries is annexed to the Consolidated Financial Statement in the prescribed format of **Form AOC-1**.

Further, pursuant to the provisions of Section 136 of the Companies Act, 2013, the financial statements of the Company, consolidated financial statements along with the relevant documents and separate accounts in respect of subsidiaries are available on the website of the Company.

During the year the following material changes occurred relating to subsidiaries:

- the name of Nitesh Housing Developers Private Limited was changed to NHDPL Properties Private Limited on June26, 2019 and was further changed to NHDPL South Private Limited effective from April 22, 2020.
- the name of Nitesh Urban Development Private Limited was changed to NUDPL Enterprises Private Limited on June 26, 2019 and was further changed to NUDPL Ventures Private Limited effective from March 23, 2020.

In terms of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has adopted a policy for determining material subsidiaries. The Policy may be accessed on the Company's website at the link: https://nelholdings.in/policies-other-related-matters/

31. Additional Information to shareholders

All important and pertinent investor information such as financial results, investor presentations, press releases, project updates are made available on a regular basis on the website www.nelholdings.in of the Company.

32. Acknowledgement:

Your Directors are pleased to place on record their sincere appreciation of the valuable assistance and co-operation extended to the Company by its Customers, Bankers, Financial Institutions, State and Central Government authorities, Service Providers, Contractors and the Shareholders for the Company's operations.

Your Directors also place on record their appreciation on the significant contributions made, and support extended, by the employees of the Company at all levels during the year.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: July 31, 2020

Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

Annexure A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2020

[Pursuant to Section 2014(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members
NEL Holdings Limited
(Formerly, Nitesh Estates Limited)
Bengaluru 560001

We have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **NEL HOLDINGS LIMITED** having CIN: L07010KA2004PLC033412 (herein after called "the company"). Secretarial Audit was conducted in a manner that provided us the reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion the Company has, during the audit period covering the Financial Year ended on 31st March 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Secretarial Audit was conducted using Information Technology tools and on a random test check basis which was necessitated in view of the prevailing COVID-19 circumstances and in compliance of directions of the State Government and as per Para 3 of the ICSI Guidance dated 4th May 2020.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2020, according to the provisions of:

I. The Companies Act, 2013 (the Act) and the Rules made there under;
II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
III. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
IV. Foreign Exchange Management Act, 1999 and the Rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act').
   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993regarding the Companies Act and dealing with client;
   d) SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015. (LODR Regulations) including the requirements with regard to the disclosure of information on Company's website and other disclosure and reporting requirements to the Stock Exchanges during the Financial Year
   e) The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;

There were no occasions during the Financial Year requiring specific compliance under the provisions of the following Regulations and Guidelines:-

   f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended till date;

g) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014, as amended till date;
h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended till date;
i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended till date;

VI. We further report that based on the Industry Specific Laws identified by the Company and the guidelines issued by the Institute of Company Secretaries of India ('the ICSI') as applicable to the Company and as per the information received from the management, records maintained, and on test check basis, subject to Para VIII herein, the Company has, in our opinion, generally complied to the extent applicable, with the provisions of:

1. Industry Specific Laws

a. Real Estate (Regulation and Development) Act, 2016 and the rules made there under as applicable in Karnataka.
b. The Urban Land (Ceiling & Regulation) Act, 1976 ("Urban Land Ceiling Act") and the rules made there under.
c. Transfer of Property Act, 1882 ("T.P. Act") and the rules made there under.
d. Registration Act, 1908 ("Registration Act") and the rules made there under.
e. The Indian Stamp Act, 1899 ("Stamp Act") and the rules made there under.
f. Easements Act, 1882 ("Easements Act") and the rules made there under.
g. The Land Acquisition Act, 1894 and the rules made there under.
h. Karnataka Land Revenue Act, 1964 ("KLR Act") and the rules made there under.
i. Karnataka Apartment Ownership Act, 1972 ("KAO Act") and the rules made there under.
j. Karnataka Ownership Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1972 and the rules made there under.
k. Karnataka Rent Control Act, 1999 ("Rent Act") and the rules made there under.
l. Karnataka Stamp Act, 1957 ("KSA") and the rules made there under.
m. Bangalore Water Supply and Sewage Act, 1964 and the rules made there under.
n. Karnataka Town and Country Planning Act, 1961 ("KTCP Act") and the rules made there under.
o. Karnataka Municipal Corporation Act, 1976 ("KMC Act") and the rules made there under.
p. Bangalore Mahanagara Palike Building Bye Laws - 2003 ("BMP Bye Laws") and the Rules made there under.
q. Bangalore Development Authority Act, 1976 ("BDA Act") and the rules made there under.
r. Bangalore Metropolitan Region Development Authority Act, 1985 ("BMRDA Act") and the rules made there under.
s. The Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996 ("Constructions Workers") and the rules made there under.

2. General Laws (Subject to Para VIII)

a. Industrial and Labour laws as applicable to the Company
b. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
c. Micro Small Medium Enterprises Development Act, 2006
d. Laws relating to Trademark.

We further report that the Company has developed adequate systems and processes to be implemented which are, generally required to be improved, to monitor and ensure compliances with the General Laws mentioned above. The same is commensurate with its size and operations, to ensure compliance with applicable laws, rules, regulations and guidelines.

VII. We have also examined compliance with respect to:

a. The Secretarial Standards SS-1 and SS-2 issued by the ICSI and as notified by the Ministry of Corporate Affairs and report that the Company has generally complied with the said Standards, subject to para VIII hereof.
b. The Listing Agreement/s entered into by the Company with the BSE Limited and report that the Company has complied with the same. The Company's equity shares were delisted from the National Stock Exchange Limited during the financial year.

VIII. We further report that during the said Financial Year, the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc., mentioned in the foregoing paragraphs except followings

1. *The Company has not updated Website as required under Regulation 46 of the SEBI(LODR) Regulation, 2015.*
2. *Advances collected from customers towards proposed projects which are delayed and being outstanding in the books for more than one year, attract Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014.*
3. *The Company has defaulted compliance of the following:*
   a. *Repayment of principal and interest to Debenture Holders (IDFC) as per the terms.*
   b. *Payment of Listing Fee to National Stock Exchange Limited by delay.*
   c. *Applicable General Laws, such as ESI and PF requirements and MSME Act.*

IX. We further report that:

The Board of Directors of the Company is duly constituted with Executive Directors and Independent Directors. The changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all the Directors to schedule the Board/committee Meetings, agenda and detailed notes on agenda was sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Sub committees of Board reconstituted during the financial year by following necessary provisions governing the same.

Board Meeting (141) during the year was held through VC/OAVM. However, we were unable to verify the recordings of the said meetings. Majority decisions were carried through by the Board at its meetings and minutes of meetings are self-explanatory with regard to dissenting member's views, if any.

We state that the provisions relating to Audit of Accounts and the related financial records including Central Excise, Sales Tax, Customs Law and other connected laws, orders and notifications have not been dealt with in any manner in our Secretarial Audit.

X. We further report that during the Financial Year there were significant events/actions, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards and the same are as follows:

1. The name of the Company was changed from Nitesh Estates Limited to NEL Holdings Limited.
2. The Company has delisted its shares from the National Stock Exchange Limited.
3. There are pending cases filed under Section 138 of the Negotiable Instruments Act in respect of Cheque bounces involving about Rs.345.90 Millions for which Summons were received by the Company.
4. Raids conducted by Central Crime Bureau, Bangalore on the Company relating to delay / non delivery of completed units to the customers as published in the newspapers, is pending before the authorities.

S. Kedarnath
Practising Company Secretary
C P No 4422

Place: Bengaluru

Note: This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

'Annexure to Secretarial Audit Report'

To
The Members
NEL Holdings Limited
Bengaluru – 560 001

Dear Sir,

Our report of even date is to be read along with this letter.

1. Secretarial Audit was conducted using Information Technology tools and on a random test check basis which was necessitated in view of the prevailing COVID-19 circumstances and in compliance of directions of the State Government and as per Para 3 of the ICSI Guidance dated 4th May 2020.
2. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit. The presence / absence of the directors at Board Meetings were verified as stated in Minutes Book.
3. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on random test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, followed by us provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of any of the financial records and books of accounts of the Company including the records pertaining to Goods and Service Taxes, Income Tax, Customs and other related enactments applicable to the Company.
5. Wherever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Place: Bengaluru

S. Kedarnath
Practising Company Secretary
CP No: 4422

Annexure-B

Statement pursuant to Section 134 of the Companies Act, 2013 and Rule 5 (2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name	Age	Designation	Nature of Employment	Gross Remuneration (per Annum) (Including reimbursement	Qualification	Experience (in years)	Date of commencement of employment	Previous employment held
(A)	**Employed throughout the financial year**								
1	Mr. Nitesh Shetty	42	Chairman & Managing Director	Permanent employee	Nil	B.Com	18	20 Feb.2004	-
(B)	**Employed for part of the financial year - NIL**								

Note:

Mr. Nitesh Shetty, Chairman and Managing Director of the Company has earlier deferred his entire Salary pay out during the year 2019-20 and further vide his letter dated March 31, 2020 advised the Board to forgo his entire Salary for the year 2019-20

For and on behalf of Board of Directors

Date: July 31, 2020

Place: Bengaluru

Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

Top ten employees in terms of remuneration drawn

Sl. No	Name	Designation	Salary Drawn (2019-20) In Rs.
1.	Vaidyanathan L S	Managing Director	97,93,594
2	Kamal Daluka	Executive Director & Chief Finance Officer	73,23,282
3	Pradeep Narayan	Executive Vice President – Operations	62,27,155
4	Vimala Talla	Vice President - Business Development	51,05,559
5	Rakesh Kumar Singh	Chief Executive Officer	50,63,268
6	Sunitha George	Vice President – Construction Management	49,65,747
7	Elangovan S P	Vice President – Construction Management	43,29,090
8	Reghunadhan Pillay K G	Vice President - Legal	32,70,000
9	Hitesh Zaveri	DGM - Planning & QS	26,35,200
10	Gopinath K S	DGM - Planning & QS	24,04,949

For and on behalf of Board of Directors

Date: July 31, 2020

Place: Bengaluru

Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

Annexure C

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHNAGE EARNINGS AND EXPENDITURE

I. Conservation of Energy

a. Energy conservation measure taken:

The Company has taken energy savings measures, viz.,

- Energy efficient design of the buildings. The buildings have been laid out and positioned in the best possible location to allow more natural light and ventilation and thereby reducing the energy consumption.
- Care has been taken to avoid direct sun light into the flats to the extent possible to reduce heat load and thereby reducing electricity consumption for cooling.
- High performance, double glass unit, curtain wall system for some buildings.
- Installation of solar water heaters to reduce the EB power consumption.
- Implementing rain water harvesting system in the projects. By this, the ground water table is recharged and rain water is utilized for domestic purposes, thereby reducing the dependency on municipal water supply.
- Use of water efficient plumbing fixtures to reduce water consumption.
- Recycling of waste water thereby reducing net water consumption and reducing load on municipal drainage system.
- Adopting energy efficient light fixtures in common areas.

b. Additional investment and proposal:

The company as a matter of policy has regular program for investments only in energy saving devices. Investments are being done for the procurement of lifts and other project related infrastructures which are more efficient and based on variable drive.

c. Impact of measure taken:

The impact and the energy conservation by the system adopted in (a) and (b) above will be known in the long run. These cannot be quantified at this stage but will result in substantial reduction in power consumption.

II. TECHNOLOGY ABSORPTION

a. Company works on a mechanized process to reduce cost and increase the efficiency of the operations.

I. ERP system using SAP implemented successfully and the Company is benefitting from the same.
II. By appointing oversees architects, consultants technology up gradation has been brought to the projects.
III. Use of light weight blocks for construction of walls in the projects – The new technology available from Germany has been adopted in the projects. This has considerably saved the construction cost and time.
IV. The Sewage Treatment Plant (STP) – latest technology has been adopted, which is more efficient. The recycling of treated water helps in conservation of water.
V. Use of high performance insulated glass curtain walls in some projects will substantially contribute to reduction in power consumption for lighting and cooling.

b. Benefits derived as a result of the above efforts:

The benefits can be listed as follows:
i. The functions and efficiency has improved with more transparency in the system.
ii. The designs brought into our projects have been praised by the customer.
iii. Savings in construction cost and time.
iv. The new technology in STP saves space and energy.

III. RESEARCH AND DEVELOPMENT

a. Specific area in which R & D carried out by the Company:

The Company has been in introducing more robust quality checking norms for the building materials and workmanship, so that the quality product is delivered. Safety norms of the Company have been rolled out. The quality and safety work shop are conducted regularly at all the project sites, so that the end user is aware of the standards.

b. Benefits derived as a result of the above R & D

The benefits are in the long run by delivering the quality product to the customer.

c. Future Plan of Action

Continuous improvement in the above field, identifying new technologies in the construction sector, attending the seminars and training the staff, etc.

d. Expenditure on R & D

All expenditures on research and development forms part of the project cost and cannot be quantified separately.

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of foreign exchange inflow and outflow during the year are as follows:

Expenditure in foreign currency (on accrual basis)

Amount in Rupees

Particulars	**Year ended 31.03.2020**	**Year ended 31.03.2019**
Inflow	Nil	Nil
Outflow (Architect & other related fees)	Nil	6,48,320

For and on behalf of Board of Directors

Date: July 31, 2020
Place: Bengaluru

Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

Annexure D

Form No. MGT-9

Extract of the Annual Return

as on the Financial Year ended 31st March, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	**CIN**	L07010KA2004PLC033412
ii.	**Registration Date**	20th February, 2004
iii.	**Name of the Company**	NEL Holdings Limited (formerly Nitesh Estates Limited)
iv.	**Category**	Company limited by shares
	Sub-Category of the Company	Indian Non-Government Company
v.	**Address of the Registered office and contact details**	Level 7, Nitesh Timesquare, # 8, M.G. Road, Bengaluru-560 001 Ph. No. : 080-40174000 www.nelholdings.in email: investor@nelholdings.in ; cs@nelholdings.in
vi.	**Whether Listed Company**	Yes
vii.	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	KFin Technologies Private Limited Karvy Selenium Tower B, Plot No 31 & 32 Gachibowli Financial District, Nanakramguda, Serilingampally, Hyderabad – 500 032 Telephone No. : 91-040 67161510/ 67161512

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Name and Description of main products/ services	NIC Code of the Product/ service	% total turnover of the company
Development and construction of properties	410 Construction of buildings	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Name & Address	CIN	Holding/ Subsidiary	% of shares held	Applicable Section
NHDPL South Private Limited[1] *(formerly NHDPL Properties Private Limited)* No. 110, Level 1, Andrews Building, M.G. Road, Bengaluru- 560001	U45201KA2007PTC044553	Subsidiary	100%	2 (87)
NUDPL Ventures Private Limited *(formerly NUDPL Enterprises Private Limited)* No. 110A, Level 1, Andrews Building, M.G. Road, Bengaluru- 560001	U45201KA2007PTC044561	Subsidiary	100%	2 (87)
Nitesh Indiranagar Retail Private Limited 7th Floor, Nitesh Timesquare, No.8, M.G. Road, Bengaluru-560 001	U45201KA2007PTC042660	Subsidiary	100%	2 (87)

Lob Property Management Private Limited 7th Floor, Nitesh Timesquare, No.8, M.G. Road, Bengaluru-560 001	U70102KA2010PTC056128	Subsidiary	100%	2 (87)
Courtyard Hospitality Private Limited[2] (formerly Courtyard Constructions Private Limited) 7th Floor, Nitesh Timesquare, No.8, M. G. Road, Bengaluru-560 001	U70100KA1995PTC088020	Subsidiary	100%	2 (87)

1. NEL holds 89.9% and NUDPL holds 10.1% *2. NEL holds 50% and NUDPL holds 50%*

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as % of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	DEMAT	Physical	Total	% of Total Shares	DEMAT	Physical	Total	% of Total Shares	
A. PROMOTERS									
1. Indian									
a) Individual/ HUF	43104594	0	43104594	29.56	52242597	0	52242597	35.82	+6.26
b) Central Govt.	0	0	0	0	0	0	0	0	0
c) State Govt.(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp.	24872736	0	24872736	17.05	13123930	0	13123930	9.00	-8.06
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
(A) (1)	**67977330**	**0**	**67977330**	**46.61**	**65366527**	**0**	**65366527**	**44.82**	**-1.79**
2. Foreign									
a) Individual / HUF	0	0	0	0	0	0	0	0	0
b) Bodies Corporate	0	0	0	0	0	0	0	0	0
(A) (2)	0	0	0	0	0	0	0	0	0
Total A=A(1)+A(2)	**67977330**	**0**	**67977330**	**46.61**	**65366527**	**0**	**65366527**	**44.82**	**-1.79**

B. PUBLIC SHAREHOLDING									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	10909663	0	10909663	7.48	10913004	0	10913004	7.47	-0.001
c) Central Govt.	0	0	0	0	0	0	0	0	0
d) State Govt.(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0

f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	9200189	0	9200189	6.31	9200189	0	9200189	6.31	0
h)Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
(B)(1)	**20109852**	**0**	**20109852**	**13.79**	**20113193**	**0**	**20113193**	**13.78**	**-0.001**
2. Non-Institutions									
a) Bodies Corporates	9387614	0	9387614	6.44	4922505	0	4922505	3.38	-3.06
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 2 Lakh	18129891	1007	18130898	12.43	21814320	1007	21815327	14.96	+2.53
ii. Individual shareholders holding nominal share capital in excess of Rs 2 Lakh	28440220	0	28440220	19.50	28900161	0	28900161	19.82	0.32
c) Others	-	-	-	-	--	-	-	-	-
Clearing Members	68172	0	68172	0.05	108978	0	108978	0.07	+0.02
Directors and their Relatives	413318	1	413319	0.28	413318	1	413319	0.28	-
Non Resident Indians	818265	0	818265	0.56	812754	0	812754	0.56	-
NRI Non-Repatriation	409191	0	409191	0.28	424171	0	424171	0.29	-0.27
IEPF	70771	0	70771	0.05	70771	0	70771	0.05	-
NBFC	4568	0	4568	0.00	1900	0	1900	0.00	-0.001
Trusts	1900	0	1900	0.00	1900	0	1900	0.00	-
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	-
(B)(2)	**57182963**	**1008**	**57183971**	**39.21**	**57470778**	**1008**	**57471786**	**39.41**	**0.20**
Total B=B(1)+B(2)	**77371015**	**1008**	**77372023**	**53.06**	**68383782**	**1008**	**77584979**	**53.20**	**0.14**
C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs									
Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	**145831092**	**1008**	**145832100**	**100.00**	**145831092**	**1008**	**145832100**	**100.00**	**0.00**

(ii) Shareholding of Promoters:

Sl. No	Name of the Promoters	Shareholding at the beginning of the period			Shareholding at the end of the period			% change in shareholding during the period
		No. of Shares	% of total Shares of the company	% of Pledged/ Encumbered Shares	No. of Shares	% of total Shares of the Company	% of Pledged/ Encumbered Shares	
1	Mr. Nitesh Shetty	43073295	29.54	0.00	52216298	35.81	0.00	6.27
2	Nitesh Industries Private Limited	18070276	12.39	0.00	13123930	9.00	0.00	-3.39
3	Bolgati Enterprises Private Limited	6802460	4.66	0.00	-	00	0.00	-4.66
	Total	**67946031**	**46.59**	**0.00**	**67977331**	**44.81**	**0.00**	**-1.78**

(iii) Change in Promoters' Shareholding:

Sl. No	Name of the Shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Promoters holding			Cumulative Shareholding during the year	
		No of Shares	%				No of Shares	%
				Date	Increase/ (Decrease)	Reason		
1	Mr. Nitesh Shetty	43073295	29.54	20.03.2020	9143003	Purchase	52216298	35.81
				31.03.2020	Closing Balance		52216298	35.81
2	Nitesh Industries Private Limited	18070276	12.39	20.12.2019	4086657	Purchase	22156933	15.19
				27.12.2019	110000	Purchase	22266933	15.27
				20.03.2020	(9143003)	Sale	13123930	9.00
				31.03.2019	Closing Balance		18070276	12.39
3	Bolgati Enterprises Private Limited	6802460	4.66	21.06.2019	(6228136)	Sale	574324	-0.39
				28.06.2019	(574324)	Sale	0	00

(iv) Shareholding Pattern of Top Ten Shareholders

Sl. No	Name of the Shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease due to Market Purchase/Sale			Cumulative Shareholding during the year	
		No of Shares	% of total shares of the Company				No of Shares	% of total shares of the Company
				Date	Increase/ (Decrease)	Reason		
1	HSBC Indian Equity Mother Fund	9200189	6.31	31.03.2020	Closing Balance		9200189	6.31
2	Life Insurance Corporation of India	6208422	4.26	31.03.2020	Closing Balance		6208422	4.26
3	Bank of Baroda	4048241	2.78	31.03.2020	Closing Balance		4048241	2.78
4	Kiran Kumar Meda	1451880	0.99	10.05.2019	65310		1517190	1.04
				17.05.2019	390325		1907515	1.30
				24.05.2019	334345		2241860	1.53

				31.05.2019	92646	Purchase	2334506	1.60
				07.06.2019	83671		2418177	1.65
				21.06.2019	189099		2607276	1.78
				28.06.2019	45000		2652276	1.81
				12.07.2019	112995		2765271	1.89
				19.07.2019	123355		2888626	1.98
				20.09.2019	90000		2978626	2.04
				31.03.2020	Closing Balance		2978626	2.04
5	Kamlesh B. Shah	1818000	1.25	31.03.2020	Closing Balance		1818000	1.25
6	JM Financial Institutional Securities Limited	4706405	3.28	12.04.2019	(76056)	Sale	4630349	3.17
				19.04.2019	(41174)		4589175	3.15
				26.04.2019	(49980)		4539195	3.11
				03.05.2019	(15169)		4524026	3.10
				10.05.2019	(327215)		4196811	2.88
				17.05.2019	(706441)		3490370	2.40
				24.05.2019	(1759297)		1731073	1.19
				31.05.2019	(341579)		1389494	0.95
				07.06.2019	(155447)		1234047	0.85
				21.06.2020	(3605)		1230442	0.84
				31.03.2020	Closing Balance		1230442	0.84
7	3A Capital Services Limited	989700	0.68	31.03.2020	Closing Balance		989700	0.68
8	Mohsin Ali Vakil	960481	0.66	31.03.2020	Closing Balance		960481	0.66
9	A. S. Vishnu Bharath	710101	0.49	31.03.2020	Closing Balance		710101	0.49
10	Union Bank of India	650000	0.44	31.03.2020	Closing Balance		650000	0.44

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No	Name of the Directors	Shareholding at the beginning of the year		Date wise Increase / Decrease			Cumulative Shareholding during the year	
		No of Shares	%				No of Shares	%
				Date	Increase/ (Decrease)	Reason		
1	Mr. Nitesh Shetty	43073295	29.54	20.03.2020	9143003	Purchase	52216298	35.81
				31.03.2020	Closing Balance		52216298	35.81
2	Mr. L. S. Vaidyanathan	139501	0.10	31.03.2020	Closing Balance		139501	0.10
3	Mr. Ashwini Kumar	138818	0.10	31.03.2020	Closing Balance		138818	0.10

IV. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in Rs.)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5404858564	0	0	5404858564
ii) Interest due but not paid	846973224	0	0	846973224
iii) Interest accrued but not due	0	0	0	0

Total (i+ii+iii)		**0**	**0**	
Change in Indebtedness during the financial year				
• Addition	719649133	0	0	719649133
• Reduction	28311857	0	0	28311857
Net Change	**691337276**	0	0	691337276
Indebtedness at the end of the financial year				
i) Principal Amount	5376546707	0	0	5376546707
ii) Interest due but not paid	1566622357	0	0	1566622357
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	**6943169064**	**0**	**0**	**6943169064**

VI. REMUNERATION OF DIRECTORS:

A. Remuneration to Managing Director, Whole-time Directors

		Mr. Nitesh Shetty Chairman & Managing Director	Mr. L. S. Vaidyanathan Executive Director	Mr. Ashwini Kumar Executive Director	Total
1.	Gross salary a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Remuneration payable has been forgone *vide letter dated March 31, 2020 for the year 2019*-20. - -	Rs. 97,93,594 - -	- - -	Rs. 97,93,594 - -
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
5.	Others, please specify, (i) Variable pay	-	-	-	-
	Total (A)	NIL	Rs. 97,93,594	-	Rs. 97,93,594
	Ceiling as per the Act	10% of the Net profits of the Company calculated as per Section 198 of the Companies Act, 2013 and the rules made thereunder.			

B. Remuneration to other Directors

Sl. No.	**Particulars of Remuneration**	**Name of Directors**					**Total Amount**
		Jagdish Capoor	**Dipali Khanna**	**Mahesh Bhupathi**	**Anantha-narayanan**	**Shantanu Consul**	
1	Independent Directors Fee for attending Board and Committee Meetings · Commission · Others, please specify	Rs.370,000	Rs. 525,000	Rs. 125,000	Rs. 300,000	Rs. 100,000	Rs. 14,20,000
	Total (1)	Rs.370,000	Rs. 525,000	Rs. 125,000	Rs.300,000	Rs.100,000	Rs. 14,20,000

2	Other Non-Executive Directors · Fee for attending board and/or committee meetings · Commission	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-
	Total (B)=(1+2)	Rs.370,000	Rs. 525,000	Rs. 125,000	Rs.300,000	Rs.100,000	Rs. 14,20,000
	Overall Ceiling as per the Act	The Independent Directors are paid only the Sitting fees within the limits as prescribed under the Companies Act, 2013 and no other remuneration is being paid to them.					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD-NA

Sl. No.	**Particulars of Remuneration**	Mr. Prasant Kumar CS	Mr. Kamal Daluka CFO	**Total**
1.	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b. Value of perquisites u/s 17(2) Income-tax Act, 1961 c. Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Rs. 19,79,808 - -	Rs. 73,23,282 - -	Rs. 93,03,090 - -
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission	-	-	-
5.	Others, please specify	-	-	-
	Total	Rs. 19,79,808	Rs. 73,23,282	Rs. 93,03,090

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	**Section of the Companies Act**	**Brief Description**	**Details of Penalty / Punishment/ Compounding fees imposed**	**Authority[RD / NCLT/ COURT]**	**Appeal made, if any**
A. COMPANY					
Penalty	NIL				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	NIL				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment					
Compounding					

For and on behalf of Board of Directors

Date: July 31, 2020
Place: Bengaluru

Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

Your Company believes that Corporate Governance is a key element in improving efficiency and growth, as well as enhancing investor confidence.

The Company's philosophy on Corporate Governance is sustained growth, increase in Stakeholders' value, total transparency, accounting fidelity and to ensure service quality; all with a view to achieve business excellence. The Company places high emphasis on business ethics. The Company follows the Code of Business Conduct and Ethics.

The Corporate Governance framework of your Company is based on an effective Board with majority being Non-Executive Directors, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

The operations of the Company are conducted under the supervision and directions of the Board within the framework set by the Companies Act, 2013 and the Rules made there under ('the Act'), its Articles of Association, SEBI Guidelines, and the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

1. Board of Directors

a. Composition

The Board has an optimum combination of Executive and Independent Directors. The composition of the Board is in conformity with the applicable provisions of the Act and the Listing Regulations.

The Board of Directors of the Company consists of 5 Directors, including the Chairman & Managing Director and 1 Whole Time Director and 3 Independent Directors, out of which 1 is a woman Director.

During the period under review, Mr. Shantanu Cousul and Mr. Jagadish Capoor resigned as Independent Directors with effect from August 01, 2019 and February 14, 2020 respectively. The reasons for such resignations have been communicated to the Stock Exchange(s). Further, Mr. Ashwini Kumar has resigned as the Executive Director of the Company with effect from February 24, 2020.

Reasons for resignation:

Name of the Director	Reason for Cessation
Mr. Shantanu Consul, Independent Director (DIN: 08366933)	Being unable to devote time and attention
Mr. Jagdish Capoor, Independent Director (DIN: 00002516)	Attained more than 81 years and unable to devote much time and attention because of health issues, inability to travel, age factor and other personal reasons
Mr. Ashwini Kumar, Executive Director (DIN: 02034498)	Personal reasons

No New Directors were inducted on the Board during the year.

All resignations of the Directors of the Company have been duly intimated to the Stock Exchanges and to the Ministry of Corporate Affairs, New Delhi.

The composition of the Board during the year is as under:

Name of Directors	Category of Directors	*Inter-se* relationship	No. of Meetings entitled to attend	No. of meetings attended	Attendance at the AGM held during the year
Mr. Nitesh Shetty	Promoter-Executive	NA	7	7	Yes
Mr. L. S. Vaidyanathan	Executive-Non-Independent	NA	7	7	Yes
Mrs. Dipali Khanna	Non-Executive-Independent	NA	7	6	No
Mr. Mahesh Bhupathi	Non-Executive- Independent	NA	7	2	No
Mr. Ananthanarayanan S	Non-Executive-Independent	NA	7	6	No
Mr. Shantanu Consul*	Non-Executive- Independent	NA	2	2	NA
Mr. Jagdish Capoor**	Non-Executive- Independent	NA	7	4	Yes
Mr. Ashwini Kumar***	Executive -Non-Independent	NA	7	1	No

* *Director up to August 01, 2019*
** *Director up to February 14, 2020*
****Director up February 24, 2020*

b. Board Meetings

The Board met 7 (Seven) times on the following dates:

1. April 10, 2019	2. April 23, 2019
3. May 30, 2019	4. August 09, 2019
5. November 13, 2019	6. January 10, 2020
7. February 14, 2020	

c. The details of other directorships as on the date of this report are below:

Name of the Directors	No of Listed Entity excluding NEL	Name of the Listed Entity and category	Other Directorships in unlisted Public Companies	Chairman / Member held in the Committees of other Companies excluding NEL
Mr. Nitesh Shetty	-	NA	-	-
Mr. L. S. Vaidyanathan	-	NA	-	-
Mr. Mahesh Bhupathi	-	NA	-	-
Mr.Ananthanarayanan S	-	NA	-	-
Mrs. Dipali Khanna	2	1. India Power Corporation Limited 2. Techno Electric & Engineering Company Limited -Independent Director	-	-

** Alternate Directorships, if any and Directorships in Private Limited Companies, Foreign Companies, Associations and Government Bodies are excluded.*

d. Skills / Expertise / Competencies of the Board of Directors:

The following is the list of core skills / expertise / competencies identified by the Board of Directors:

i	Construction and Real Estate Law/Development	Mr. Nitesh Shetty, Mr. L.S. Vaidyanathan
ii	Legal and land acquisition, Administration	Mr. L. S. Vaidyanathan
iii	Banking and Finance	Mrs. Dipali Khanna, Mr. S. Ananthanarayanan and Mr. L. S. Vaidyanathana
v	Strategic business advisory, Financial planning,	Mrs. Dipali Khanna, Mr. S. Ananthanarayanan and Mr. L. S. Vaidyanathan, Mr. Mahesh Bhupathi

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the SEBI Regulations and are independent of the Management.

e. Shares held by Non-Executive Directors:

Name of the Directors	No. of Shares held
Mrs. Dipali Khanna	Nil
Mr. Mahesh Bhupathi	Nil
Mr. Ananthanarayanan S	Nil

f. Code of Conduct

The Company had adopted the Code of Conduct for all the employees including Senior Management and the Directors. The Code of Conduct has been posted on the Company's website at is uploaded on the Website of the Company at: https://nelholdings.in/policies-other-related-matters/

Further, pursuant to the Regulation 26(3) of the Listing Regulations, all the Board members and Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Chairman & Managing Director forms part of this Report.

g. Familiarization Programme for Independent Directors:

At the time of appointing a Director, a formal letter of appointment is given to the Board Members, which inter alia explains the role, function, duties and responsibilities expected from them as a Director of the Company. The Director is also explained in detail the compliances required from him under the Companies Act, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and other relevant regulations. The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The terms and conditions of Independent Directors are posted on the Company's website at is uploaded on the Website of the Company at: https://nelholdings.in/policies-other-related-matters/

2. Audit Committee

In compliance with the Section 177 of the Act and Regulation 18 of the Listing Regulations, the Board has duly constituted the Audit Committee.

The Audit Committee is responsible for overseeing the Company's financial reporting process, reviewing the quarterly/half-yearly/annual financial statements, reviewing with the Management on the financial statements and adequacy of internal audit function, Internal Financial Control systems, recommending the appointment/ reappointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings/related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operations. The Committee acts as a link between the management, external and internal auditors and the Board of Directors of the Company.

a. Powers & Roles of the Audit Committee:

The Powers of the Audit Committee has been based on the terms of reference made by the Board from time to time and as applicable under the Listing Regulations and as prescribed by the SEBI. Some of the powers enumerated below apart from the other prescribed under the Listing Regulations and the Companies Act, 2013:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Powers

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit finding
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Qualifications in the draft Audit Report
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b. Composition and Attendance of the Meetings:

Name of the Members	Position	No. of Meetings entitled to attend	No. of meetings attended
Mr. Jagdish Capoor* Independent Director	Chairman *(Up to Feb. 14, 2020)*	4	3
Mrs. Dipali Khanna ** Independent Director	Chairperson *(from Feb. 14, 2020)*	4	4
Mr. L. S. Vaidyanathan Executive Director	Member	4	4
Mr. S. Ananthanarayanan Independent Director	Member *(from Feb. 14, 2020)*	0	NA

c. Audit Committee Meetings:

The Audit Committee met 4 (four) times during the year on following dates:

May 30, 2019	August 08, 2019
November 13, 2019	February 14, 2020

3. The Nomination and Remuneration Committee

In compliance with Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 178 of the Companies Act, 2013, the Board has constituted the "Nomination and Remuneration Committee"

a. The terms of reference of the Nomination and Remuneration Committee are as follows:

The role of the committee shall, inter-alia, include the following:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees. To determine the remuneration packages for Executive Directors including pension rights and any compensation payments. To determine the remuneration to Executive Directors as required under the Companies Act, 2013 and the Rules made there under.

2. To formulate criteria for evaluation of Independent Directors and the Board;

3. Devising a policy on Board diversity;

4. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

5. The Nomination and Remuneration Committee shall also function as Compensation Committee to look after the Compensation & Benefits of employees. The same committee shall also consider the benefit and administration of the ESOP or any other similar scheme under the Securities Exchange Board of India Guidelines as and when the same is considered by the Board.

6. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such committee.

b. Composition and Attendance of the Meetings:

Name	Position	No. of Meetings entitled to attend	No. of meetings attended
Mr. Jagdish Capoor Independent Director	Chairman (Up to Feb.14, 2020)	1	0
Mrs. Dipali Khanna Independent Director	Chairperson (from Feb.14, 2020)	1	1
Mr. Mahesh Bhupathi Independent Director	Member	1	1
Mr. S. Ananthanarayanan Independent Director	Member *(from Feb. 14, 2020)*	0	NA

c. The Nomination & Remuneration Committee Meetings:

The Nomination & Remuneration Committee met on February 14, 2020 during the year.

d. Performance evaluation criteria for Independent Directors

The Nomination & Remuneration Committee has laid down the Performance Evaluation criteria of Independent Directors in terms of Regulation 19 read with Part D of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

e. Remuneration Policy:

The Company has a credible and transparent policy in determining and accounting for the remuneration of the Executive /Non-Executive Directors. The remuneration is governed by the external competitive environment and industry standards. The remuneration paid to the Managing Director and Executive Directors are subject to the approval of the Board of Directors, the Members and the Central Government.

Non-Executive Directors are remunerated only by way of sitting fees for the meetings of the Board and the Committees thereof, attended by them.

There are no other pecuniary relationships or transactions of the non-executive Directors vis-à-vis with the Company.

Remuneration paid to the Directors during the financial year 2019-20:

(In Rs)

Names of the Directors	Salary	Sitting Fees	Commission	Bonus	Share based payment
Mr. Nitesh Shetty*	-	-	-	-	-
Mr. L.S. Vaidyanathan*	9,793,594	-	-	-	-
Mr. Ashwini Kumar*	-	-	-	-	-
Mr. Jagdish Capoor	-	370,000	-	-	-
Mrs. Dipali Khanna	-	525,000	-	-	-
Mr. Mahesh Bhupathi	-	125,000	-	-	-
Mr. Shantanu Consul	-	100,000	-	-	-
Mr. Ananthanarayanan	-	300,000	-	-	-

Note:

Mr. Nitesh Shetty, Chairman and Managing Director of the Company has earlier deferred his entire Salary pay out during the year 2019-20 and further vide his letter dated March 31, 2020 advised the Board to forgo his entire Salary for the year 2019-20

Meeting of the Independent Directors

Pursuant to the provisions of the Act read with the Rules made thereunder and the Listing Regulations, the Independent Directors of the Company have met on February 14, 2020.

4. Stakeholders' Relationship Committee:

In compliance with the provisions of the Act and the Listing Regulations, the Board has constituted the "Stakeholders' Relationship Committee".

The Stakeholders' Relationship Committee has been formed for the effective redressal of the investors' complaints, reviewing the activities of the share transfer committee and reporting of the same to the Board periodically.

a. Composition and Attendance of the Meetings

Name	Position	Meetings held during the year	Attendance
Mr. Jagdish Capoor	Chairman (Up to Feb.14, 2020)	1	1
Mrs. Dipali Khanna	Chairperson (from Feb.14, 2020)	0	NA
Mr. Nitesh Shetty	Member	1	1
Mr. L. S. Vaidyanathan	Member	1	1

The Stakeholders' Relationship Committee met on November 13, 2019 during the year.

b. Details of complaints received and resolved during the year are as under:

During the year No queries/complaints were received from the Shareholders.

Details of Compliance Officer - Mr. Prasant Kumar is the Company Secretary & Chief Compliance Officer of the Company.
Email : cs@nelhildings.in

5. General Meetings

a. Date, time and location of the last three Annual General Meetings:

Year	Date	Time	Location
2019	September 27, 2019	9. 00 AM	Dr. B. R. Ambedkar Memorial Trust (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bengaluru – 560 052
2018	September 28, 2018	9.00 AM	
2017	September 28, 2017	2.30 PM	

b. Details of Special resolutions passed during previous three Annual General Meetings held in the year 2017, 2018 and 2019 are as under:

Year	Date	Time	Special Resolutions
2019	September 27, 2019	9. 00 AM	1. To appoint Mr. Jagdish Capoor (DIN: 00002516) as an Independent Director of the Company for the second term 2. To approve the divestment of subsidiary – Nitesh Indiranagar Retail Private Limited
2018	September 28, 2018	9.00 AM	NA
2017	September 28, 2017	2.30 PM	NA

6. **Extraordinary General Meeting (EGM):** The Company has not conducted any Extraordinary General Meeting during the period under review.

7. **Postal Ballot conducted during the financial year 2019-2020:**

During the year 2019-20, no Postal Ballot was conducted by the Company.

However, as on the date of this report, the approval from the shareholders for the name change from NEL Holdings Limited to **NEL Holdings South Limited**, alteration of the Memorandum of Association and Articles of Association were sought through a Postal Ballot notice dated July 01, 2020 and as on this date, the same is impending.

Further, there is no other proposal of passing any Resolution through Postal Ballot during the financial year 2020-21.

8. **Means of Communication**

a. The quarterly unaudited results and Audited Annual Financial Results, in the SEBI prescribed format are normally published in the following Newspapers within 48 hours of the approval by the Board and also been submitted to the Stock Exchanges:
   i. Financial Express (English Daily); and
   ii. Hosa Digantha (Kannada Daily)
b. The financial results are also available on the Company's website at www.nelholdings.in
c. The news releases, if any are posted on the Company's website and submitted to the Exchanges.
d. There were no presentations made to Institutional investors/ Analysts during the year.

9. **General Shareholder Information**

a. **Annual General Meeting**

Date	September 30, 2020
Time	9.00 A.M.
Venue	NA (Through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility)

b. **Financial Calendar**

Financial Year	:	April 1, 2020 to March 31, 2021
First Quarter Results	:	In September, 2020
Half Yearly Results	:	In November/December, 2020
Third Quarter Results	:	In February, 2021
Results for the year ended 31st March	:	By May, 2021

10. **Listing Information**

The Company's shares are listed on BSE Limited. The shares of the Company are delisted from National Stock Exchange of India Limited with effect from October 30, 2019.

It is hereby confirmed that the Company has paid the listing fee to BSE Limited for the year 2020-21.

Name of the Stock Exchanges	**Stock Code**
BSE Limited Floor 25, P J Towers, Dalal Street Mumbai 400 001	533202
National Stock Exchange of India Limited (delisted on October 30, 2019)	NITESHEST
ISIN	INE639K01016

11. Stock Data

a. Monthly High & Low prices at BSE & NSE during the Financial Year 2019-20

Month	NSE		BSE	
	High	Low	High	Low
Apr-19	7.00	5.15	6.93	5.34
May-19	5.70	2.85	5.79	2.85
Jun-19	3.05	1.85	3.20	1.81
Jul-19	2.30	1.80	2.35	1.77
Aug-19	1.90	1.65	1.90	1.65
Sep-19	1.85	1.65	1.93	1.61
Oct-19	1.75	1.45	1.78	1.45
Nov-19	NA	NA	2.08	1.53
Dec-19	NA	NA	1.68	1.24
Jan-20	NA	NA	1.65	1.34
Feb-20	NA	NA	1.55	0.93
Mar-20	NA	NA	1.10	0.60

b. Distribution of shareholding as on March 31, 2020

Category	No. of Shareholders	% of Shareholders	Total Shares	% Holdings
0001- 5000	11151	58.46	22841620	1.57
5001- 10000	2991	15.68	26618050	1.83
10001- 20000	1927	10.10	31368470	2.15
20001- 30000	746	3.91	19772440	1.36
30001- 40000	367	1.92	13423020	0.92
40001- 50000	453	2.37	21822280	1.50
50001- 100000	676	3.54	53710350	3.68
100001& Above	764	4.01	1268764770	87.00
Total	**19075**	**100.00**	**145,832,100**	**100.00**

c. Shareholding pattern as on March 31, 2020

Sl. No	Description	Shareholders	Shares	% Equity
1	Banks	3	4701241	3.22
2	Clearing Members	17	108978	0.07
3	directors and their Relatives	5	413319	0.28
4	Employees	10	17196	0.01
5	Foreign Portfolio - Corp	1	9200189	6.31
6	H U F	548	2882494	1.98
7	I E P F	1	70771	0.05
8	Indian Financial Institutions	2	6211763	4.26
9	Bodies Corporates	167	4922505	3.38
10	Non- Resident Indians	128	812754	0.56
11	NRI Non-Repatriation	65	424171	0.29
12	Promoter Companies	1	13123930	9.00
13	Promoter Individuals	2	52242597	35.82
14	Resident Individuals	18124	50698292	34.76
15	Trusts	1	1900	0.00

d. Shares held in physical and dematerialized form as on March 31, 2020

Category	No. of Holders	Total Shares	% to Equity
Physical	05	1008	0.00
NSDL	10952	123830055	84.91
CDSL	8118	22001037	15.09
Total	**19075**	**145832100**	**100.00**

e. Share Transfer

The Company has appointed KFin Technologies Private Limited, as Registrars and Share Transfer Agents (SEBI Registration No. INR000000221). The real time transfer will take place in case of dematerialised shares and in case of physical shares, the share transfers are normally effected within the maximum period of fifteen days from the date of receipt, if all the required documentations are submitted.

f. Registrar and Transfer Agents:

KFin Technologies Private Limited
Karvy House, No. 46, 8-2-609/K, Avenue 4, Street No. 1
Karvy Selenium Tower B
Plot No 31 & 32 Gachibowli, Financial District
Nanakramguda, Serilingampally Hyderabad – 500 032
Telephone No. : 91 040 67161510 Toll Free no.: 1800-345-4001
Email: mailmanager@karvy.com

g. Compliance Officer details:

Mr. Prasant Kumar
Company Secretary & Chief Compliance Officer
Level 7, Nitesh Timesquare, # 8, M G Road, Bengaluru-560 001
Tel: +91 80 4017 4000
Email: investor@nelholdings.in, cs@nelholdings.in

12. Disclosures

a. Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company

Pursuant to Regulation 23 of the Listing Regulations, the Board of Directors has formulated a Policy on Related Party Transactions which can be accessed from the website of the Company at : https://nelholdings.in/policies-other-related-matters/

The Company has not entered into any contract/ arrangement/ transaction with a related party which can be considered as material in terms of the policy adopted by the Company, Section 188 of the Companies Act, 2013 and the Listing Regulations on the Related Party transactions as such transactions were entered into during the financial year were on an arm's length basis and were in the ordinary course of business and do not attract the provisions of Section 188 of the Companies Act, 2013.

The Related Party Transactions under IND-AS 24 undertaken during the financial year 2019-20 are detailed in the Notes to Accounts section of the Annual Financial Statements.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company.

The Company has a policy for determining 'Material Subsidiary' which is disclosed on the Company's website at : https://nelholdings.in/policies-other-related-matters/

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as regulations and guidelines of the SEBI and other Statutory Authorities on all matters relating to the capital markets. The Company has not paid any fines/penalty during the last three financial years.

c. Whistle Blower Policy and Vigil Mechanism

The Company has a vigil mechanism policy for its Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the code of conduct/business ethics that provides for adequate safeguards against victimization of the Director(s) and employee(s) who avail of the mechanism.

None of the Directors/employees of the Company have been denied access to the Chairman of the Audit Committee and no complaints have been received during the financial year 2019-20.

The Company has a "Whistle Blower Policy" which is disclosed on the Company's website at : https://nelholdings.in/policies-other-related-matters/

d. Discretionary Requirements under Regulation 27 (1) of the Listing Regulations

The Company has adopted not to adhere the discretionary requirements as provided under Schedule II Part E as per the Regulation 27 (1) of the Listing Regulations.

e. Total fees for all services paid by the listed entity and its subsidiaries to the Statutory Auditors:

During the year the Company has paid Rs. 33,00,000 (inclusive of previous year dues) as total audit fees for all the services to its Company and the Subsidiary Companies and all other entities in the network, on a consolidated basis to M/s. Ray and Ray, Chartered Accountants.

f. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder. No complaint was received by the Management during the year.

g. Compliance Certificates

a. A Confirmation certificate signed by the Managing Director stating that the Board of Directors and Senior Management Personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management forms part of this Annual Report.

b. A Certificate from S. Kedarnath & Associates, Practicing Company Secretary, Bengaluru confirming the compliance with the conditions of Corporate Governance under Regulation 27 read with Schedule V of the Listing Regulations forms part of this Annual Report.

c. A Certificate from S. Kedarnath & Associates, Practicing Company Secretary in pursuance of sub clause (i) of clause 10 of

Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

h. Disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the LODR:

Regulation	Requirements	Compliance
17(1)	Board composition	Yes
17(2)	Meeting of the Board of Directors	Yes
17(3)	Review of Compliance Reports	Yes
17(4)	Plans for orderly succession for appointments	NA
17(5)	Code of Conduct	Yes
17(6)	Fees/compensation	Yes
17(7)	Minimum Information	Yes
17(8)	Compliance Certificate	Yes
17(9)	Risk Assessment & Management	Yes
17(10)	Performance Evaluation of Independent Directors	Yes
18(1)	Composition of the Audit Committee	Yes
18(2)	Meeting of the Audit Committee	Yes
19(1) & (2)	Composition of the Nomination & Remuneration Committee	Yes
20(1) & (2)	Composition of the Stakeholder Relationship Committee	Yes
21(1),(2),(3),(4)	Composition and role of Risk Management Committee	NA
22	Vigil Mechanism	Yes
23(1),(5),(6),(7) & (8)	Policy for Related Party Transaction	Yes
23(2), (3)	Prior or Omnibus approval of Audit Committee for all Related Party Transactions	NA
23(4)	Approval for Material Related Party Transactions	NA
24(1)	Composition of Board of Directors of unlisted material Subsidiary	Yes
24(2),(3),(4),(5) & (6)	Other Corporate Governance requirements with respect to subsidiary of listed entity	Yes
25(1) & (2)	Maximum Directorship & Tenure	Yes
25(3) & (4)	Meeting of Independent Directors	Yes
25(7)	Familiarization of Independent Directors	Yes
26(1)	Memberships in Committees	Yes
26(3)	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	Yes
26(4)	Disclosure of Shareholding by Non-Executive Directors	Yes
26(2) & 26(5)	Policy with respect to Obligations of Directors and Senior Management	Yes

Compliance as per Regulation 46(2) (b) to (i)	
Terms and conditions of appointment of Independent Directors	Yes
Composition of various committees of Board of Directors	Yes
Code of conduct of Board of Directors and Senior Management Personnel	Yes
Details of establishment of Vigil Mechanism/ Whistle Blower policy	Yes
Criteria of making payments to Non-Executive Directors	NA
Policy on dealing with Related Party Transactions	Yes
Policy for determining 'Material' Subsidiaries	Yes

Details of familiarization programs imparted to Independent Directors	Yes
Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes
Email address for grievance Redressal and other relevant details	Yes
Financial Results	Yes
Shareholding pattern	Yes
Details of agreements entered into with the media companies and/or their associates	NA
New name and the old name of the Company	Yes

Date: July 31, 2020
Place: Bengaluru

Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

CONFIRMATION OF CODE OF CONDUCT

This is to confirm that the Company has adopted a code of conduct for its Board of Directors and the Senior Management Personnel and the same is made available on the Company's website.

I hereby confirm that the Company has received the declarations for the financial year ended March 31, 2020 in confirmation of the compliance with the Code of Conduct by the members of the Board of Directors and the Senior Management Personnel of the Company as required under the provisions of Regulation 34 read with Schedule of V of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015,

Date: July 31, 2020
Place: Bengaluru

Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Shareholders of
NEL Holdings Limited
(CIN: L07010KA2004PLC033412)

I have examined the compliance of conditions of Corporate Governance by the NEL HOLDINGS LIMITED ("the Company") for the year ended March 31, 2020 as stipulated under regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of securities Exchange Board of India (LODR) Regulations ,2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

ln my opinion and to the best of our information and according to the explanation given to me, I certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirements Regulations,2015 except the Regulation 46.

I further state that none of the directors on the Company have been debarred or disqualified from being appointed or continuing as director of the Company as per the requirement of by SEBl/Ministry of corporate Affairs or any such statutory authority.

I hereby state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

S. Kedarnath,
Practising Company Secretary
C.P. No. 4422

Place: Bengaluru
Date: July 31, 2020

CERTIFICATE

(Pursuant to clause 10 of Part C of Schedule V of LODR)

ln pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of lndia (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR) on the basis of the written representation/declaration received from the Directors and taken on record by the Board of Directors of NEL Holdings Limited (ClN: LO701OKA2OO4PLCO33412) ('the Company') for the financial year 2019-20, I hereby certify that as on date of this Certificate, none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI / Ministry of Corporate Affairs or any such Statutory Authority.

S. Kedarnath
Practising Company Secretary
C.P. No. 4422

Place: Bengaluru
Date: July 31, 2020

FY2019-20: Management Discussion and Analysis

Socio Economic Environment

The global economic activity was marked by the escalation of US China trade tensions, the Middle East geopolitical turmoil followed by the plummet in crude oil prices and the disruption in operations and supply chains across the world because of the impact of Covid-19. The pandemic has brought upon such a drastic impact on the world economy that according to the IMF (International Monetary Fund), the global economy is expected to shrink by over 3% in 2020-the steepest slowdown since the Great Depression of the 1930s. India's GDP growth was dragged down to 4.2 % in FY2020, weakest since the financial crisis hit more than a decade back. The RBI has projected a negative growth rate for FY2021 without mentioning any figure.

Real Estate Market

Indian Real Estate Market

There has been a series of radical and transformational reforms such as demonetisation, Real Estate Regulation & Development Act (RERA), FDI relaxations, GST, Benami Transactions (Prohibition) Amendment Act, Change in Accounting standards, all coming in a row and in quick succession. This has helped in increasing the transparency of Indian real estate transactions, making it more credible and attractive with only organized players on the ground. Home ownership being a priority ambition and investment objective for Indians, these reforms will have positive implications for home buyers and the sector in long term. However, for short term, these procedural hurdles and challenges have out developers and ongoing projects off-guard and developers are still trying to meet the compliance requirements, and adjust to and move with the changes taking place in the sector and its regulations.

The residential real estate market has been ruffled in the last few quarters and Bengaluru was viewed as a relatively better performing marketing against all the other cities. The sales however have been considerably less than before. However, it is attracting only end users and investors are staying away from the market. The cycle time for purchase decisions has become longer. The homebuyer community may defer their purchase decisions in light of the pandemic. With reduced price appreciation, real estate hasn't been an attractive investment for investors who are relatively keeping away from the market. Even for end user sales, customers have been preferring established developers with proven track record or more so projects with completion / OC or projects nearing completion to reduce the purchase risk.

Real Estate Regulation & Development Act (RERA) came into effect and in the state of Karnataka with notification dated 10th July, 2017. This has enforced transparency and accountability requirements for developers and will increase the confidence of the consumers. The Goods and Service Tax (GST) and Benami Transactions (Prohibition) Amendment Act will also have a major impact on the operations of the real estate developers.

Ministry of Housing and Urban Poverty Alleviation (MoHUPA) has introduced in June 2015, an interest subsidy scheme called Credit Linked Subsidy Scheme (CLSS) under Pradhan Mantri Awas Yojana (URBAN)-Housing for All, for purchase/ construction/ extension/ improvement of house to cater Economical Weaker Section (EWS)/Lower Income Group (LIG)/Middle Income Group (MIG), given the projected growth of urbanization & the consequent housing demands in India. The qualifying criteria for affordable housing have been relaxed. This effectively increases the size of affordable housing market across India. These segments saw several new launches and were marketed under the buzzword of "smart", "millennial", "efficient" homes.

The office market clocked an all-time high transaction of 60.6 mn sq ft in FY 2019-20, signalling the robustness of the market. However, owing to Covid-19 and its implications, many feel that leasing will come under pressure in FY 20-21 and FY 21-22.

Bengaluru Real Estate Market

Bengaluru continues to be one of the most preferred destinations for real estate. It has witnessed phenomenal migration in last few decades to become the Silicon Valley of India with a 40% share of IT industry. Due to good market drivers – IT/ITes sector – which ensures strong macro-economic dynamics, most home buyers find Bengaluru a perfect place to settle and retire. There has been a significant decline in the absorption, however Bengaluru has been affected to a lesser extent as compared to the other cities in India. Economic growth is driving home prices upwards in Bengaluru with around 5% growth in 2019, a figure which is higher than both Mumbai and Gurugram, which had little or no growth. Rental growth also saw an uptrend in 2019(6.5%) with improvements in infrastructure. Bangalore has been one of the stable and fast growing office spaces of recent years but complacency would not help and developers would have to constantly review and adapt to changes and dynamic needs of the market. Work From Home trend picking up among IT companies (who are major tenants in Bangalore) could see pressure on demand and rental rates for office spaces.

The Company

Company Overview and Market Positioning

NEL Holdings Limited (Formerly Nitesh Estates Limited) ("NEL" or "Company") is an integrated property developer and one of India's most recognized luxury real estate brands with presence in multiple asset classes: Residential, Commercial and Hotel. Since inception, the Company has brought over 21.60 mn sq. ft. of area under development. The Company made its initial public offering in May 2010 and was listed on the Bombay Stock Exchange and the National Stock Exchange. The Company has a very strong brand equity, business processes and partnerships to attain the next stage of growth. Since inception, the Company has completed many projects across residential, commercial and hospitality segments and currently has 14 ongoing residential projects.

NEL has a comprehensive corporate governance framework with an eminent Board and strong management team with significant experience across industries. In line with best in class corporate governance practices, the Company has a high proportion of Independent Directors.

Operational Performance

During the year, the Company sales very not satisfactory and was eventually affected due to recession and drop in demand in real estate market. The Company is planning to diversify its business and expand its business opportunities in new areas of business like providing manpower for facilities management business, securities business and other service oriented businesses in the future.

Financial Performance in IND-AS (Figures)

NEL generated revenue of Rs. 523.70 Million, compared with FY 2019 revenue of Rs. 1131.50 Million. The Earnings before interest, tax, depreciation and amortization (EBITDA) was Rs. (-) 6776 Million as compared to Rs. (-) 700.90 Million in the previous year. The Profit / (Loss) after taxes during the year was Rs. (6823.70) Million.

There were 10 projects under income recognition during the year. The Company expects increased revenue going forward owing to various projects getting to advanced stages of construction.

Revenue Breakup: - IND-AS (Figures)

Rupees in lakhs	**FY2020**	**% share**	**FY2019**	**% share**
Property Development	4,069	97.70	5,686	50.25
Contractual Activities / Other Operating Income	0	0	0	0
Income from Sale of Land	0	0	5,500	48.60
Maintenance Income	96	2.30	106	0.93
Lease Rent	0	0	0	0
Misc. - Other Income	0	0	23	0.22
Total	4,165		11,315	

Financial Condition IND- AS (Figures)

(Rs. in Lakhs)

Particulars	**March 31, 2020**	**March 31, 2019**
Sources of funds		
a. Shareholders' funds	(74,559)	(29,649)
b. Minority Interest	-	-
c. Loan funds	1,01,678	1,02,067
Total	27,119	72,418
Application of funds		
a. Fixed assets (net)	13,905	41,904
b. Investments	1,008	5,343
c. Net current assets	4,215	19,377
d. Deferred tax/ miscellaneous expense, among others	7,991	5,794
Total	27,119	72,418

Particulars	12 months ended March 31, 2020	12 months ended March 31, 2019
Profit before tax	(77,592)	(16,457)
Add: Adjustments	73,553	(6,011)
Add: Net working capital	9,401	24,212
Less: Income Tax paid	(73)	(6)
Net cash flow from operating activities	5,287	1,738
Net cash flow from investing activities	4,103	3,926
Cash flow from financing activities	(9,564)	(5,937)
Net cash inflow / (outflow)	(174)	(273)

Liquidity

As of March 31, 2020, the Company had cash and cash equivalents of Rs. 1,39,86,562/-. On a standalone basis, the Company had a total debt of Rs. 524,75,36,162/- and the net worth was at Rs. (-) 817,91,74,559/-. The Company is closely monitoring the debt levels and plans to reduce the high cost debt from the cash generated from on-going projects and exiting some non-core assets in the portfolio from time to time.

Business Strategy

Complying with Real Estate Regulation and Development Act

The main motive behind establishment of Real Estate Regulation and Development Act (RERA) is to ensure that real estate transactions happen in an efficient and transparent manner and to protect the interest of the consumers along with establishment of an adjudicating mechanism for speedy dispute redressal. NEL has geared up its internal processes for becoming compliant with the requirements of RERA.

Revenue diversification and expansion of rental income

NEL has been strategically focused on diversifying its revenue to include recurring income stream by venturing into leasable office spaces. These are long term investments with a longer gestation period. The Company intends to expand its rental revenue in next 5 years. With higher landowner expectations, tough liquidity situations, increasing costs with tightened margins, company is carefully evaluating proposals to find feasible options.

Exploring new opportunities

Warehousing: With the boom in the 3PL and e-commerce players adopting organised warehousing and taking up warehousing spaces, organised warehousing is gaining traction in the Indian market. To cater to this demand from e-commerce and supply chain players, we will develop a portfolio of warehousing assets in the next 5 years. Our first set of warehouses will be coming in Bangalore and Chennai.

Data Centre: India represents the second largest internet user base in the world, with consumption expected to grow with the continued advancement of internet infrastructure, smartphone ownership and penetration of 4G and 5G. India is emerging as a destination for data centre investments and is expected to exceed $1 billion in 2020. Over the next few years, the company will build a strategy around owning data centre portfolio.

Facility Management : Having gathered experience of Property Management by way of operation of its subsidiary LOB Property Management Private Limited, which was/is catering to the Facility Management services and requirements of completed projects of NEL Holdings Ltd and its other subsidiaries, we see great potential in the business of Property Management services where there is need for quality professional players to provide integrated management solutions including security, housekeeping, MEP maintenance, landscaping and external development management, capex improvement, etc. It is a competitive but booming sector wherein there is great demand in several residential and commercial spaces for branded maintenance services / companies. While the margins are modest, increased scale would provide economies in terms of cost efficiency and improved margin apart from helping the topline. NEL intends to develop this vertical / arm in future by bidding for and managing more projects across Bangalore, not just limiting to NEL Holdings' portfolio of completed projects. This would help in related diversification by utilizing existing resources and capacities.

Selective geographic expansion

The Company believes that deep insights into the community and clientele and a thorough understanding of the policies, priorities and processes of the local Government are essential factors that drive success. In line with this belief, NEL has chosen to operate in the South Indian market. Majority of the ongoing and upcoming projects are located in Bengaluru, where the Company has strong experience of executing several projects since its incorporation. Furthermore, Bangalore is considered to be one of the best real estate markets in India. NEL is also selectively pursuing opportunities in other southern cities such as Chennai, Kochi and Goa.

Managing and promoting talent

NEL's culture is focused on customer-centricity, collaborative team work, result orientation, entrepreneurial mind set and developing people. One of the key growth strategies at NEL is to manage and promote talent by providing growth opportunities, rewards, respect, learning and fun. The Company's employees are both an important stakeholder group and key players in its business. With their skills and achievements, the Company is driving a culture of innovation and sustained growth for NEL.

Investment in systems and technologies

Information Technology continues to support all aspects of business and operations at NEL through continued investment in enterprise wide SAP platform including data analytics.. The Company continues to explore and implement new emerging technologies for furthering business objectives. IT forms the core of all communication and information exchange for ongoing monitoring and effective decision making.

Opportunities and Threats

Demand for residential real estate has increased with rapid rise in urbanization. Millions of people migrate to cities every year, not only driving demand for homes but also giving rise to demand for commercial and retail spaces. The benefits to the economy, commonly termed as the demographic dividend is benefitting the real estate sector. There are growing requirements of space for sectors such as education and healthcare. Implementation of Real Estate Regulation and Development Act (RERA) has helped bring in more transparency to the real estate transactions and boosted buyer's confidence. The disposable income has been steadily increasing and there is easier availability of consumer finance coupled with a declining interest rate trend. All the aforesaid aspects result in opportunities in all segments of real estate.

The key threats to real estate business emanate from the cyclicality of the business owing to the tide and ebb in consumer and business confidence. Going forward, with the e-commerce market in India making itself look attractive, can pose a serious threat to the retail real estate. Other immediate challenges to the business are from:

- Environmental risks such as depletion of water table
- Potential impact of Covid-19 resulting in delay of construction activities and negatively influencing market sentiments
- Sales market risks – Economic and market conditions might influence customers to defer or cancel their home purchase decisions
- increase in cost of commodities and building materials
- Land related risks
- increase in interest rates which could result in depressed demand from customers and at the same time increase our Interest burden
- shortage of labour and skilled technical manpower and the consequent upward pressure on cost of human resources
- Risk of legal disputes
- Inflation and exchange rate risks
- regulatory and policy changes results in higher costs and delays in approvals related with projects

Risk management

The Company has an established enterprise risk management framework to optimally identify and manage risks, as well as to address operational, strategic and regulatory risks. The ability to anticipate risks and respond effectively is critical for achieving the Company's objectives and provides value to stakeholders. The risk management process also addresses long term strategic and operational planning, talent acquisition and retention, treasury management, financial reporting and controls, information technology and security, environment health and safety compliance, legal, taxation, communication, regulatory compliance and code of conduct for employees. The Company believes that risk is an integral part of every business and promotes a culture of building ability to anticipate and manage the risks effectively and converting them into opportunities. Risk assessment is conducted by the risk management committee and the program is reviewed periodically by the Audit Committee.

There are several areas of risk related with:

- the macroeconomic environment
- Regulatory risks – laws governing the acquisition, construction and development of land
- Land title and ownership risks
- the information technology systems and disaster recovery
- the project management resulting in deviation from planned time, quality, cost and safety
- the availability and cost of building materials
- Liquidity risks
- the availability of finance and the cost of financing
- the human resources – their availability, costs and compliance with the code of ethics of the Company
- the vendors and business partners
- the assets of the Company
- Competitors and Customer risks

Internal Control Systems

NEL has an elaborate internal control system which monitors compliance to internal processes. It ensures that all transactions are authorized, recorded and reported correctly. Well established and robust internal audit processes, both at business and corporate levels, continuously monitor the adequacy and effectiveness of the internal control environment across the Company and the status of compliance with operating systems, internal policies and regulatory requirements. In the networked IT environment of the Company, validation of IT security continues to receive focused attention of the internal audit. The Internal Audit team of the Company independently evaluate the adequacy of internal controls and concurrently audit the majority of the transactions in value terms. Independence of the audit and compliance is ensured by direct reporting to the Audit Committee of the Board.

In order to ensure compliance with the Company's Act related with Internal Financial Control (IFC), the Company appointed KPMG to carry out a study on the processes of the Company and suggest remedial measures if any. Certain process changes were instituted and KPMG reported that the Company is compliant with the requirements of IFC. For the subsequent periods, internal audit has been mandated to specifically carry out audits with respect to the compliance with IFC requirements.

The Company strives to continuously strengthen the internal control systems by adopting standard operating procedures and by delegating roles and responsibilities to various Department heads for effective implementation of the same. This is to ensure that the Company conducts its business with highest standards of statutory, legal and regulatory compliance.

Outlook

In recent years, Indian real estate industry has witnessed the biggest policy changes like GST and RERA. The long term outlook remains attractive due to economic growth, increasing urbanization, employment opportunities, affordability, favourable demographics, urbanization, and preferred location by NRIs, expats and IT/ITES professionals. Further, income tax benefits, lower interest rates and availability of financing options support the growing demand. Management would adopt a cautious approach and observe the developments closely while making decisions. The key focus for us in the following year would be:

- <u>Focus on execution and revenue recognition</u>: There are 10 residential projects currently in execution having a developable area of 4.3 million sq ft. There are another 4 residential projects having a developable area of 2.45 million sq ft which are in various stages of design and approval and are targeted for launch during the coming quarters. This represents a huge growth in the intensity of the business and correspondingly on the revenue and profits of the Company. We are now focused on staying ahead on the cash collection cycle and accelerate execution. The consumers are highly discerning and the market is competitive. For success in the market place timeliness and quality of delivery are the differentiators.

- <u>Compliance with RERA:</u> The Company has been focusing on operational changes to be compliant with RERA. The process includes identification of process which has to undergo change, modification and roll out Standard Operational Procedure (SOP) to be compliant.

- <u>Design and Innovation:</u> The Company has always focused on building a strong brand recall and differentiating itself from the competitors by continuous investments in new design and innovation for projects. Our association with leading firms like KPF, WATG, Callison, RK Associates and CnT help us develop projects which provide our customers a unique living experience.

- Cash-flow Management – Tight control on accounts receivables and accounts payables with the objective of reducing the interest burden.

- Customer Relationship – Enhance customer experience at each of their touch points starting with at the stage at which we interact with them to assist in selection of a home till the time it is handed over.

Human Resources Development

- NEL employs people across all functions. The Company continues to foster a high performance culture by recognizing good performers and providing them with career enhancing opportunities. Several HR initiatives have been taken for the strategic alignment of the HR function with the business objectives. These initiatives encompass employee engagement, learning & development besides improved internal communication mechanism with employees. With current slowdown, we have consolidated and optimised our resources for effective and productive growth with minimal required resources.

- Our registered and corporate office is located in Bengaluru. This houses employees who oversee our financial, administrative, design and planning and other reporting functions. We have not experienced any material strikes, work stoppages, labor disputes except for the national lockdown imposed due to Covid wherein business operations continued as Work from Home.

- For the development of some of our projects, we also engage third party consultant engineers, architects, interior designers and landscape designers. In addition to our employees, we also engage the services of contractual workers which include tradesmen, car drivers, housekeeping personnel and other skilled, unskilled and semi-skilled workers. Our consultants, contractors and sub-contractors who work on our projects also employ a significant labour force.

- Our work-force consists of our permanent employees, consultants and labour work force that work at projects through sub-contractors.

Cautionary Statement

Statements in this Management Discussion and Analysis contain "forward looking statements" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to NEL's future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. NEL undertakes no obligation to publicly revise any forward looking statements to reflect future / likely events or circumstances.

For and on behalf of the Board of Directors

Place: Bengaluru
Date: July 31, 2020

Nitesh Shetty
Chairman & Managing Director
DIN:00304555

Standalone Accounts

INDEPENDENT AUDITOR'S REPORT

To the Members of
NEL Holdings Limited (Formerly known as Nitesh Estates Limited)

Report on the Audit of the Standalone Financial Statements

Adverse Opinion

We have audited the standalone financial statements of **NEL Holdings Ltd**. (Formerly known as Nitesh Estates Limited and herein after referred as "the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss, Statement of changes in Equity and Statement of Cash Flows 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, because of the reasons described in the basis for Adverse Opinion para below, the aforesaid standalone financial statements do not 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, 2020, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Adverse Opinion

1. The Company has incurred losses over the years resulting in negative net worth, negative working capital and negative cash flows. The default in payment of dues to banks and financial institution and creditors etc are the identified events that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern.

In this financial scenario, the management has no concrete plan to improve upon the situation which indicates that a material uncertainty exists that may cast significant doubt on the Company`s ability to continue as a going concern. The standalone financial statements do not adequately disclose this fact.

As the Company has not recognized this fact and has prepared the standalone financial statements on going concern assumption basis without carrying out any adjustments, in our opinion, the standalone financial statements may not give a true and fair view.

2. The Company has given unsecured advance amounting to Rs 1911.70 Lakhs to Winter Lands Pvt. Ltd (Winter Lands) and Rs 3515.33 Lakhs to Boulevard Developers Pvt. Ltd for acquiring various immovable properties on behalf of the Company for which no Joint Development Agreements could be produced to us. We have been informed that these companies are not in a position to honor their commitment and repay the advance. No provision has been made by the Company with respect to these advances resulting in understatement of loss and overstatement of the net worth by the said amount.

However, in case of Winter Lands the Company has represented that they are in the process of taking appropriate measures to regularize and enter into the development agreements with the land owners & aggregators within next two quarters. [Refer Note No 13(ii) of the standalone financial statements]

3. The Company had advanced Rs. 1227.98 Lakhs to Somerset Infra Projects Private Limited (Somerset) for acquiring immovable properties on behalf of the Company. Somerset has neither delivered any property to the Company as per the agreement nor refunded the money. The Company has made full provision for the said advance and has entered into an agreement for assignment of claims against the party with another Company at a substantially lower consideration which may result in substantial loss to the Company.

Considering these factors, we are concerned about the manner in which the funds were given to Somerset and other companies without obtaining any security and the corresponding provision made in the books without taking necessary legal action for recovery. [Refer Note No 13(i) of the standalone financial statements]

4. As stated in Note No 17, the Company has not accounted for the demand of penal interest amounting to Rs. 2,177 Lakhs by banks and financial institutions on credit facilities, resulting in the understatement of loss and overstatement of net worth by the said amount.

5. As stated in Note No 17 of the standalone financial statements, the Company has made short provision of interest on debentures amounting to Rs 6,966 Lakhs against the interest demand of Rs 11,812 Lakhs (includes interest plus penal interest) in respect of appeal filed by Debenture Trustee 'Investcorp Real Estate Yield Fund (Formerly known as IDFC Real Estate Yield Fund)' before the National Company Law Tribunal (NCLT), Bangalore, resulting in the understatement of loss and overstatement of net worth by the said amount.

6. As stated in Note No 43 of the standalone financial statements, the Company has collected Rs 1,414 Lakhs in earlier years as advance from customers for closed/suspended residential projects which have now been abandoned and the receipts, are now in the nature of deemed deposits under rule 2(c) (xii) (b) of the Companies Acceptance of deposit (Rules) 2014 and are also within the purview of sections 73 to 76 of the Companies Act, 2013 in respect of which proper disclosure has not been made in the books of accounts in this respect.

7. The Company holds investments in its subsidiaries and also disbursed advances of Rs. 9,126 Lakhs as on the balance sheet date. The subsidiaries have reported consolidated negative net worth as on 31st March, 2020. The Company has provided for impairment loss on such investments due to negative net worth in its books of account but no adjustments have been made in respect of the advances given to such subsidiaries which are also doubtful of recovery. [Refer Note No 13(iv) of the standalone financial statements].

8. The Company has CWIP and Inventories relating to projects amounting to Rs 8,835 Lakhs and Rs 23,232 Lakhs [Net "Payable to land owner for land under Joint Development Agreement, JDA) respectively as on 31st March, 2020. No impairment test has been carried out to ascertain the realizable value of Rs 3,492 Lakhs and Rs 19,603 Lakhs respectively as estimated by the management against these projects' assets. [Refer Note No 4.2(i) and 8 of the standalone financial statements].

9. Year-end balance confirmation certificates in respect of trade receivables, trade payables, advances and other advances have not been provided for our verification. In absence of adequate audit evidence, we are unable to ascertain as to whether any provision is required with respect to the carrying amounts of these balances as at reporting date.

10. As stated in Note No 19(a) of the standalone financial statements, the Company has neither ascertained nor accounted for component wise Deferred Tax Assets/ Liabilities as on balance sheet date and its corresponding adjustment in the Statement of profit & loss for the year.

11. The Company has not provided customer wise reconciled figures for the outstanding balances for "Billing in excess of revenue" (Net of debit balance) of Rs 12,600 Lakhs (Refer Note No 20(ii) to the standalone financial statement). Due to non-availability of the said details we are unable to verify the correctness of the same.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone 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 standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made 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 adverse opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Adverse Opinion section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Response to Key Audit Matter
1. Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind-AS 115 “Revenue from contracts with Customers”. The revenue recognition by the Company in a particular contract is dependent on certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation and disclosures including presentations of balances in the Ind-AS standalone financial statements. Refer Notes 23 and 42 to the standalone financial statements.	**Principal Audit Procedure:** Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: a) We have assessed the application of the provisions of the Ind AS 115 in respect of the Company’s revenue recognition and appropriateness of the estimated adjustments in the process. b) Selected a sample of existing continuing contracts and new contracts and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. c) Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. d) Performed analytical procedures and test of details for reasonableness and other related material items. **Conclusion**: Our procedures did not identify any material exceptions.
2. Contingent Liabilities Assessment of provisions and contingent liabilities in respect of certain litigations including direct and indirect taxes, various claims filed by other parties not acknowledged as debt. There is high level of judgements required to estimate the level of provisioning. The Company’s assessment is supported by the facts of matter, their own judgement, past experience and advice from legal and independent tax consultant wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the company’s reported loss and net assets. Associated uncertainty relating to the outcome requires application of judgement in interpretation of law. Refer Note 34 to the standalone Financial Statements.	**Principal Audit Procedure:** Our audit was focused on analysing the facts of subject matter under consideration and judgements/ interpretation of relevant law. Our Audit approach involved: a) Examining recent orders and/or communication received from various Tax authorities/ judicial forums and follow up action thereon. b) Understanding the current status of the litigation/tax assessments. c) Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice. d) Review and analysis of the contentions of the company through discussion, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues. ***Conclusion:*** Our procedures did not identify any material exceptions.

3. Evaluation of Uncertain Tax Position	Principal Audit Procedure:
The Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct and indirect tax matters. These involve significant management judgement to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements.	Our audit procedures include the following substantive procedures: a) Obtained understanding of key uncertain tax positions; and b) We along with our internal tax experts – ➢ Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; ➢ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and ➢ Assessed management's estimate of the possible outcome of the disputed cases. ***Conclusion:*** Our procedures did not identify any material exceptions.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the draft Directors' Report including annexures to Directors' Report, which we obtained prior to the date of this auditors' report and other reports included in the Annual report, which are expected to be made available to us after that date, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above, and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the full Annual report, which is expected to be made available to us after the date of this auditors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 judgements and estimates that are reasonable and prudent; and 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Board of Directors 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 standalone 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 financial 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 system 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 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 auditors' report to the related disclosures in the standalone 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 auditors' 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 standalone financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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

Emphasis of Matter

1. The Company is holding Rs 20,547 Lakhs in its 100% subsidiary companies as investment in equity and preference shares which has been impaired fully due to negative net worth as on the balance sheet date [Refer Note no 28A of the standalone financial statements].

2. We draw attention to Note 44 of the standalone financial statements, which states the economic and social consequences/disruption that the entity is encountering as a result of COVID-19 pandemic which is impacting supply chains, consumer demand and personnel availability. The situation is still evolving and the management's assessment of the impact on the subsequent period is dependent on the circumstances as they evolve. This may further affect the Company`s ability to carry out the business.

   Our opinion is not modified in respect of these matters.

Other Matters

a) Prolonged lock-down of COVID-19 has caused significant challenges for audit of the Company on deployment of our audit team at various locations due to travel restrictions imposed by the State as well as Central Government of India. We have performed alternate audit procedures and have obtained various documents and other audit information which were made available to us by the Company as sufficient appropriate audit evidence to issue our audit opinion on the standalone financial statements.

   Our report is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **"Annexure – A",** a statement on the matters specified in paragraphs 3 and 4 of the Order, which is subject to the possible effect of the matters described in the 'Basis for Adverse Opinion' paragraph of our Audit Report and the material weakness described in 'Basis of Qualified Opinion' in our separate report on the Internal Financial Controls over Financial Reporting.

2. As required by Section 143(3) of the Act, we report that:

   a) *Except for the effects of the matters described in the 'Basis for Adverse Opinion' section above*, 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) *Except for the effects of the matters described in the 'Basis for Adverse Opinion' section above,* 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 other comprehensive income, statement of changes in equity and statement of cash flows dealt with by this Report are in agreement with the books of account.

   d) Based to the matters stated in the 'Basis for Adverse Opinion' section above, in our opinion, the aforesaid standalone financial statements do not comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   e) The matters stated in the 'Basis for Adverse Opinion' section above, in our opinion, may have an adverse effect on the functioning of the Company.

   f) On the basis of written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of directors is disqualified as on 31st March, 2020 from being appointed as director in terms of Section 164(2) of the 'Act'.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **“Annexure –B”.** Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company`s internal financial controls over financial reporting for the reasons stated therein.

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 standalone financial statements – Refer Note 34;

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.

ANNEXURE “A” TO THE INDEPENDENT AUDITORS' REPORT

“Annexure A” referred to in our report to the members of **NEL Holdings Ltd.** (Formerly known as NITESH ESTATES LIMITED) under the heading ‘Report on Other Legal and Regulatory Requirements’ of our report at even date.

We report that:

i. a) The Company has maintained proper records showing full particulars including quantitative details and situations of fixed assets.

b) According to the information and explanation given to us, some of the fixed assets have been physically verified by the Management during the year in a phased program and no material discrepancies were noticed on such verification. In our opinion, the frequency of such verification is reasonable having regard to the size of the company and the nature of its assets.

c) According to information and explanation given to us no immovable properties are held in the name of the company.

ii. The Company is engaged in the business of real estate development and related services and holds inventories in the form of land, developed and under development of properties. In our opinion and according to the information and explanations given to us, having regard to the nature of inventories, the procedures and frequency of the physical verification by way of title deeds, site visits by the management and certification of work completion are reasonable and adequate having regard to the size of the Company and the nature of its business.

iii. According to the information and explanation given to us, the Company has granted unsecured loans to companies, firms, or other parties as listed in the register maintained under section 189 of the Companies Act, 2013 (Refer to Note 38 to the standalone financial statements). In our opinion and according to the information and explanations given to us, the terms and conditions of the loans are not prejudicial to the interest of the Company.

iv. According to the information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to loans and investments made except for a loan given by one of the subsidiary companies to the erstwhile director of the company amounting to Rs. 472 Lakhs during his tenure as director.

v. The Company has not accepted any deposits during the year. However, the Company has collected Rs 1,414 Lakhs in earlier years as advance from customers for closed/suspended residential projects, which have now been abandoned and the receipts, are now in the nature of deemed deposits under rule 2(c) (xii) (b) Companies Acceptance of deposit (Rules) 2014 and are also within the purview of sections 73 to 76 of the Companies Act, 2013. The amount and disclosure requirements of deemed deposits which are required by the relevant act and directives issued by the Reserve Bank of India have not yet been ascertained. (Refer Note no. 43 to the standalone financial statements).

vi. The Central Government has prescribed for the maintenance of the cost records under section 148(1) of the Companies Act, 2013 in respect of the products of the Company. However, since the Company’s net revenue falls below the threshold, no Cost Auditor was appointed during the year ended on 31st March, 2020.

vii. (a) According to the information and explanations given to us, the Company is not regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees State Insurance, Sales Tax, Wealth Tax, Cess, Custom Duty and GST and other statutory dues applicable to it.

There are no undisputed amounts payables in respect of provident fund, employees' state insurance, income tax, sales tax, duty of customs, duty of excise, goods and service tax, cess and any other statutory dues to the appropriate authorities except the following which have been outstanding as at 31st March, 2020 for a period more than six months from the date they became due.

Name of the statute	**Nature of the dues**	**Amount (Rs in Lakhs)**	**Period to which the amount relates**	**Due date**	**Date of payment**	**Remarks, if any**
KVAT Act	VAT	41.20	2009-10	-	Not paid	
KVAT Act	VAT	1,267.31	2010-11	-	Not paid	
Income Tax Act, 1961	TDS	133.85	April 2019 – September 2019	Various due dates	Not paid	
Income Tax Act, 1961	TDS	82.51	Previous Years	-	Not paid	
CGST Act, SGST Act & IGST Act, 2017	GST	6.91	April 2019 – September 2019	Various due dates	Not paid	
CGST Act, SGST Act & IGST Act, 2017	GST	41.71	Previous Years	-	Not paid	
Provident Fund & Misc. Provisions Act, 1952	Provident Fund	15.11	April 2019 – September 2019	Various due dates	Not paid	
Provident Fund & Misc. Provisions Act, 1952	Provident Fund	11.37		-	Not paid	
KTPTCE Act, 1976	Profession Tax	0.81		Various due dates	Not paid	
KTPTCE Act, 1976	Profession Tax	0.25	Previous Years	-	Not paid	
ESI Act, 1948	ESI	1.37	April 2019 – September 2019	Various due dates	Not paid	
ESI Act, 1948	ESI	0.45	Previous Years	-	Not paid	

(b) According to the information and explanations given to us, the following are the disputed statutory dues which have not been deposited by the company as on 31st March, 2020.

Name of Statute	***Nature of Dues***	***Period to which the amount relates***	***Amount (Rs. in Lakhs)***	***Forum where Disputes is Pending***
Income Tax Act, 1961	*Income tax*	*AY 2009-10* *AY 2011-12* *AY 2007-08, 2008-09 & 2009-10*	*148* *9* *77*	*CIT- Appeal* *CIT-Appeal* *High Court*
KAVAT Act	*VAT*	*AY 2009-10* *AY 2011-12* *AY 2014-15*	*41* *1267* *114*	*DCCT – Appeal* *DCCT-Audit* *DCCT-Audit*

viii. According to the information and explanations given to us, the company has defaulted in repayment of loans or borrowing to a banks, financial institutions and debenture holders as detailed below.

Nature of Borrowings, including debt securities	Name of Lender	Amount not paid on due date (Rs. in Lakhs)	Whether Principal or Interest	No. of days delay or unpaid	Remarks, if any
Term Loan	Yes Bank Limited	24,646	Principal Rs. 21,210 and Interest Rs. 3,436	More than 180 days	
Loan	HDFC Ltd.	32,926	Principal Rs. 25,675, Interest Rs. 7,251	More than 180 days	
Loan	Sriram City Union Finance Ltd.	1,513	Principal Rs. 1,380, Interest Rs. 133	More than 180 days	
Non-Convertible Debenture	IDFC Real Estate Yield Fund	10,346	Principal Rs. 5,500, Interest Rs. 4,846	More than 180 days	

The borrowings from the Banks have become Non-Performing Assets (NPA) as on the balance sheet date and the Banks and financial institutions have called upon the debt. Due to non-repayment of debentures, Debenture Trustee, Investcorp Real Estate Yield Fund (Formerly known IDFC Real Estate Yield Fund) has filed the recovery petition with National Company Law Tribunal (NCLT), Bangalore Branch. [Refer note 17 to the standalone financial statements]. The Company has not taken any loans or borrowings from the government.

ix. The company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised.

x. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year. Accordingly, the provision of clause 3(x) of the said order is not applicable.

xi. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

xii. The Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.

xiii. According to the information and explanations given to us by the management all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provision of clause 3(xiv) of the Order is not applicable.

xv. The company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provision of clause 3(xvi) of the Order is not applicable.

RAY & RAY
Chartered Accountants
(Firm's Registration No. 301072E)

Place: Bangalore
Date: 31st July, 2020

(Mrinal Kanti Banerjee)
Partner
Membership No. 051472
UDIN 20051472AAAAAS8201

"Annexure-B" to the Independent Auditors' Report

Report 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")

We have audited the internal financial controls over financial reporting of NEL Holdings Ltd. (Formerly known as Nitesh Estates Limited and herein after referred as "the Company") as of 31st March, 2020 in conjunction with our audit of the standalone 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 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the effects/possible effects of the material weaknesses described in 'Basis for Qualified Opinion' paragraph below on the achievement of the objectives of the control criteria, further improvement is required in designing the Documentation on Internal Financial Controls of the Company.

In respect of other matters, the Company has maintained in general and adequate internal financial controls over financial reporting established by the Company considering the essential component 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.

Basis for Qualified Opinion

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Company`s internal financial controls over financial reporting as at 31st March, 2020.

a) The Company did not have an appropriate internal control system relating to granting of unsecured advances for acquiring various immovable properties. The credit worthiness of the parties, exposure and experience in handling land procurement, asset base for providing security and guarantee, etc. have not been verified at the time of authorization and disbursement of said advances.

b) The Company did not have an adequate internal control system to ensure compliance with the provision of the Companies Act, with respect to refund of advances collected from customers for closed/suspended residential projects which has been abandoned.

c) The Company did not have any system of obtaining year-end balance confirmation certificates in respect of trade receivable, trade payables, advances and other advances.

d) The Company did not have an appropriate internal control system regarding ascertaining and accounting of component wise Deferred Tax Asset/Liabilities as on the balance sheet date.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended 31 March, 2020 and these material weaknesses have affected our opinion on the said standalone financial statements of the Company and we have issued an adverse opinion on the standalone financial statements of the Company.

RAY & RAY
Chartered Accountants
(Firm's Registration No. 301072E)

Place: Bangalore
Date: 31st July, 2020

(Mrinal Kanti Banerjee)
Partner
Membership No. 051472
UDIN 20051472AAAAAS8201

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
Balance sheet as at March 31, 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	as at 31 March 2020 ₹	as at 31 March 2019 ₹
Assets			
Non- current assets			
Property, plant and equipment	4.1	47	58
Capital work-in-progress	4.2	8,835	12,998
Intangible assets	5	9	10
Financial assets			
Investments	6	1,008	25,697
Trade receivables	9	-	-
Loans	7	47	241
Deferred tax Asset (Net)	19	499	-
Other non-current assets	13	39	39
		10,484	**39,042**
Current assets			
Inventories	8	58,227	73,044
Financial assets			
Trade receivables	9	753	275
Cash and cash equivalents	10	50	217
Bank balance other than cash and cash equivalents	11	-	-
Loans	7	2,389	2,296
Other current financials assets	12	3	3
Other current assets	13	31,476	33,479
Current tax assets (net)	14	-	-
		92,898	**1,09,313**
Total assets		**1,03,382**	**1,48,355**
Equity and liabilities			
Equity			
Equity share capital	15	14,583	14,583
Other equity	16	(96,375)	(1,713)
Total equity		**(81,792)**	**12,870**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	17	-	-
Other financial liabilities		-	-
Provisions	18A	147	194
Deferred tax Liability (Net)	19	-	1,682
Other non-current liabilities	20	-	-
		147	**1,876**
Current liabilities			
Financial liabilities			
Borrowings	17	52,475	52,332
Trade payables	21		
Total outstanding dues of micro and small enterprises		58	56
Total outstanding dues of creditors other than micro enterprises and small enterprises		23,867	19,617
Other financial liabilities	18	53,283	-
Provisions	18A	12	34
Current tax liabilities (net)	22	324	91
Other current liabilities	20	55,009	61,480
		1,85,027	**1,33,610**
Total liabilities		**1,85,174**	**1,35,486**
Total equity and liabilities		**1,03,382**	**1,48,356**
		(0)	0

The accompanying notes form an integral part of the financial statements

As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E
UDIN : 20051472AAAAAR9629

Mrinal Kanti Banerjee
Partner
Membership No. 051472

Place: Bangalore
Date : 31st July, 2020

for and on behalf of the Board of Directors of
NEL Holdings Ltd
(Formerly known as Nitesh Estates Limited)

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Kamal Daluka
Executive Director &
Chief Financial Officer

Prasant Kumar
Company Secretary

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	for the year ended 31 March 2020	for the year ended 31 March 2019
		₹	₹
Revenue from operations	23	1,920	8,439
Other income	24	612	178
Total income		**2,532**	**8,617**
Expenses			
Land and construction cost	25	749	47,121
(Increase)/ decrease in inventories of stock of flats, land stock and work-in-progress	25a	956	(43,880)
Employee benefits expense	25b	849	1,331
Finance costs	26	5,582	4,751
Depreciation and amortization expense	27	16	23
Other expenses	28	4,274	1,868
Total expenses		**12,426**	**11,214**
Profit/(loss) before exceptional items and tax		**(9,894)**	**(2,597)**
Exceptional items	28A	**92,461**	**11,866**
Profit/(loss) before tax		**(1,02,355)**	**(14,463)**
Tax expenses			
Current tax	29	-	-
Income Tax for earlier years		(38)	
Deferred tax	29	(1,796)	87
Total tax expense		**(1,834)**	**87**
Profit/(loss) for the year		**(1,00,521)**	**(14,550)**
Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined beneift plan		69	17
FVOCI-Equity Investments		5,405	-
Tax relating to these items (OCI)		(15)	-
Tax relating to these items		(1,840)	(6)
Other comprehensive income for the year, net of tax		**3,619**	**11**
Total comprehensive income for the year		**(96,902)**	**(14,539)**
Earnings per equity share [nominal value of Rs 10 (Previous year - Rs 10)]			
Basic `		-68.93	-9.98
Diluted `		-68.93	-9.98

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E
UDIN : 20051472AAAAAR9629

Mrinal Kanti Banerjee
Partner
Membership No. 051472

Place: Bangalore
Date : 31st July, 2020

for and on behalf of the Board of Directors of
NEL Holdings Ltd
(Formerly known as Nitesh Estates Limited)

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Kamal Daluka
Executive Director &
Chief Financial Officer

Prasant Kumar
Company Secretary

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
Statement of Cash Flows for the year ended March 31, 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	for the year ended 31 March 2020 ₹	for the year ended 31 March 2019 ₹
Operating activities			
Profit/ (Loss) before tax		(1,02,355)	(14,463)
Other Comprehensive Income (net of tax)		69	11
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment		16	23
Gain/ (loss) on disposal of investments		5,633	-
Impairment loss on CWIP		12,998	
Transition Ind AS adjustment		-	(4,348)
Other Adjustments		-	(2,389)
Interest element on Preference shares of NHDPL		(194)	(162)
Impairment Provision against Investments		73,830	11,866
Finance costs		5,582	4,751
Expected Credit Loss against Advances		-	317
Working capital adjustments:			
(Increase)/ decrease in Inventories		5,982	(43,880)
(Increase)/ decrease in trade receivables		(478)	1,619
(Increase)/ decrease in other financial and non-financial assets		2,104	3,446
Increase/ (decrease) in trade payables and other financial liabilities		4,253	44,829
Increase/ (decrease) in provisions		(70)	416
Increase/ (decrease) in other non-financial liabilities		(6,471)	-
		898	2,035
Income tax paid (net of refund)		270	-
Net cash flows from/ (used in) operating activities (A)		1,169	2,035
Investing activities			
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)		(4)	(5)
Sale of Investments - net		4,107	-
Net cash flows from/ (used in) investing activities (B)		4,103	(5)
Financing activities			
Proceeds/(Repayments) from short-term borrowings		143	2,518
Interest paid (gross)		(5,582)	(4,751)
Net cash flows from/ (used in) financing activities (C)		(5,439)	(2,233)
Net increase/ (decrease) in cash and cash equivalents		(167)	(203)
Cash and cash equivalents at the beginning of the year	10	217	420
Cash and cash equivalents at the end of the year	**10**	**50**	**217**
Components of cash and cash equivalents			
Cash on hand		1	1
Balance with banks			
- on current account		49	216
Total cash and cash equivalents		**50**	**217**

Note:
(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7- Statement of Cash Flow".

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E
UDIN : 20051472AAAAAR9629

Mrinal Kanti Banerjee
Partner
Membership No. 051472

Place: Bangalore
Date : 31st July, 2020

for and on behalf of the Board of Directors of
NEL Holdings Ltd
(Formerly known as Nitesh Estates Limited)

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Kamal Daluka
Executive Director &
Chief Financial Officer

Prasant Kumar
Company Secretary

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
Statement of Changes in Equity for the year ended March 31, 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

a. Equity share capital

	No of Shares	Amount in `
Equity shares of Rs. 10 each issued, subscribed and fully paid		
At April 1, 2019	14,58,32,100	14,583
At March 31, 2020	**14,58,32,100**	**14,583**

b. Other equity
For the year ended March 31, 2020

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	Reserves and Surplus		Other Reserve	
	Security Premium	Retained Earnings	Fair Value through Other Comprehensive Income - Equity Instrument	Total
As at April 1, 2018	31,259	(8,131)	(3,565)	19,563
Profit/(Loss) for the period	-	(14,550)	-	(14,550)
Less: Transition adjustment for implementation of Ind AS 115		(4,348)		(4,348)
Less: Others		(2,389)		(2,389)
Other comprehensive income*	-	11		11
As at March 31, 2019	**31,259**	**(29,407)**	**(3,565)**	**-1,713**
As at April 1, 2019	31,259	(29,407)	(3,565)	(1,713)
Profit/(Loss) for the period	-	(1,00,521)	-	(1,00,521)
FVOCI-Equity instruments [OCI reversal on sale of shares]	-		5,405	5,405
Deferred Tax on FVOCI- Equity instruments			(1,840)	(1,840)
Less: Others**		2,240	-	2,240
Other comprehensive income*	-	54	-	54
As at March 31, 2020	**31,259**	**(1,27,634)**	**0**	**(96,375)**

* As required under Ind AS compliant Schedule III, the Company has recognised remeasurement gains/(losses) of defined benefit plans (net of tax) as part of retained earnings.

**The Company has transferred Rs 2240/- Lakhs during the year from retained earnings to Deferred Tax Account as an earlier year adjustment of deferred tax.

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E
UDIN : 20051472AAAAAR9629

Mrinal Kanti Banerjee
Partner
Membership No. 051472

Place: Bangalore
Date : 31st July, 2020

for and on behalf of the Board of Directors of
NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Kamal Daluka
Executive Director &
Chief Financial Officer

Prasant Kumar
Company Secretary

NEL Holdings Ltd(Formerly known as Nitesh Estates Limited)
Notes to the financial statements for the year ended March 31, 2020

1 Corporate Information

NEL Holdings Ltd (formerly known as Nitesh Estates Limited) (the Company or 'NEL') was incorporated on 20 February 2004. NEL is a real estate developer engaged in the business of development, sale, management and operation of residential buildings, retail and hotel projects, commercial premises and other related activities. The Company's shares are listed on BSE Limited with effect from May 13, 2010. The registered office of the company is located at : Level 7, Nitesh Timesquare,#8, M.G. Road, Bangalore – 560 001.
The standalone Ind AS financials statements were authorised for issue in accordance with a resolution of the directors on 31st July 2020.

2 Significant accounting policies

2 Basis of preparation

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:
► Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
► Defined benefit plans - plan assets measured at fair value

The financial statements are presented in INR and all values are rounded to the nearest Lakhs, except when otherwise indicated.

2 Summary of significant accounting policies

a) Revenue recognition

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue also excludes taxes collected from customers.
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation, net of variable consideration, if any.
Variable consideration, if any, is on account of discounts or schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow.
Revenue is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty, if any, relating to its recognition is resolved.

The specific recognition criteria described below must also be met before revenue is recognised.

i. Recognition of revenue from real estate development

Revenue from real estate projects is recognised at a point-in-time upon registration of the property in favour of the customer, which, in the opinion of the Company, marks the transfer of control upon the property and also the satisfactory discharge of the Company's performance obligation.

For projects executed through joint development arrangements, wherein the land owner / possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of revenue proceeds. The project costs include fair value value of land being offered for the project and revenue from the development and transfer of constructed area / revenue sharing arrangement in exchange of such development rights / land is accounted on gross basis.
Revenue is measured at the fair value of land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of land received cannot be measured reliably, revenue is measured at the fair value of the estimated construction service rendered to the landowner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in determining the project cost.

ii Contract Assets and Contract Liabilities

Contract Assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

A Contract Liability is recognised for an unearned or deferred revenue due to billing as per contractual terms in excess of revenue recognised. Bills are raised as per schedules agreed with customers to collect milestone based progress payments within contractually agreed credit period.

NEL Holdings Ltd(Formerly known as Nitesh Estates Limited)
Notes to the financial statements for the year ended March 31, 2020

iii Income from lease of commercial properties

Rental income receivable under operating leases is recognized in the income statement as and when due over the lease period.

iv. Share in profits/(loss) from investments in Association of Person ('AOP')

The Company's share in profits from AOP as per the terms of the agreement, where the Company is a member, is recognized on the basis of such AOP's accounts.

v. Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest

For all debt instruments measured either at amortised cost , interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

vi. Dividend income

Revenue is recognised when the shareholders' or unit holders' right to receive payment is established, which is generally when the shareholders approve the dividend.

b) Property, plant and equipment

Property, plant & equipment are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets.
Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are expensed as incurred.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future eonomic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

c) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is provided on 'Written Down Value Method' based on useful life as prescribed under Schedule II of Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible Assets & Amortisation

Intangible assets are stated at cost less accumulated amortisation and net of impairments, if any. An intangible asset is recognised if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Company and its cost can be measured reliably. Intangible asstes / Computer Software is amortised using Straight Line Method over a period of 5 years, which is estimated by the management to be the useful life of the asset.

NEL Holdings Ltd(Formerly known as Nitesh Estates Limited)
Notes to the financial statements for the year ended March 31, 2020

e) Investment Property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

f) Segment Reporting

Identification of segments - The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Unallocated items - Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment.

Segment accounting policies - The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

g) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions and balances

i) Initial recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion: Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange difference: The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

h) Impairement of non financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of Profit and Loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

i) Impairement of financial assets

The Company assesses at each date of Balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

NEL Holdings Ltd(Formerly known as Nitesh Estates Limited)
Notes to the financial statements for the year ended March 31, 2020

j) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The real estate development projects undertaken by the Company run over a period ranging upto 5 years or such extended period. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of upto 5 years or such an extended period. Borrowings in connection with such projects are classified as short-term (i.e current) since they are payable over the term of the respective projects.
Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realised / are contractually repayable within 12 months from the Balance Sheet date and as non-current, in other cases.

k) Fair value measurement

The Company measures financial instruments, such as Investments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
► In the principal market for the asset or liability, or
► In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

l) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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Notes to the financial statements for the year ended March 31, 2020

Financial assets
Initial recognition and measurement
All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortised cost
Debt instruments at fair value through other comprehensive income (FVTOCI)
Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:
► The rights to receive cash flows from the asset have expired, or
► The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities
Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
Gains or losses on liabilities held for trading are recognised in the profit or loss.

(ii) Borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest method amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. The Effective Interest Rate amortisation is included as finance costs in the statement of Profit and Loss.

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Notes to the financial statements for the year ended March 31, 2020

(iii) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Profit or Loss.

m) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for inventorisation/ capitalisation are charged to statement of Profit and Loss.

n) Cash and cash equivalents

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less , which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal usage.

o) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of Profit and Loss of the year when the contributions to the provident fund are due. There are no other obligations other than the contribution payable to the government administered provident fund.

Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end. The cost of providing benefits under gratuity is determined on the basis of actuarial valuation using the projected unit credit method at each year end.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period for which the services are rendered by the employee.

p) Provisions

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

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Notes to the financial statements for the year ended March 31, 2020

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements, unless the possibility of an outflow of resources embodying economic benefit is remote.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

s) Taxes

Tax expense comprises of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.
The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.
Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of MAT under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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Notes to the financial statements for the year ended March 31, 2020

t) Land

Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognised as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories.

Land/ development rights received under Joint Development Arrangements (JDA) is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. Further, non-refundable deposit amount paid by the Company under joint development arrangements is recognised as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress. Further, the amount of refundable deposit paid by the Company under JDA is recognised as deposits under loans.

u) Leases

A Contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for considerations.

Company as a lessee

At the commencement date, a lessee shall recognise a right-of-use asset at cost and a lease liability at the present value of the lease payments that are not paid at that date for all leases unless the lease term is 12 months or less or the underlying asset is of low value.

Subsequently, right-of -use asset is measured using cost model whereas, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless the costs are included in the carrying amount of another asset applying other applicable standards.

Right-of-use asset is depreciated over the useful life of an asset, if the lease transfers ownership of the asset to the lessee by the end of the lease term or if the cost of the right-to-use asset reflects that the lessee will exercise a purchase option. Otherwise, the lessee shall depreciate the right-to-use asset from the commencement date to the earlier of the end of the useful life of the right-to-use or the end of the lease term.

Company as a lessor

All leases as either an operating lease or a finance lease.
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Operating leases-lease payments from operating leases are recognised as income on either a straight-line basis unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is dimished. Finance leases- assets held under a finance lease is initially recognised in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease using the interest rate implicit in the lease to measure the net investment in the lease.

v) Inventories

Direct expenditure relating to real estate activity is accounted to inventories. Other expenditure (including borrowing costs) during construction period are accounted to inventories to the extent the expenditure is directly attributable to the cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

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Notes to the financial statements for the year ended March 31, 2020

i) **Work-in-progress**: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.

ii) Finished goods - Stock of Flats: Valued at lower of cost and net realizable value.

iii) Raw materials, components and stores: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

iv) Land stock: Valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3 Significant accoutning judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i) Going concern

These financial statements have been prepared on a going concern basis notwithstanding accumulated losses as at the balance sheet date and a negative net current assets situation.
These financial statements therefore do not include any adjustments relating to recoverability and classification of asset amounts or to classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

ii) Classification of property

The Company determines whether a property is classified as investment property or inventory as below.

Investment property comprises land and buildings (principally office and retail properties) that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Company develops and intends to sell before or during the course of construction or upon completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

NEL Holdings Ltd(Formerly known as Nitesh Estates Limited)
Notes to the financial statements for the year ended March 31, 2020

i) Determination of Contract Costs

Cost of property units for which revenue is recognised on registration, is charged to the statement of Profit & Loss on the basis of an appropriate ratio of overall budgeted cost (as reviewed from time to time to closely approximate the actual cost) for the project as a whole since it is impracticable to track actual costs for each registerable unit of property. Significant judgement and estimation is involved in budgeting the overall cost of the project and in determining the ratio applicable to each registerable unit of property.

ii) Accounting for revenue and land cost for projects executed through joint development arrangements

For projects executed through joint development arrangements, as explained in note 2.2(a) under significant accounting policies, the revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Company under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.

iii) Estimation of net realizable value for inventory (including land advance)

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

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Notes to the financial statements for the year ended March 31, 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

4.1 Property, plant and equipment

	Leasehold improvements	Office Equipment	Computer	Furniture & fixtures	Vehicles	Total
At 1 April 2018	21	14	25	38	59	157
Additions	0	3	2	1	0	6
Disposals	0	0	0	0	1	1
At 31 March 2019	**21**	**17**	**27**	**39**	**58**	**162**
Additions	0	0	1	0	0	1
Disposals	0	0	0	0	0	0
At 31 March 2020	**21**	**17**	**28**	**39**	**58**	**163**
Depreciation and impairment						
At 1 April 2018	20	6	14	15	30	85
Charge for the year	0	2	3	6	7	18
Disposals	0	0	0	0	0	0
Other adjustments	1	0	0	0	0	1
At 31 March 2019	**21**	**8**	**17**	**21**	**37**	104
Charge for the year	0	1	2	4	5	12
Disposals	0	0	0	0	0	0
Other adjustments	0	0	0	0	0	0
At 31 March 2020	**21**	**9**	**19**	**25**	**42**	**117**
Net Book value						
At 31 March 2020	0	8	9	14	16	**47**
At 31 March 2019	**0**	**9**	**10**	**18**	**21**	**58**

4.2 Capital Work in progress

	Investment property under construction	Property, Plant and Equipment	Total
At 1 April 2018	12,998	-	12,998
Additions	-	-	-
Deletion/Adjustments	-	-	-
At 31 March 2019	**12,998**	**0**	**12,998**
Additions	-	-	-
Deletion/Adjustments	8,835	-	8,835
At 31 March 2020	**21,833**	**0**	**21,833**
Impairement			
At 1 April 2018	**-**	**-**	**-**
Impairement	-	**-**	**-**
Deletion/Adjustments	**-**	**-**	**-**
At 1 April 2019	**-**	**-**	**-**
Impairement	12,998	**-**	**12,998**
Deletion/Adjustments	**-**	**-**	**-**
At 31 March 2020	**12,998**	**-**	**12,998**
Net Book value			
At 31 March 2020	**8,835**	**0**	**8,835**
At 1 April 2019	**12,998**	**0**	**12,998**

Note:
i) Investment properties under construction
The projects cost of Plaza, Soho and Chelsea represents fair value of land of Rs. 12,998/- Lakhs and development cost of Rs. 8,835/- Lakhs respectively. The Company has made provision on fair value of land fully amounting Rs 12,998/- in its books of accounts during the year as the Company has to exit the projects as per SARFAESI notice received from the bank and the property has permanently withdrawn from use and no future economic benefits are expected to be received. However, no provision has been made on development cost of the projects based on management's expectation to recover the said amount at the time of refund/sale of land on final settlement with land owners.

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Notes to the financial statements for the year ended March 31, 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

5 Intangible assets

	Computer - Software	Total
At 1 April 2018	49	49
Additions	0	-
At 31 March 2019	**49**	**49**
At 1 April 2019	49	49
Additions	3	3
At 31 March 2020	**52**	**52**
Amortization and impairment		
At 1 April 2018	34	34
Additions	5	5
At 31 March 2019	**39**	**39**
At 1 April 2019	39	39
Additions	4	4
At 31 March 2020	**43**	**43**
Net Book value		
At 31 March 2020	**9**	**9**
At 31 March 2019	**10**	**10**

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6 Investments

	Current		Non-current	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
(A) Investments in equity instruments (fully paid up), valued at cost unless otherwise stated				
Unquoted				
a) Subsidiary Companies				
6,99,10,000(2019: 6,99,10,000) equity shares of Rs 10/- each fully paid in Nitesh Indiranagar Retail Private Limited **Refer note (ii) below**	-	-	18905	18905
Less: Allowance for impairment in the value of Investments			(18905)	
44,94,900 (2019: 44,94,900) equity shares of Rs 10/- each fully paid in NHDPL South Private Limited (Formely NHDPL Properties Private Limited) **Refer note (ii) below**	-	-	449	449
Less: Allowance for impairment in the value of Investments			(449)	(449)
41,50,000 (2019: 41,50,000) preference shares of Rs 10/- each fully paid in NHDPL South Private Limited (Formely NHDPL Properties Private Limited) (Equity portion of Preference Shares) **Refer note (i) & (ii) below**	-	-	7703	7703
Less: Allowance for impairment in the value of Investments			(7703)	(7703)
65,82,000 (2019: 65,82,000) equity shares of Rs 10/- each fully paid in NUDPL Ventures Private Limited (formerly NUDPL Enterprises Private Limited) -**Refer note (ii) below**	-	-	2367	2367
Less: Allowance for impairment in the value of Investments			(2367)	(2367)
3,00,000 (2019: 3,00,000) equity shares Rs 10/- each fully paid in Lob Property Management Private Limited	-	-	30	30
Less: Allowance for impairment in the value of Investments			(30)	(30)
5,490 (2019: 5,490) equity shares of Rs 10/- each fully paid in Courtyard Hospitality Private Limited (formerly Courtyard Construction Private Limited) - **Refer note (ii) below**	-	-	1422	1422
Less: Allowance for impairment in the value of Investments			(1422)	(1347)
b) Others (measured at fair value through OCI)				
8,22,52,406 (2019: 8,22,52,406) equity shares of Rs 10/- each fully paid in Nitesh Residency Hotels Private Limited **Refer Note 28A(ii)**	-	-	0	4335
50,000 (2019: 50,000) equity shares of Rs 10/- each fully paid in Nitesh Office Parks Pvt. Ltd	-	-	5	5
Less: Allowance for impairment in the value of Investments			(5)	(5)
(B) Investments in preference shares (fully paid up)				
41,50,000 (2019: 41,50,000) preference shares of Rs 10/- fully paid in NHDPL South Private Limited (Formely NHDPL Properties Private Limited) (Fair value of debt portion of Preference Shares). **Refer note (i) below**	-	-	1568	1374
Less: Allowance for impairment in the value of Investments			(1568)	0
(C) Investments in Association of Persons (AOP)				
Nitesh Estates -Whitefield. **Refer note (iii) below**	-	-	1008	1008
(D) Other Investments				
In subsidiaries for financial guarantee at cost (Refer Note 28A(i))				
Unquoted				
NUDPL Ventures Private Limited (formerly NUDPL Enterprises Private Ltd)			19,490	0
NHDPL South Private Limited (Formely NHDPL Properties Private Limited)			33,793	0
Less: Allowance for impairment in the value of Investments [Refer Note 28A(i)]			(53283)	0
Total	**-**	**-**	**1,008**	**25,697**

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Aggregate amount of quoted investments	-	-	-	-
Market value of quoted investments	-	-	-	-
Aggregate amount of unquoted investments	-	-	86,740	37,598
Aggregate amount of impairment in the value of investments	-	-	85,732	11,901

Note:

(i) The Company has invested Rs 8300 Lakhs in Non-cumulative redeemable preference shares (NCRPS) carrying non-cumulative dividend of 9% p.a. of face value of Rs 10/- each . The preference shares carry discretionary dividend in accordance with the terms of issue. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each NCRPS holder is entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to NCRPS. These shares may be redeemed, in whole or in part, at the option of the company at any time subject to satisfaction of certain conditions, at the stipulated redemption amount and if not redeemed earlier, these shares will be redeemed on or before 11th December 2032.

During the year the Company has provided the total amortised cost of preference shares amounting Rs.1,568 Lakhs as on the balance sheet date in its books of account due to negative net worth, negative operating performance and continous loss of subsidary company.

(ii) The Company has fully impaired its investment in subsidiary companies based on negative net worth and operating performance as per the balance sheet valuation due to continous loss over the years.

Name of the Company	31-03-2020	31-Mar-19
NHDPL South Private Limited (Formely NHDPL Properties Private Limited)	0	449
NHDPL South Private Limited (Formely NHDPL Properties Private Limited)-Equity component of preference shares	0	7703
Nitesh Housing Developers Pvt Ltd -Preference shares		
Nitesh Indiranagar Retail Private Limited	18905	0
NUDPL Ventures Private Limited (formerly NUDPL Enterprises Private Limited)	0	2367
Courtyard Hospitality Private Limited (formerly Courtyard Construction Private Limited)	74	1347
Total	18979	**11866**

(iii) The particulars of partners of the AOP and the profit sharing ratio are as follows :

Partnership firm	Name of Partners	Share of Profit	
		31-Mar-20	31-Mar-19
Nitesh Estates -Whitefield	NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)	18%	24%
	Mrs. Showri Reddy	45%	42%
	Mr. Joji Reddy	37%	34%

7 Loans (Unsecured, considered good unless otherwise stated)

	Current		Non-current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Security deposit				
* Refundable deposit towards joint development agreement	2,372	2,296	-	-
Security deposit paid to related parties	-	-	-	177
Security deposit to others	17	-	47	64
	2,389	2,296	47	241
	2,389	**2,296**	**47**	**241**

* Amount paid by company to the land owners for the land towards joint development of the property is recognised as deposit since it is refundable after completion of the project .

8 Inventories (as certified by the management)

	31-Mar-20	31-Mar-19
Land held under joint development arrangements	35,566	36,266
Properties under development	22,403	28,645
Finished goods	2,000	8,133
	59,969	**73,044**
Less: Value of properties under development impaired during the year	**(1,742)**	**-**
	58,227	**73,044**

*includes payable to landowner for land under Joint Development Agreement (JDA) amounting Rs 34,995/- Lakhs which is payable to land owners and disclosed in note no 20 under the head "Liability under joint development arrangement".

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
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9 Trade receivables

	Current		Non-current	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Trade receivables considered good -secured -related parties	-	-	-	-
Trade receivables considered good -secured	753	275	-	-
Trade receivables considered good -unsecured	-	-	-	-
Trade receivables -C'redit Impaired	-	-	-	-
	753	275	-	-
Less: Allowances for Trade Receivables	-	-	-	-
Total Trade receivables	**753**	**275**	**-**	**-**

10 Cash and cash equivalent

	Current		Non-current	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Cash on hand	1	1	-	-
Balances with banks:				-
– On current accounts*	49	216	-	-
	50	**217**	**-**	**-**

i) The Deputy Commissioner of Commercial Tax,D.C.C.T (A&R) - 1.8, DVO-1 Yeshawantapur, Bengalore, has issued Demand Notice dated 22/10/2018 for payment of Tax under KVAT ACT 2003 amounting to Rs 327 Lakhs including interest of Rs 174 Lakhs and penalty Rs 14 Lakhs. For non-payment of demand as stated above the tax authority has frozen the following Bank accounts.

(ii) The Assisstant PF Commissioner (Compliance), Bengaluru (M), had issued order dated 20/03/2020 for the default in Provident Fund Contributions of Rs. 19.95 lakhs under Section 8F of the Employees' Provident and Miscellaneous Provisions Act, 1952. In this regard, the PF Authority has frozen Corporation Bank Account.
All the frozen bank accounts remained non-operational as on 31st March, 2020.

Banks	Balance as on 31st Mar, 2020	Authority	Balance as on 31st Mar, 2019	Authority
Axis Bank	2	VAT	2	VAT
Corporation Bank	1	VAT	0	VAT
HDFC Bank	7	VAT	-	
Yes Bank	-		3	VAT
Corporation Bank	0	PF	0	VAT
ICICI Bank	0	IT Department	0	VAT
Total	**9**		**5**	

11 Bank balances other than cash and cash equivalent

	Current		Non-current	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Other bank balances				
– Fixed Deposits with bank	-	-	-	-
– Margin money	-	-	-	-
	-	**-**	**-**	**-**

12 Other Financial Assets

	Current		Non-current	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Unsecured, considered good				
Others				
Interest accrued on deposits	3	3	-	-
	3	**3**	**-**	**-**

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Total	**3**	**3**	**-**	**-**

13 Other assets

	Current		Non-current	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
I)Advance towards JDA including Non -refundable deposits				
Unsecured, considered good				
Advances paid towards Joint Development (Refer Note 13(i) to (iii) noted belov	14,936	15,635	-	-
Advances paid towards Joint Development to Related Parties	-	108	-	-
Less: Allowance for doubtful debts/advances (Refer Note 13(i) noted below)	1,260	1,260	-	-
	13,676	14,483		
II) Others				
a) Vendor advances				
- related party	71	-		
- others	3,645	3,848	-	-
b) Advances for supply of goods and rendering of services				
- related party	120	157	-	-
- others	518	715	-	-
c) Prepaid expenses - NFA	19	24	-	-
d) Balances with government authorities	1,129	1,113	-	-
e) Security Deposit	-	-	39	39
f) Receivable from related parties (Refer Note 13(iv) below)	12,298	13,139		
	31,476	33,479	39	39

i) The Company has given advances amounting Rs 1227.98 Lakhs to Somerset Infra Projects Private Limited for acquiring land /immovable property under Joint Development. Considering the timelines as per joint development Agreements ranging between seven to ten years for the recoverability/conversion, the necessary provision has been made by the management in the books of account on the basis of life time expected credit loss.

ii) Consist advance given by the Company to Winter Lands Pvt Ltd amounting Rs 1911.70 Lakhs and Rs 3515.33 Lakhs to Boulevard Developers Pvt Ltd for acquiring various immovable properties. The Company is of the view that provision is not required as on the balance sheet date due to the timeline and nature of transaction.

iii) Advances for land though unsecured, are considered good as the advances have been given based on arrangements/ memorandum of understanding executed by the Company and the Company/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation..

iv) The Company has granted unsecured loans and advances in the ordinary course of business to its related parties for furtherance of the business objectives of the group Companies as a whole. Such advances given to relative parties is part of business policies and not prejudicial to the interest of the Company. Out of the total balance Rs 9126/- Lakhs is outstanding related to subsidiary companies.

14 Current tax assets (net)

	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
Advance Income Tax (Net of Provision, TDS Receivable)	-	-		
MAT credit entitlement	-	-		
	-	-	-	-

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15 Equity Share Capital

	31-Mar-20 ₹	31-Mar-19 ₹
Authorised		
15,00,00,000 (2019: 15,00,00,000) equity shares of Rs 10 each	15,000	15,000
Issued, subscribed and fully paid shares		
14,58,32,100 (2019: 14,58,32,100) equity shares of Rs.10 each	14,583	14,583
	14,583	14,583

(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the reporting period

	31-Mar-20		31-Mar-19	
	No of Shares	₹	No of Shares	₹
Equity shares				
At the beginning of the year	14,58,32,100	14,583	14,58,32,100	14,583
Add: Equity shares issued during the year	-	-	-	-
Outstanding at the end of the year	14,58,32,100	14,583	14,58,32,100	14,583

b) Details of shareholders holding more than 5% shares in the Company

	31-Mar-20		31-Mar-19	
	No of Shares	% Holding	No of Shares	% Holding
Equity shares of `10 each fully paid up				
Nitesh Shetty, Managing Director	5,22,16,298	35.81%	4,30,73,295	30%
Nitesh Industries Private Limited	1,31,23,930	9%	1,80,70,276	12%
HSBC Bank (Mauritius) Limited	92,00,189	6%	92,00,189	6%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

c) There have been no buy back of shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet.

16 Other equity

	31-Mar-20 ₹	31-Mar-19 ₹
RESERVES AND SURPLUS		
Securities premium	31,259	31,259
Retained earnings	(1,27,634)	(29,407)
	-96,375	**1,852**
OTHER RESERVE		
FVOCI - Equity Instruments	0	(3,565)
	0	**(3,565)**
	(96,375)	**-1,713**
(A) RESERVES AND SURPLUS		
(a) Securities premium		
Balance at the beginning of the year	31,259	31,259
Add: Adjustment during the year	-	
Balance at the end of the year	**31,259**	**31,259**

Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

(b) Retained earnings		
Balance at the beginning of the year	(29,407)	(8,131)
Profit/(loss) for the year	(1,00,521)	(14,550)
Other compehensive income	54	11
Less: Others	0	-4,348
Less: Other **(Refer Note 16(ii) below)**	2,240	-2,389
Balance at the end of the year	**(1,27,634)**	**(29,407)**
(B) OTHER RESERVE		
Fair Value through Other Comprehensive Income - Equity Instrument		
Balance at the beginning of the year	(3,565)	-3,565
Add: FVOCI-Equity instruments [OCI reversal on sale of shares]	5,405	0
Add: Deferred Tax	-1,840	0
Balance at the end of the year	**0**	**(3,565)**
Total other equity	**(96,375)**	**-1,713**

Note:

16(i) The company has not created the Debenture Redumption Reserve Account as per compliance under section 18(7) of the Companies Act for non availability of the profits of the company for payment of dividend.

(ii) The Company has transferred Rs 2240/- Lakhs during the year from retained earning to Deferred Tax Account for earlier year adjustment of deferred tax.

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17 Borrowings

Particulars	Effective interest rate %	Maturity	31-Mar-20 `	31-Mar-19 `
Secured loans				
Current Borrowings				
Term Loan from Banks and Financial Institutions	Refer Note (iv) below	Refer Note (iv) below	46,975	46,832
18.5 % Non convertible, redeemable debentures	Refer Note (iv) below	Refer Note (iv) below	5,500	5,500
Total current Borrowings			**52,475**	**52,332**

Note:

(i) The continous loss and liquidity constraints of the company lead to non-payment of principal and non-servicing of interest, resulting all the borrowing accounts are classified as Non Performing Assets (NPA) by the Banks/Financial Institutions:

a) The Company has entered into a compromise with Sriram City Union Finance Ltd, for full and final settlement of their dues by agreeing to pay Rs 1300 Lakhs against the total outstanding amount of Rs 1,879 Lakhs vide their Joint Memo reference I. R. No. 4285/2019 dated 03.03.2020 under certain terms and conditions as mentioned their in. Any adjustment required for off-setting the outstanding balance as per books of account of the company will be adjusted on final payment of the settlement amount and acceptance of ackowledgment from the financers.

b) YES Bank
On defaults in repayment of principal amounts and interest along with other charges in respect of credit facilities availed, the YES Bank Limited under the circumstances has called upon the demand of outstanding amount of Rs 22,611 Lakhs, together with interest and other charges vide demand notice reference no. YBL/CFUIBBANGALORE/2019-20/April/June/5 dated 18.06.2019. If the Company fails to make the payments as aforesaid, the bank shall be constrained to take such steps and measures as may be permissible under law for recovery of all the monies due and payable by the Company at its own risk as to the costs and consequences thereof. However, no notice for recovery measures permissible under law has been received on behalf of the bank from any legal authority till the balance sheet date

c) HDFC Bank
HDFC bank has called upon the loan and issued notice under SARFAESI Act for recovery of their loan against the related projects.

ii) As on 31st March, 2020, the company has the following outstanding balance of borrowings from the various banks and financial institution:

Name of Bank	Principal Amount	Interest Amount provided in the accounts	Penal interest not provided in the accounts	Total
HDFC Limited	25675	7251	1350	34,276
Shriram City Union Finar	1380	133	296	1,809
Yes Bank	21210	3436	531	25,177
Unamortised Processing Fees	-1291	0	0	-1,291
Total	**46974**	**10820**	**2177**	**59,971**

(iii) 18.5% non Convertible Redeemable Debentures are redeemable in 21 equal monthly instalments starting from July 15, 2016 and ended on March 15, 2019.
The IDBI Trusteeship Services Ltd (Debenture Trustee) on behalf of Debenture holders had filed a petition (Ref. No.-CP(IB)/270/BB/2018) seeking insolvency of the company in terms of Section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal, Bangalore Branch on 4th October,2018 for an outstanding amount of Rs.11,718 Lakhs against book liability of the Company of Rs. 8,311 Lakhs as on that date which has been dismissed by the Tribunal vide Order dated 22nd July,2019 based on the contention of both the parties wanted to withdraw the petetion on the ground of exploring out of Tribunal settlement.

Since the parties failed to make any effective outside Tibunal settlement of the debts, further appeal has been filed by Investcorp Real Estate Yield Fund (Formerly known IDFC Real Estate Yield Fund) represented by IDBI Trusteeship Services Ltd before the National Company Law Tribunal (NCLT), Bangalore to initiate corporate insolvency resolution process again under the Insolvency and Bankruptcy Code, 2016 on dated 12th June, 2020 for recovery of debenture debt against the Company. As per the claim of the Debenture Trustee to the NCLT the outstanding amount of principal Rs 5500 Lakhs and interest Rs 11,812 Lakhs as on 15th May, 2020, the last schedule payment due date. Pending judgement /Order from the NCLT the company has neither ascertained and accounted the claim of interest fully on the books of account nor made any settlement of the amount due as per claim by the debenture trustee as on the balance sheet date. 18.5 % Non convertible, redeemable debentures has not been considered as "current liabilities" since no legal notice for the claim has been received by the Company.

Details of principal outstanding and interest provided in the books of accounts as on 31.03.2020

Particulars	Rupees in Lakhs
Principal Amount	5,500
Interest Amount	4,846
Total	**10,346**

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(iv) Details of security and terms of loans and debentures

Particulars	Amount outstanding 31-Mar-20	31-Mar-19	Interest rate	Security details	Repayment terms
Loan from Financial Institutions	3100	3100	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.55% per annum and the applicable rate for the said financial facility was 13.30% per annum. The interest rate applicable as on date was 15.10% per annum.	i. Equitable mortgage of developer's share of unsold units in Nitesh Park Avenue admeasuring 0.62 acres. ii. Charge on developer's share of receivables from sold and unsold units. iii. Personal guarantee of Mr. Nitesh Shetty. iv. PDCs for repayment of Principal Rs. 24 crores.	Repayment starts from the begining of 25th Month from the date of first disbursement in 31 equal monthly installments.
Loan from Financial Institutions	0	34	Interest rate is based on the PNBHFR plus / minus the spread that will be applicable from time to time on each disbursement. The FR as on date of sanction was 14.35% per annum and the applicable rate for the said financial facility was 14% per annum.	i. Mortgage of two unsold units in Nitesh Central Park and two unsold units in Nitesh Flushing Meadows.	The loan is repayable in 60 equated monthly installments of Rs.599,158 pm starting from immediately nest month of disbursement.
Loan from Financial Institutions	22575	23124	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.65% per annum and the applicable rate for the said financial facility was 15% per annum for 1st tranche & 13.60% for 2nd tranche. The interest rate applicable as on date was 15.30% per annum.	i. Equitable mortgage of developer's share of area of the following projects ; - Nitesh British Columbia - Nitesh Long Island - Nitesh Chelsea - Nitesh Knights Bridge - Nitesh RIO - Nitesh Hunter Valley ii. Personal guarantee of Mr. Nitesh Shetty. iii. PDCs for repayment of Principal Rs. 270 crores. iv. Demand Promissory Notes.	Repayment starts from the begining of 37th Month from the date of first disbursement in 40 equal monthly installments.
Loan from Financial Institutions	1380	1080	16.50% per annum	i. First & exclusive charge by way of mortgage of 3 unsold units in Nitesh Logo aggregating to 16 659 sf area. ii. First & exclusive charge by way of Hypothecation if receivablesfrom the mortgages units. iii. Escrow of all cash flows, both present & future from the sale of the aforesaid property iv. Personal guarantee of Mr. Nitesh Shetty. v. Demand promisory note vi. Two UDCs for Principal and Interest payment of Rs. 18 Crores and 2.97 Crores. vii. Any other security as may be stipulated by our investment Committee and/or detailed in Definitive Agreements	The amount is repayable in 30 equal monthly installments starting from 19th Month to 48th Month

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Loan from Financial Institutions	8470	10854	4.3% ('spread) over and above the Bank's yearly MCLR. The interest rate applicable as on date was 14% per annum.	i.Exclusive charge on JDA rights on the property situated at Commissariate Road (Total land area -89000 sft). ii. Exclusive charge on all borrower's share of development. iii. exclusive charge on borrower;s share of project receivables/cash flows. iv. Personal guarantee of Mr Nitesh Shetty. v. Blank ECS mandate duly signed.	Bullet repayment of entire amount at the end of 72 months
Loan from Financial Institutions	12740	10357	4.3% ('spread) over and above the Bank's yearly MCLR. The interest rate applicable as on date was 14% per annum.	i.Exclusive charge on JDA rights on the property situated at Ali Asker Road (Total land area 110000 sft). ii. Exclusive charge on all borrower's share of development. iii. Exclusive charge on all borrower's share of projects receivables/cashflows. iv. Personal guarantee of Mr Nitesh Shetty. v. Blank ECS mandate duly signed.	Bullet repayment of entire amount at the end of 72 months
18.5 % Non convertible, redeemable debentures	5500	5500	18.50% per annum	i. First and exclusive charge by way of a mortgage by deposit of title deeds over the Logos & Virgin Island. ii. Escrow account in respect of the receivables from the projects Logos & Virgin Island. . iii. First and exclusive charge by way of hypothecation on the receivables in the projects Logos & Virgin Island . iv. Personal Guarantee of Mr.Nitesh Shetty in favour of the Debenture Trustee.	The amount is repayable in 21 equal monthly installments starting from July 15, 2016 to March 15, 2018

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18 Other financial liabilities

	Current		Non Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Financial Guarantee Obligation [Refer Note No 28A(i)]	53,283			
Total other financial liabilities	**53,283**	**-**	**-**	**-**

18A Provisions

	Current		Non Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Provision for employee benefits				
Provision for gratuity (refer note 32)	5	20	83	85
Provision for leave benefits	7	14	64	109
	12	**34**	**147**	**194**

19 Deferred tax laibility (Net)

	Current		Non Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Deferred tax liabilities				
a) Fair Valuation of investment Property under construction on the date of transition			0	4419
b) Fair Valuation of investment in Preference Share (Compound financial instrument)			0	265
c) Revenue recognition under gross accounting method			129	411
Gross deferred tax liabilities (A)			**129**	**5,095**
Deferred tax assets				
a) Depreciation and amortization			47	47
b) Leave encashment and gratuity - deductible on payment			83	59
d) Provision for advances			454	182
e) Fair valuation investments in equity shares			0	3047
f) Others			44	78
Gross deferred tax assets (B)			**628**	**3,412**
Net deferred tax liabilities (A) - (B)			**(499)**	**1,682**

(a) The Company is working on component wise calculation /reconciliation of deferred tax assets and liabilities. Accounting entries resulting from such reconciliation will be passed in due course.

20 Other liabilities

	Current		Non Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Liability under joint development arrangement (Refer Note 20(i) noted below)	34,994	41,922	-	-
Advance received from Related parties for sale of properties	1,784	2,506		
Other advances received from related parties towards contract	400	400		
Advance received from customers for sale of properties [Refer Note no 43]	3,295	2,160	-	-
Contract Liability-Billing in excess of revenue (Net of debit balance) [Refer Note 20(ii) noted below]	12,600	14,177		
Withholding taxes payable	1,935	315	-	-
	55,009	**61,480**	**-**	**-**

20 (i) The Company has entered into the Joint Development Agreement (JDA) with land owners for development of the properties at its own cost of development and for the consideration of the land of the land owner, the company shares the residential flats or revenue from the commercial property as per jointly agreed terms and conditions of the agreement. The land acquired by the company from the land owner initialy recorded in the books of account at the estimated cost of construction for the share of the property to be handed over to land owner on completion of the construction/development of the property.
ii) Customerwise reconciliation "Billing in excess of revenue" is under process

21 Trade payables

	Current		Non Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
(a) Total outstanding dues of micro and small enterprises (Refer note 35 for details of dues to micro and small enterprises)	58	56	-	-
(b) Total outstanding dues of creditors other than micro enterprises and				
- to related parties	467	182		
- to others	23,400	19,435	-	-
	23,926	**19,673**	**0**	**0**

22 Current tax liabilities (net)

	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Provision for Income Tax (Net of Advance Income Tax and TDS Receivable)	324	161		
MAT credit entitlement	-	(70)		
	324	**91**	**-**	**-**

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
Notes to the financial statements for the year ended March 31, 2020
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23 Revenue from operations

	31-Mar-20	31-Mar-19
Revenue from operations		
Income from property development	1,920	3,889
Income from sale of land	-	4,550
Total	**1,920**	**8,439**

24 Other income

	31-Mar-20	31-Mar-19
Interest income on		
Bank deposits	-	-
Others	193	164
Provisions no longer required written back	407	-
Miscellaneous Income	13	14
	612	**178**

25 Land and construction cost

	31-Mar-20	31-Mar-19
Land and construction cost	749	47,121
	749	**47,121**

25a (Increase)/decrease in inventories of stock of flats, land stock and work-in-progress

	31-Mar-20	31-Mar-19
Opening Inventory	73,044	29,164
Adjustment/transfer	(13,862)	-
Less: Closing Inventory	(58,227)	(73,044)
Change in Inventory	**956**	**(43,880)**

25b Employee benefits expense

	31-Mar-20	31-Mar-19
Salaries, wages and bonus	823	1,289
Contribution to provident and other fund	17	22
Staff welfare expenses	9	20
	849	**1,331**

26 Finance costs

	31-Mar-20	31-Mar-19
Interest and other charges		
Interest expenses	5,370	4,661
Processing fees and others	212	90
Total finance costs	**5,582**	**4,751**

Finance cost includes Rs 8 Lakhs (PY - Rs 16 Lakhs) "Interest on Micro Small and Medium Enterprises [MSME]" and Rs 21 Lakhs (Rs 153 Lakhs) interest charged as per the orders passed by RERA.

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
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27 Depreciation and amortization expense

	31-Mar-20	31-Mar-19
Depreciation of property, plant and equipment	12	18
Amortization of intangible assets	4	5
	16	**23**

28 Other expenses

	31-Mar-20	31-Mar-19
Payments to auditors - **Refer note (i) below**	17	17
Power and fuel	24	23
Rent - Related Party	71	131
- Others	4	9
Rates and taxes - **Refer note (iv) below**	1,467	568
Insurance	17	30
Repairs and maintenance		
Plant and machinery	17	14
Office maintenance	19	38
Advertising and sales promotion paid to related parties		-
Advertising and sales promotion	4	232
Travelling and conveyance	38	62
Communication costs	10	14
Director's sitting fees	13	14
Legal and professional fees	92	341
Expected Credit Loss against advances (Refer Note No. 12 (i))	-	317
Miscellaneous expenses	46	58
Sundry Balance Written off	693	-
Decrease of inventory for impairement of properties under development **(Refer Note (iii) below)**	1,742	-
	4,274	**1,868**

Note (i) - Payments to auditors

	31-Mar-20	31-Mar-19
As an auditor:		
Statutory audit fees	12	12
Limited review fees	4	4
Reimbursement of expenses	1	1
	17	**17**

(ii) Details of CSR expenditure:

As per section 135 of the Companies Act, provisioning of CSR expenditure is not required.

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(iii) Decrease of inventory for impairement of properties under development

The Company has provided Rs.1,742 Lakhs during the year out of total development cost of Rs.3,325 Lakhs incurred for the project of "British Columbia" as the land has to be transferred to the land owner on closure/cancellation of the project. The management is expecting to recover the remaining balance of Rs 1,600 Lakhs included in WIP as on balance sheet date on sale/transfer of the said land under Joint Development Agreement(JDA).

(iv) Rates & Taxes
Rates & Taxes includes VAT for the earlier years Rs 510 Lakhs and interest provision on VAT payable Rs 747 Lakhs has been accounted for during the year.

28A Exceptional Items

	31-Mar-20	31-Mar-19
Impairment Loss of Investment in subsidiary [Refer Note No 6(i) & (ii)]	20,547	11,866
Impairment Loss of Investment in subsidiary due to invocation of financial guarantee [Refer Note No	53,283	-
Loss on sale of investments in Nitesh Residency Hotels Pvt Ltd [Refer Note No 28A (ii)]	5,633	-
Impairement loss on CWIP-Investment properties under construction [Refer Note No 4.2 (i)]	12,998	-
	92,461	**11,866**

Nite (i) NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited/ NUDPL) and NHDPL South Private Limited (Formerly NHDPL Properties Private Limited/ NHDPL) both are 100% subsidiaries of the NEL Holdings Ltd (formerly known as Nitesh Estates Ltd/ the Company) have availed credit facilities aggregating Rs 18,500 Lakhs and Rs 31,500 Lakhs respectively, from YES Bank Ltd. As a security for the credit facilities availed, the parent company has furnished in favour of the bank and unconditional and irrevocable guarantees, guaranteeing the due and prompt repayment of the amount outstanding under the facilities and executed a Deed of Corporate Guarantee (the guarantee) dated 29.02.2016 and 03.10.2015 respectively.
On defaults in repayment of principal amounts and interest along with other charges in respect of facilities availed by them, the bank under the circumstances has invoked the guarantees furnished by the parent company and call upon the demand of outstanding amount of Rs 19,490 Lakhs and Rs 33,793 Lakhs respectively together with interest and other charges vide demand notice reference no. YBL/CFUIBBANGALORE/2019-20/May/Nitesh/4 dated 10.06.2019 and YBL/CFUIBBANGALORE/2019-20/April/Nitesh/2 dated 12.04.2019 respectively.
The Company is in the process of discussion for settlement of liability as demanded by the bank and has accounted the demand as “Financial Guarantee Obligation” in the books of account, by considering the provision amount as expenses under the head “Exceptional Items” based on the credit worthiness of the subsidiaries as on the balance sheet date.

(ii) During the year Company has sold 8,22,52,406 number of shares to Bolgati Enterprises Private Limited a related party on a consideration of Rs.4,107 Lakhs by incurring loss of Rs.5,633 Lakhs as stated above.

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
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29 Income tax

	31-Mar-20 `	31-Mar-19 `
Current income tax:		
Current income tax charge		-
Adjustments in respect of current income tax of previous year	38	-
Deferred tax:		
Decrease / (Increase) in deferred tax assets	-	-
(Decrease) / Increase in deferred tax liabilities	(59)	632
Less : Adjustment		(539)
	(59)	93
Less : Recognised in OCI		(6)
Relating to origination and reversal of temporary differences	(59)	87
Income tax expense reported in the statement of profit or loss	**(21)**	**87**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

	31-Mar-20 `	31-Mar-19 `
Accounting profit before income tax	**(1,02,355)**	**(14,463)**
At India's statutory income tax rate as applicable		
Non-deductible expenses for tax purposes:		
Adjustment on account of depreciable assets		28
Tax effect of amounts which are not taxable in calculating taxable income:		
Provision for doubtful debts	4	(5)
Other adjustments	(11)	14
Other differences:		
Difference due to investment in Preference Shares	66	56
	59	**93**

Reconciliation of deferred tax liabilities (net)

	31-Mar-20 `	31-Mar-19 `
Opening balance	1,682	1,050
Deferred tax (credit)/charge during the period recognised in Profit & Loss	59	87
Deferred tax (credit)/charge during the period recognised in OCI	-	(93)
Others*	(2,240)	638
Closing balance	**(499)**	**1,682**

*The Company has transferred Rs 2240/- Lakhs during the year from retained earning to Deferred Tax Account for earlier year adjustment of deferred tax.

NEL Holdings Ltd(Formerly known as Nitesh Estates Limited)
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30 Related Party Disclosure

a List of related parties

In accordance with the requirements of Indian Accounting Standards (Ind AS)- 24 'Related Party Disclosure' the names of the related party where control exists / enable to exercise significant influence along with the aggregate transactions and year -end balance with them in the ordinary course of business and on arms' length basis are given below:

Key Management Personnel of the company and close member of KMP of the company

Nitesh Shetty [Chairman and Managing Director]
Jagdish Capoor[Independent Director] [Upto February 14th, 2020]
Ms. Dipali Khanna [Independent Director]
Mahesh Bhupathi [Independent Director]
M. D Mallya [Independent Director][Upto April 5th, 2018]
G. N. Bajpai [Independent Director][Upto August 17th, 2018]
S. Ananthanarayanan[Independent Director][From February,26th,2019]
Shantanu Consul[Additional Independent Director][From February 26th,2019 and upto August 01st, 2019]
L.S.Vaidyanathan [Executive Director]
Ashwini Kumar [Executive Director] [Upto February 24th, 2020]
Rakesh Singh [Chief Executive Officer][Upto June 5th, 2020]
Kamal Daluka[Executive Director & Chief Financial Officer]
Venkateshan .M.A.[Chief Financial Officer][Upto April 30th,2019]
Prasant Kumar[Company Secretary & Chief Compliance Officer]
D. Srinivasan [Company Secretary][Upto August 2nd, 2018]
Nischita Shetty [Relative of Director]

Subsidiaries and Fellow Subsidiaries
NHDPL South Private Limited (Formerly NHDPL Properties Private Limited)
NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited)
Lob Property Management Private Limited
Nitesh Indiranagar Retail Private Limited
Courtyard Hospitality Private Limited (Formerly Courtyard Constructions Private Limited)

Enterprises in which Key Management Personnel have Joint Control or Significant Influence with whom transactions have taken place during the year
Nitesh Office Parks Private Limited
Nitesh Infrastructure and Construction
Nitesh Industries Private Limited
Pushrock Environment Private Limited
Nitesh Residency Hotels Private Limited
Bolgati Enterprises Private Limited
Orange Self Storage Private Limited
Southern Hills Developers Private Limited.
Grass Outdoor Advertising Private Limited
Nisco Ventures Private Limited.

Associates & Joint Ventures

Associates
Nitesh Estates – Whitefield (Up to February 20th, 2020)

Enterprises which are post employment benefit plan for the benefit of employees

Nitesh Estates Limited Employees' Gratuity Fund Trust

b. Related party transactions

Particulars	31-Mar-20	31-Mar-19
Loans and advances received/(repaid)		
Courtyard Hospitality Private Limited (Formerly Courtyard Constructions Private Limited)	394	87
Nitesh Indiranagar Retails Private Limited	(123)	270
NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited)	(1,091)	598
NHDPL South Private Limited (Formerly NHDPL Properties Private Limited)	(430)	1,967
Lob Property Management Pvt Ltd	(91)	(29)
Nitesh Office Parks Private Limited	(49)	45
Pushrock Environment Private Limited	156	-
Nitesh Industries Private Limited	4	-
Orange Self Storage Private Limited	32	-
Security Deposit Recived back		
Nitesh Infrastructure and Construction	177	-
Investement in NRHPL shares sold		
Bolgati Enterprises Private Limited	2,890	-
Advances received from customers/(Repaid)		
Pushrock Environment Private Limited	-	174
Pushrock Environement Private Limited-Logos	(17)	784
Pushrock Environement Private Limited-Park Avenue	446	-
Nitesh Shetty - Park Avenue	(722)	547
Nitesh Infrastructures & Contructions	-	117
Managerial remuneration		
Nitesh Shetty	-	131
L.S.Vaidyanathan	99	117
D. Srinivasan	-	16
Venkateshan .M.A.	-	80
Kamal Daluka	75	-
Rakesh Singh	50	-
Prasant Kumar	21	13
Directors' sitting fees		
G. N Bajpai	-	3
Jagdish Capoor	4	7
Ms. Dipali Khanna	5	4
Mahesh Bhupathi	1	1
Shantanu consul	1	-
S.Ananthanarayanan	3	-
Rent Expenses		
Nitesh Infrastructure and Construction	71	71
Nitesh Industries Private Limited	-	60
Other expenses		
Nitesh Residency Hotels Private Limited	7	27
Contribution of Gratuity Fund		
Nitesh Estates Limited Employees' Gratuity Fund Trust	-	7

c. **Amount outstanding at the balance sheet date**

Particulars	31-Mar-20	31-Mar-19
Loans and advances receive/ (repaid)		
NHDPL South Private Limited (Formerly NHDPL Properties Private Limited)	4,348	3,958
NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited)	51	1,142
Nitesh Office Parks Private Limited [Formerly known as Kakanad Enterprises Private Limited]	360	312
Southern Hills Developers Private Limited.	111	111
Lob Property Management Pvt Ltd	128	37
Nitesh Indirnagar Retail Pvt. Ltd.	4,599	4,476
Courtyard Hospitality Private Limited (Formerly Courtyard Constructions Private Limited)	(102)	292
Nitesh Estates Whitefield	2,802	2,802
Security deposit		
Nitesh Infrastructures & Contructions	-	177
Other Advances (Received)/Paid		
Pushrock Environment Private Limited	(156)	-
NHDPL South Private Limited (Formerly NHDPL Properties Private Limited)	40	-
NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited)	1	-
Nisco Ventures Pvt. Ltd.	108	108
Trade advances		
Grass Outdoor Advertising Private Limited[Formerly known as Serve & Volley Outdoor Advertising Private Limited]	157	157
Trade payables		
Nitesh Industries Private Limited	29	34
Nitesh Residency Hotels Pvt. Ltd.	146	148
Orange Self Storage Private Limited	32	-
Managerial remuneration Payable		
Nitesh Shetty	-	3
L.S.Vaidyanathan	91	15
Venkateshan .M.A.	14	-
Kamal Daluka	34	-
Rakesh Singh	5	-
Prasant Kumar	9	-
Directors' sitting fees Payable		
Jagdish Capoor	6	-
Ms. Dipali Khanna	5	1
Mahesh Bhupathi	1	-
Shantanu consul	0	-
Other Advances received from customers towards contract		
Nitesh Residency Hotels Pvt. Ltd.	400	400
Advances received from customers		
Pushrock Environement Pvt Ltd - Logos	-	17
Pushrock Environement Private Limited-Park Avenu	(4)	-
Nitesh Estates - Whitefield	22	
Nitesh Shetty - Park Avenue	2,822	3,544
Nischita Shetty - Logos	100	100
Nitesh Residency Hotels Pvt. Ltd.	(1,155)	(1,155)
Guarantees given on behalf of the company already invoked by Bank		
NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited)	18,500	18,500
NHDPL South Private Limited (Formerly NHDPL Properties Private Limited)	31,500	31,500

Note: Amount shown as "0" is below the rounding off norm adopted by the company.

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
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31 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Particulars	As at March 31, 2020		As at March 31, 2019	
	Fair value through OCI	Amortised Cost	Fair value through OCI	Amortised Cost
Financial assets				
Investments	1,008	-	4,335	-
Trade Receivables		753		275
Cash and Cash equivalents		50		217
Other Financial asset		3		3
Loans		2,389		2,296
Security deposits	-	47	-	241
	1,008	**3,242**	**4,335**	**3,032**
Financial liabilities				
Non-current borrowings	-	-	-	-
Current -borrowings	-	52,475	-	52,332
Trade payables	-	23,926	-	19,673
Financial Guarantee Obligation	-	53,283	-	-
	-	**1,29,684**	**-**	**72,005**

Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between the levels during the period.

The details of fair value measurement of Company's financial assets/liabilities are as below:

Particulars	Level	31-Mar-20	31-Mar-19
Financial assets/liabilities measured at fair value through			
Investment in equity instruments of Other company	3	1,008	4,335

The management assessed that the carrying values of cash and cash equivalents, trade receivables, deposits, trade payables, borrowings, Financial Guarantee obligations and other financial assets and liabilities approximate their fair values largely due to the short-term maturities.

The following methods and assumptions were used to estimate the fair values:

Management has considered cost value of investment in Association of Person (AOP), Nitesh Estates-Whitefield Rs 1008 Lakhs as fair value due to current financial situation of AOP.
The valuation requires Management to make certain assumptions about the model inputs, including forecast cash flow, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in Management's estimates of Fair value for the unquoted investments.

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
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32 Gratuity and other post-employment benefit plans

Particulars	31-Mar-20 `	31-Mar-19 `
Defined Benefit Plan		
Gratuity		
Non Current- Unfunded	83	
Non Current - Funded		85
Current - Unfunded	5	
Current - Funded		20
	88	**105**
Leave Encashment		
Non Current	64	109
Current	7	14
	71	**123**

The Company has a defined benefit gratuity plan (unfunded) as at March 31, 2020. The Company has a defined benefit gratuity plan (unfunded) as at March 31, 2019.The Company's defined benefit gratuity plan is a final salary plan, which requires contributions to be made to a separately administered fund.

a) **a) Gratuity- Funded / (Unfunded)**

Upto September 30, 2018 the Company operates defined gratuity plan for its employees. Under the plan, every employee who has completed atleast five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

As at March 31, 2020 the Gratuity plan of the company is unfunded. The company is only making book provision for the entire Gratuity liability on the valuation and follows"pay as you go" system to meet the liabilities as and when they fall due. Therefore, the scheme fully unfunded, and no assets are maintained by the company and asset values are taken as zero; there is a liquidity risk in that thay may run out of cash.

b) b) Cost of Long term benefit by way of accumulated compensated absence arising during the service period of employees is calculated based on cost of service and the pattern of leave availment. The present value of obligation towards availment under such long term benefit is determined based on the actuarial valuation carried on by an Independent Actuary using projected limit credit method as at the close of accounting period. The Company is providing liability as per actuarial valuation in its books of account as the plan is not funded.

c) c) In absence of Actuarial valuation as on 31st March, 2019, the disclosure requirements as per IND AS-19 Employee Retirement Benefit for 'Long Term Defined Plans' in respect of Gratuity and Compensated Absence has been disclosed in the Financial Statements to the extent available for the previous year. Accordingly, disclosure as at September 30, 2018 is considered.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i. Changes in the defined benefit obligation and fair value of plan assets as at March 31,2020 (As per the latest available Actuarial Report)

	Gratuity cost charged to profit or loss				**Remeasurement gains/(losses) in other comprehensive income**							
Particulars	30-Sep-18	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-20
Defined benefit obligation	104.58	25.35	10.72	36.07	-	-	1.81	5.25	-60.10	-53.04	-	87.61
Fair Value of plan assets	0.86	-	0.09	0.09	-	-0.95	-	-	-	-0.95	-	-
Benefit liability	**103.71**	**25.35**	**10.63**	**35.98**	**-**	**0.95**	**1.81**	**5.25**	**-60.10**	**-52.09**	**-**	**87.61**

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
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ii. Changes in the defined benefit obligation and fair value of plan assets as at September 30, 2018:

	Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income							
Particulars	01-Apr-18	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	30-Sep-18
Defined benefit obligation	109.10	11.78	3.98	15.76	-8.49	-	-	-5.31	-6.48	-11.79	-	104.58
Fair Value of plan assets	4.08	-	0.49	0.49	-8.49	-0.49	-	-	-	-0.49	5.28	0.87
Benefit liability	**105.02**	**11.78**	**3.49**	**15.27**	**-**	**0.49**	**-**	**-5.31**	**-6.48**	**-11.30**	**-5.28**	**103.71**

iii The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	**March 31, 2020**	**March 31, 2019**
Fund Managed by Insurer	0%	100%

iv. The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group's plans are shown

Particulars	31-Mar-20	30-Sep-18
Discount rate	6.83%	8.10%
Future salary increases	6.00%	6.00%
Attrition Rate	5.00%	2.00%
Expected rate of return of assets	-	-
Mortality	Indian assured lives mortality(2012-14) (modified ultimate)	Indian assured lives mortality(2006-08) (modified ultimate
Withdrawal rate	5.00%	1%-2%

v. A quantitative sensitivity analysis for significant assumption as at March 31,2020 is as shown below:

	31-Mar-20				**30-Sep-18**			
Asssmumtions	Discount Rate		Salary Growth Rate		Discount Rate		Salary Growth Rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Sensitivity Level	+100 basis point	-100 basis point	+100 basis point	-100 basis point	+50 basis point	-50 basis point	+50 basis point	-50 basis point
Impact on defined benefit obligation - Gratuity	-6.90%	7.84%	5.81%	-5.81%	-3.90%	4.20%	2.01%	-2.35%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

vi. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31-Mar-20 `	30-Sep-18 `
Year 1	5	7
year 2	4	5
year 3	6	19
year 4	6	9
year 5	4	26
year 6 to 10	28	35
Total expected payments	**54**	**101**

vii. The defined benefit obligations have the undermentioned risk exposures-

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk : This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
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33 Earnings per share ['EPS']

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-20	31-Mar-19
Profit after tax attributable to shareholders (Amount in Lakhs)	(1,00,521)	(14,550)
Weighted average number of Equity Shares outstanding during the year	14,58,32,100	14,58,32,100
Effect of dilution:		
Weighted average number of Equity Shares	14,58,32,100	14,58,32,100
Basic and Diluted Earnings Per Share (Rs.) (Face value of Rs 10 per share)	-68.93	-9.98

34 Contingent Liabilities

The company has contingent liabilities at March 31,2020 in respect of:

a (i). Claims against the company pending appellate/ judicial decision and not acknowledged as debts:

Particulars	31-Mar-20 `	31-Mar-19 `
Claims against the company not acknowledged as debts in respect of		
Income-tax	234	157
Value Added Tax	1422	688

(ii) Following is the summary of financial exposure of cases filed against the company by customers,vendors and other business associates:

Customers-		
a. Seeking Possession of Property	4,696	485
b. Seeking Refund	1,741	967
Vendors		
Seeking Recovery of Dues	15	41
	6,452	1,493

b. Guarantees

Particulars	31-Mar-20 `	31-Mar-19 `
Corporate guarantee for loans taken by group companies	-	50,000

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c. Commitements

Particulars	31-Mar-20 `	31-Mar-19 `
Estimated amount of contracts remaining to be executed on projects (net of advances) and not provided for	15,877	21,759

Notes :

a. The Company has entered into various joint development agreements wherein, on completion of all obligations of the land owner and possession of land to the Company, the Company is required to construct and develop the entire property and hand over an agreed proportion of the built up area to the land owner as a consideration for the share in land transferred to the Company.

b.The Company has provided support letters to subsidiary companies wherein it has accepted to provide the necessary level of financial support to enable the company to operate as a going concern and meet its obligations as and when they fall due.

35 **Disclosure as required under Micro Small and Medium Enterprises Act , 2006(MSME Act)**

Particulars `	31-Mar-20 `	31-Mar-19 `
a. Principal amount remaimning unpaid to any supplier as at the end of the accounting year	58	56
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	24	16
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
d. The amount of interest due and payable for the year	8	16
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	24	16
f. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note : The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 is disclosed to the extent such parties have been identified on the basis of the information available with the company. Interest is not provided for the claims which are under dispute.

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36 Financial instruments- accounting classification and fair value measurement.

The carrying values of trade and other receivables, other assets, cash and short term deposits, trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are re-priced frequently.

Company's assets and liabilities which are measeured at amortised cost

	31st March 2020		31st March 2019	
	Carrying Value	Amortised cost	Carrying Value	Amortised cost
Financial assets				
Trade Receivables	753	753	275	275
Cash and Cash equivalents	50	50	217	420
Other Financial asset	3	3	3	3
Security deposits	47	47	241	241
Refundable deposit towards joint development agreement	2,389	2,389	2,296	2,296
	3,242	**3,242**	**3,032**	**3,235**
Financial liabilities carried at amortized cost:				
Long-term borrowings	-	-	-	-
Short-term borrowings	52,475	52,475	52,332	52,332
Trade payables	23,926	23,926	19,673	19,673
Other financial liabilities	53,283	53,283	-	-
	1,29,684	**1,29,684**	**72,005**	**72,005**
			-	

37 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the acquisition and Company's real estate operations. The Company's principal financial assets include Trade Receivable, cash and cash equivalents that derive directly from its operations and refundable deposits which is given on aquiition of land to land owners.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2019. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt.

The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other post retirement obligations; and provisions.

The following assumptions have been made in calculating the sensitivity analysis:

1. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

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ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.
The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

	Increase/decrease in basis points	Effect of profit before tax (Rupees in Lakhs)
31-Mar-20		
Change	+50	28
Change	-50	-28

	Increase/decrease in basis points	Effect of profit before tax (Rupees in Lakhs)
31-Mar-19		
Change	+50	23
Change	-50	-23

iii. Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Financial Instrument and Cash Deposit
Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and loans are given only within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2020 and 31 March 2019 is the carrying amounts.

iv. Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 1	1 to 2 years	2 - 3 years	> 3 years	Total
Year ended 31/03/2020						
Borrowings	52,475	-	-	-	-	52,475
Trade and other payables	15,666	8,260	-	-	-	23,926
Financial Gurantee Obligation	53,283	-	-	-	-	53,283
Year ended 31/03/2019						
Borrowings	12,951	-	4,213	-	35,168	52,332
Trade and other payables	3,828	19,673	-	-	-	23,501

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38 DISCLOSURE AS PER CLAUSE 32 OF THE LISTING AGREEMENT OF THE LOANS, ADVANCES, ETC. TO SUBSIDIARIES, FELLOW SUBSIDIARIES, JOINT VENTURES, ASSOCIATES AND OTHER ENTITIES IN WHICH THE DIRECTORS ARE INTERESTED:

Name of the Party	31-Mar-20		31-Mar-19	
	Closing balance	Maximum amount due	Closing balance	Maximum amount due
NHDPL South Private Limited (formerly known as NHDPL Properties Private Limited)	4,388	4,388	3,967	3,967
NUDPL Ventures Private Limited (formerly known as NUDPL Enterprises Private Limited)	51	51	1,142	1,142
Nitesh Office Park Private Limited.	360	360	312	312
Southern Hills Developers Private Limited	111	111	111	111
Lob Property Management Private Limited	128	128	37	37
Courtyard Hospitality Private Limited (formerly known as Courtyard Constructions Private Limited)	(102)	-102	292	292
Nitesh Indiranagar Retail Private Limited	4,599	4,599	4,476	4,476
Nitesh Estates Whitefield	2,802	2,802	2,802	2,802
Pushrock Environment Private Limited	(156)	-156	-	-
Nisco Ventures Pvt. Ltd.	108	108	108	108

39 Capital management

For the purpose of the Company’s capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company’s capital management is to maintain strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company’s policy is to keep the gearing ratio minimal. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

`	31-Mar-20 `	31-Mar-19 `
Borrowings	52,475	52,332
Trade payables	23,926	19,673
Less: Cash and cash equivalents and other bank balances	(50)	(217)
Net debt[A]	**76,351**	**71,788**
Equity Share Capital	14,583	14,583
Other Equity	(96,375)	(1,713)
Equity [B]	**-81,792**	**12,870**
Equity plus Net Debt[C=A+B]	**(5,441)**	**84,658**
Gearing ratio[D=A/C]	**-1403%**	**85%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.
The company has defaulted in repayment of dues to debenture holders and banks/financial institutions which includes overdue Principal and interest as on Balance Sheet date. [Refer Note no 17]

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

40 Recent Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

41 As per para 4 of Indian Accounting Standard (Ind AS) 108 - Operating Segments, if a financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent’s separate financial statements, segment information is required only in the consolidated financial statements. Hence segment information as required under Ind AS 108 -Operating Segments is given in the Consolidated Ind AS financial statements of the Company.

NEL Holdings Ltd (Formerly known as Nitesh Estates Limited)
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42 Transition to Ind AS 115 "Revenue from contracts with customers"
a) Revenue disaggregation by various vertical as follows

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Segment Vertical		
Residential (Refer Note 23)	1,920	3,889
Retail	-	-
Total revenue from operations	1,920	3,889
Timing of goods or service	-	-
Goods transferred at a point in time	1,920	3,889
Goods transferred over time	-	-
Total revenue from operations	1,920	3,889

b) (i) In the assessment of the Company, there is no significant financing component in any of its contracts.

(ii) Revenue recognised during the year 2019-20 from performance obligations satisfied in the previous year is NIL

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43 Neither development activities nor sale of apartments is undertaken by the Company for its four residential projects (British Colombia, Hunter Valley, Chelse and Virgin Island) launched in prior to the effective date of RERA Act. Pending approval of sanction plan and certificate of commencement as well as prevalent adverse market condition of real estate business, the company has not registered the said projects under RERA Act. However, discontinuation of one project i.e Virgin Island out of the four has not been intimated to the RERA authority for necessary update.

The Company has accepted working advance more than 10% of cost before RERA period in case of one residential project. Pending arbitration proceedings between the company and the landowner, the Company has decided to suspend the project on an intimation to Real Estate Regulatory Authority, Karnataka.

Company has collected advance amounting Rs 1,414/- Lakhs in respect of the said projects, it is in the process of refunding the same and which has been shown in "Note no 20 - Other liabilities" under "Advance received from customers for sale of properties".

44 The outbreak of COVID-19 pandemic has significantly impacted global businesses environment. The restriction of human movement through nationwide lockdown during the period from 25th April, 2020 to 8th June, 2020 imposed by the Government of India to prevent community spread of the disease has resulted significant reduction in economic activities with respect to the operations of the Company, The business of the Company has gone down drastically and the construction activities of the Company has been stopped due to non-availability of resources during lock down period. The Company has taken necessary steps to overcome the present situation by analysing various internal and external information inter-alia the assumptions relating to economic forecasts and future cash flows for assessing the recoverability of various assets and receivables viz, investments, contract and non-contract assets, trade and non-trade receivables, inventories, advances and contract costs as on the date of approval of these financial statements. The assumptions used by the company are being tested through sensitivity analysis and the company expects to recover the carrying amount of these assets and receivables based on the current indicators of future economic benefits. As the management is still assessing the impact of COVID-19 pandemic on the future period, the impact may be different from that estimated as at the date of approval of these financial statements and the company will continue to closely monitor the material changes if any, to the future economic conditions.

45 **Lease**

The Company has adopted Ind AS 116 "Leases" w.e.f. 01.04.2019. The adoption of this standard did not have any impact on the standalone financial statements. Accordingly, disclosure requirements of this standard are not applicable to the Company.

46 **Going Concern**

The Company has incurred losses over the years resulting in negative net worth, negative working capital and negative cash flows. The Company has defaulted in payment of dues to banks, financial institutions and creditors etc. The adverse market environment and Government rules and regulations has slowed down the real estate business during the recent past. As a result, the Company has suspended the development of certain projects to cope-up with present market condition and to recover from the financial stress. Management believe that the real estate market will be improved on domestic as well as overseas demand on the change of public mind set as well as Government initiative to increase the public expenditure with parallel growth of economy. On the expectation of changing scenario the accounts of the Company have been continued to be prepared on going concern basis for the continuing operation and to realize the assets and discharge the liabilities under normal course of business.

47 Prior year comparatives

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E
UDIN : 20051472AAAAAR9629

for and on behalf of the Board of Directors of
NEL Holdings Ltd
(Formerly known as Nitesh Estates Limited)

Mrinal Kanti Banerjee Partner Membership No. 051472	**Nitesh Shetty** Managing Director DIN: 00304555	**L.S. Vaidyanathan** Executive Director DIN: 00304652
Place: Bangalore Date : 31st July, 2020	**Kamal Daluka** Executive Director & Chief Financial Officer	**Prasant Kumar** Company Secretary

Consolidated Accounts

INDEPENDENT AUDITOR'S REPORT

To the Members of
NEL Holdings Limited (Formerly known as Nitesh Estates Limited)

Report on the Audit of the Consolidated Financial Statements

Adverse Opinion

We have audited the accompanying consolidated financial statements of **NEL Holdings Limited (Formerly known as Nitesh Estates Limited and herein after referred as "the Holding Company")**, and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2020, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, because of the reasons described in the 'Basis for Adverse Opinion' para below, the aforesaid consolidated financial statements do not give a true and fair view of the financial position of the group, in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS), prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2020, of consolidated loss, consolidated other comprehensive loss, consolidated changes in equity and its consolidated cash flow for the year then ended.

Basis for Adverse Opinion

1. The Group has incurred losses over the years resulting in negative net worth, negative working capital and negative cash flows. The default in payment of dues to banks and financial institution and creditors etc. are the identified events that, individually or collectively, cast significant doubt on the Group's ability to continue as a going concern.
In this financial scenario, the management has no concrete plan to improve upon the situation which indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. The consolidated financial statements do not adequately disclose this fact.

As the Group has not recognized this fact and has prepared the consolidated financial statement on going concern assumption basis without carrying out any adjustments, in our opinion, the consolidated financial statements may not give a true and fair view.

2. The Group has given unsecured advances amounting to Rs 5,927.57 Lakhs to Winter Lands Private Limited and Rs 4,436.22 Lakhs to Boulevard Developers Private Limited for acquiring various immovable properties on behalf of the Group for which no Joint Development Agreements could be produced to us. We have been informed that these companies are not in a position to honor their commitment and repay the advance. No provision has been made by the Group with respect to these advances resulting in understatement of loss and overstatement of the net worth by the said amount.

However, in case of Winter Lands the Group has represented that they are in the process of taking appropriate measures to regularize and enter into the development agreements with the land owners & aggregators within next two quarters. [Refer Note No 12(ii) of the standalone financial statements]

3. The Group had advanced Rs. 25,221.95 Lakhs to Somerset Infra Projects Private Limited (Somerset) for acquiring immovable properties on behalf of the Group. Somerset has neither delivered any property to the Group as per the agreement nor refunded the money. The Group has made full provision for the said advance and has entered into an agreement for assignment of claims against the party with another company at a substantially lower consideration which may result in substantial loss to the Group.

Considering these factors, we are concerned about the manner in which the funds were given to Somerset and other companies without obtaining any security and the corresponding provision made in the books without taking necessary legal action for recovery. [Refer Note No 12(i) of the standalone financial statements]

4. On defaults in repayment of principal amounts of Rs. 50,000 Lakhs and interest of Rs. 3,283 Lakhs for the credit facilities availed by two subsidiaries, the YES Bank Ltd. has invoked the guarantees furnished by the Holding Company on behalf of its subsidiaries and demanded for payment of the outstanding dues.

5. As stated in Note No 16, the Group has not accounted for the demand of penal interest amounting to Rs.7,193 Lakhs by banks and financial institutions on credit facilities, resulting in the understatement of loss and overstatement of net worth by the said amount.

6. As stated in Note No 16 of the consolidated financial statements, the Group has made short provision of interest on debentures amounting to Rs 6,966 Lakhs against the interest demand amounting to Rs 11,812 Lakhs (includes interest plus penal interest) in respect of appeal filed by Debenture Trustee, Investcorp Real Estate Yield Fund (Formerly known as IDFC Real Estate Yield Fund) before the National Company Law Tribunal (NCLT), Bangalore resulting in understatement of loss and overstatement of net worth by the said amount.

7. As stated in Note No 43 of the consolidated financial statements, the Group has collected Rs 1,414 Lakhs in earlier years as advance from customers for closed/suspended residential projects which have now been abandoned and the receipts, are now in the nature of deemed deposits under rule 2(c) (xii) (b) of the Companies Acceptance of deposit (Rules) 2014 and are also within the purview of sections 73 to 76 of the Companies Act, 2013, in respect of which and proper disclosure has not been made in the books of accounts in this respect.

8. The Group has CWIP and Inventories relating to projects amounting to Rs 8,835 Lakhs and Rs 76,413 Lakhs [Net “Payable to land owner for land under Joint Development Agreement, JDA) respectively as on 31st March, 2020. No impairment test has been carried out to ascertain the realizable value of Rs. 3,492 Lakhs and Rs 57,761 Lakhs respectively against these projects assets as estimated by the management. [Refer Note No 4a and 7 of the financial statements].

9.The Group has partially impaired its Investment Property - CWIP by Rs. 23,646.59 Lakhs. The carrying value of the CWIP as at 31st March, 2020 is Rs 4,983.98 Lakhs, based on Arbitral Award including interest. In our opinion, as the group has preferred appeal against the arbitration order and as it does not have right to receive this amount unconditionally, the carrying amount should have been impaired. If impaired, the loss for the current year would have increased by Rs.4,983.98 Lakhs. [Refer Note No 4a of the financial statements].

10. Year-end balance confirmation certificates in respect of trade receivables, trade payables, advances and other advances have not been provided for our verification. In absence of adequate audit evidence, we are unable to ascertain as to whether any provision is required with respect to the carrying amounts of these balances as at reporting date.

11. As stated in Note No 9a of the consolidated financial statements, the Group has neither ascertained nor accounted for the component wise Deferred Tax Assets/ Liabilities as on balance sheet date and its corresponding adjustment in statement of profit & loss accounts for the year.

12. The Group has not provided customer wise reconciled figures for the outstanding balances for “Billing in excess of revenue” (Net of debit balance) Rs 54,078 Lakhs (Refer Note No 18 (iii) to the financial statement). Due to non-availability of the said details we are unable to verify the correctness of the same.

13. There are differences between inventory as per financials and inventory as per project wise workings provided by the one of the subsidiaries in the group. We are unable to ascertain as to whether the carrying amount of inventory as on reporting date is correct, pending reconciliation of inventory.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the

Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, 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 consolidated financial statements under the provisions of the Companies Act, 2013 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 adverse opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Basis for Adverse Opinion section of our report, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Response to Key Audit Matter
1. **Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind-AS 115 “Revenue from contracts with Customers”.** The revenue recognition by the Group in a particular contract is dependent on certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation and disclosures including presentations of balances in the consolidated financial statements. Refer Notes 22 and 42 to the consolidated financial statements.	***Principal Audit Procedure:*** Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: a) We have assessed the application of the provisions of the Ind AS 115 in respect of the Group’s revenue recognition and appropriateness of the estimated adjustments in the process. b) Selected a sample of existing continuing contracts and new contracts and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. c) Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. d) Performed analytical procedures and test of details for reasonableness and other related material items. ***Conclusion:*** Our procedures did not identify any material exceptions.

Key Audit Matter	Response to Key Audit Matter
2. Contingent Liabilities Assessment of provisions and contingent liabilities in respect of certain litigations including direct and indirect taxes, various claims filed by other parties not acknowledged as debt. There is high level of judgements required to estimate the level of provisioning. The Group's assessment is supported by the facts of matter, their own judgement, past experience and advice from legal and independent tax consultant wherever considered necessary. Accordingly, unexpected adverse outcomes may significantly impact the group's reported loss and net assets. Associated uncertainty relating to the outcome requires application of judgement in interpretation of law. Refer Note 35 to the consolidated financial statements.	**Principal Audit Procedure:** Our audit was focused on analysing the facts of subject matter under consideration and judgements/ interpretation of relevant law. Our Audit approach involved: e) Examining recent orders and/or communication received from various Tax authorities/ judicial forums and follow up action thereon. f) Understanding the current status of the litigation/tax assessments. g) Evaluating the merit of the subject matter under consideration with reference to the grounds presented therein and available independent legal / tax advice. h) Review and analysis of the contentions of the group through discussion, collection of details of the subject matter under consideration, the likely outcome and consequent potential outflows on those issues. ***Conclusion:*** Our procedures did not identify any material exceptions.
3. Evaluation of Uncertain Tax Position The Group is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including direct and indirect tax matters. These involve significant management judgement to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the consolidated financial statements.	**Principal Audit Procedure:** Our audit procedures include the following substantive procedures: c) Obtained understanding of key uncertain tax positions; and d) We along with our internal tax experts – ➢ Read and analysed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions; ➢ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and ➢ Assessed management's estimate of the possible outcome of the disputed cases. ***Conclusion:*** Our procedures did not identify any material exceptions.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the draft Directors' Report including annexures to Directors' Report, which we obtained prior to the date of this auditors' report and other reports included in the Annual report, which are expected to be made available to us after that date, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above, and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the full Annual report, which is expected to be made available to us after the date of this auditors' report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the 'Act' for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 financial 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 Group has adequate internal financial controls system 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 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group (Holding Company and its subsidiaries) to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company and other entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have not been audited, the management remains responsible for the direction, supervision and performance of the review carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

Emphasis of Matter

1. We draw attention to Note No. 44 of the Consolidated Financial Statements, which describes the economic and social consequences/disruption that the Group is encountering as a result of COVID-19 pandemic which is impacting supply chains, consumer demand and personnel availability. The situation is still evolving and the management's assessment of the impact on the subsequent period is dependent on the circumstances as they evolve. This may further affect the Group's ability to carry out the business.

   Our opinion is not qualified in respect of these matters.

Other Matters

a) Prolonged lock-down of COVID-19 has caused significant challenges for audit of the Group on deployment of our audit team at various locations due to travel restrictions imposed by the State as well as Central Government of India. We have performed alternate audit procedures and have obtained various documents and other audit information made available to us by the Group as sufficient appropriate audit evidence to issue our audit opinion on the consolidated financial statements.

   Our report is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. Companies (Auditor's Report) Order, 2016 ("the Order") issued by the central government of India in terms of the sub-section (11) of section 143 of the Act, is not applicable on the consolidated financial statements as referred in proviso to Para 2 of the said Order.

2. As required by Section 143(3) of the Act, we report that:

   a. *Except for the effects of the matters described in the 'Basis for Adverse Opinion' section above,* 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. *Except for the effects of the matters described in the 'Basis for Adverse Opinion' section above,* in our opinion, proper books of account as required by law relating to preparation of the aforesaid financial statements have been kept so far as it appears from our examination of those books.
   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated statement of changes in equity and Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.
   d. Based on the matters stated in the 'Basis for Adverse Opinion' section above, in our opinion, the aforesaid consolidated financial statements do not comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.
   e. The matters stated in the 'Basis for Adverse Opinion' section above, in our opinion, may have an adverse effect on the functioning of the Company.
   f. On the basis of written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors, none of directors of the Group Companies is disqualified as on 31st March, 2020 from being appointed as director in terms of Section 164(2) of the 'Act'.
   g. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in **"Annexure –A"**. Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting for the reasons stated therein.
   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 consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group. – Refer Note 35;

ii. The Group 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 Holding Company and its subsidiary companies.

RAY & RAY
Chartered Accountants
(Firm's Registration No. 301072E)

Place: Bangalore
Date: 31st July, 2020

(Mrinal Kanti Banerjee)
Partner
Membership No. 051472
UDIN 20051472AAAAAS8201

"Annexure-A" to the Independent Auditors' Report

Report 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")

We have audited the internal financial controls over financial reporting of NEL Holdings Ltd. (hereinafter referred to as 'the Holding Company') as of 31st March, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of directors of the Holding Company and its subsidiary companies are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 respective 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the Group's internal financial controls over financial reporting 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 over financial reporting 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 authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the effects/possible effects of the material weaknesses described in 'Basis for Qualified Opinion' paragraph below on the achievement of the objectives of the control criteria, further improvement is required in designing the Documentation on Internal Financial Controls of the Group.

In respect of other matters, the Group has maintained in general and adequate internal financial controls over financial reporting established by the Group considering the essential component 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.

Basis for Qualified Opinion

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Group`s internal financial controls over financial reporting as at 31st March, 2020.

e) The Group did not have an appropriate internal control system relating to granting of unsecured advances for acquiring various immovable properties. The credit worthiness of the parties, exposure and experience in handling land procurement, asset base for providing security and guarantee, etc. have not been verified at the time of authorization and disbursement of said advances.

f) The Group did not have an adequate internal control system to ensure compliance with the provision of the Companies Act, with respect to refund of advances collected from customers for closed/suspended residential projects which has been abandoned.

g) The Group did not have any system of obtaining year-end balance confirmation certificates in respect of trade receivable, trade payables, advances and other advances.

h) The Group did not have an appropriate internal control system regarding ascertaining and accounting of component wise Deferred Tax Asset/Liabilities as on the balance sheet date.

i) The Group did not have an appropriate internal control system regarding ascertainment of related parties to ensure compliance with the requirements of the Companies Act, 2013 and the applicable Indian Accounting Standards (Ind AS).

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended 31 March, 2020 and these material weaknesses have affected our opinion on the said consolidated financial statements of the Company and we have issued an adverse opinion on the consolidated financial statements of the Company.

RAY & RAY
Chartered Accountants
(Firm's Registration No. 301072E)

Place: Bangalore
Date: 31st July, 2020

(Mrinal Kanti Banerjee)
Partner
Membership No. 051472
UDIN 20051472AAAAAS8201

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
Consolidated Balance Sheet as at March 31, 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Assets			
Non- current assets			
Property, plant and equipment	4	77	105
Capital work-in-progress	4a	13,819	41,628
Goodwill	5	0	161
Other Intangible assets	5	9	10
Financial assets			
Investments	6	1,008	5,343
Loans	8	87	319
Deferred tax assets (net)	9	7,991	1,781
Other non-current assets	12	39	-
		23,030	**49,347**
Current assets			
Inventories	7	1,61,502	1,70,809
Investments	6	-	-
Trade receivables	10	1,160	4,549
Cash and cash equivalents	13	140	314
Loans	8	4,736	2,140
Other current financials assets	11	3	3
Other current assets	12	34,961	37,937
			-
		2,02,502	**2,15,752**
Total assets		**2,25,532**	**2,65,099**
Equity and liabilities			
Equity			
Equity share capital	14	14,583	14,583
Other equity	15	(89,142)	(44,232)
Total equity		**(74,559)**	**(29,649)**
Liabilities			
Non-current liabilities			
Other Liabilities	18	-	330
Provisions	19	204	290
		204	**620**
Current liabilities			
Financial liabilities			
Borrowings	16	1,01,678	1,02,066
Trade payables	21		
Total outstanding dues of micro enterprises and small enterprises		225	162
Total outstanding dues of creditors other than micro enterprises and small enterprises		34,788	27,857
Other current financial liabilities	17	5,160	4,713
Other current liabilities	18	1,57,529	1,58,874
Provisions	19	20	54
Current Tax Liabilities (Net)	20	487	402
		2,99,887	**2,94,128**
Total liabilities		**3,00,091**	**2,94,748**
Total equity and liabilities		**2,25,532**	**2,65,099**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached		0	1

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

Mrinal Kanti Banerjee
Partner
Membership No. 051472
UDIN : 20051472AAAAAS8201
Place: Bangalore
31st July 2020

for and on behalf of the Board of Directors of
NEL Holdings Limited
(Formerly known as Nitesh Estates Limited)

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Kamal Daluka
Executive Director &
Chief Financial Officer

Prasant Kumar
Company Secretary

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
Consolidated Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Revenue from operations	22	4,165	11,292
Other income	23	1,072	23
Total income		**5,237**	**11,315**
Expenses			
Land and construction cost	24	6,904	98,223
(Increase)/ decrease in inventories of□ stock of flats, land stock and work-in-progress	25a	(4,554)	(92,154)
Employee benefits expense	25	1,230	2,020
Finance cost	26	9,640	9,489
Depreciation and amortization expense	27	193	42
Other expenses	28	6,592	10,152
Total expenses		**20,005**	**27,772**
Profit/(loss) before exceptional items and tax		**(14,768)**	**(16,457)**
Exceptional Items		**62,824**	-
Profit/(loss) before tax		**(77,592)**	**(16,457)**
Tax expenses	30		
Current tax		175	44
Deferred tax		(5,869)	49
Total tax expense		(5,694)	93
Profit/(loss) for the year		**(71,898)**	**(16,550)**
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		111	5
FVOCI-Equity Investments		5,405	-
Tax relating to these items		(1,855)	(6)
Other comprehensive income for the year, net of tax		**3,661**	**(1)**
Total comprehensive income for the year		**(68,237)**	**(16,551)**
Earnings per equity share [nominal value of Rs 10 (Previous year - Rs 10)]			
Basic		-49.30	-11.35
Diluted		-49.30	-11.35

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

Mrinal Kanti Banerjee
Partner
Membership No. 051472
UDIN : 20051472AAAAAS8201

Place: Bangalore
31st July 2020

for and on behalf of the Board of Directors of
NEL Holdings Limited
(Formerly known as Nitesh Estates Limited)

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Kamal Daluka
Executive Director &
Chief Financial Officer

Prasant Kumar
Company Secretary

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
Consolidated Statement of Cash Flows for the year ended March 31, 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at 31 March 2020 `	As at 31 March 2019 `
Operating activities			
Profit/ (Loss) before tax		(77,592)	(16,457)
Adjustments to reconcile profit before tax to net cash flows:			
Other Comprehensive Income		73	(2)
Depreciation of property, plant and equipment		27	35
Amortization of intangible assets		165	7
Impairment loss on CWIP		36,644	-
(Gain)/ loss on disposal of investments		5,633	1,738
Expected Credit Loss Allowance against Advances		0	3,808
Finance costs (including fair value change in financial instruments)		9,832	9,843
Transition Ind AS adjustment		-	(18,663)
Other Adjustment		-	(2,777)
Impairment Provision on Investments		21,178	-
Profit before Working Capital changes		**(4,040)**	**(22,468)**
Working capital adjustments:			
(Increase)/ decrease in trade receivables		762	2,375
(Increase)/ decrease in current other financial and non-financial assets		13,749	(2,005)
(Increase)/ decrease in Inventories		472	(92,983)
(Increase)/ decrease in non current other financial and non-financial assets		1,091	0
Increase/ (decrease) in Other financial liabilities		-	68,929
Increase/ (decrease) in trade payables		9,912	0
Increase/ (decrease) in provisions		(30)	(1,404)
Increase/ (decrease) in other non-financial liabilities		(16,556)	49,300
		5,360	1,744
Income tax paid (net of refund)		(73)	(6)
Net cash flows from/ (used in) operating activities (A)		**5,287**	**1,738**
Investing activities			
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)		(4)	(32)
Proceeds from sale of investment		4,107	3,958
Net cash flows from/ (used in) investing activities (B)		**4,103**	**3,926**
Financing activities			
Proceeds from short-term borrowings		810	3,729
Interest paid (gross)		(10,374)	(9,666)
Net cash flows from/ (used in) financing activities (C)		**(9,564)**	**(5,937)**
Net increase/ (decrease) in cash and cash equivalents		(174)	(273)
Cash and cash equivalents at the beginning of the year		314	587
Cash and cash equivalents at the end of the year		**140**	**314**
Components of cash and cash equivalents			
Cash on hand		16	2
Balance with banks - on current account		123	312
Total cash and cash equivalents		**140**	**314**

Note:
(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7- Statement of Cash Flow".

The accompanying notes form an integral part of the financial statements
As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

Mrinal Kanti Banerjee
Partner
Membership No. 051472
UDIN : 20051472AAAAAS8201

Place: Bangalore
31st July 2020

for and on behalf of the Board of Directors of
NEL Holdings Limited
(Formerly known as Nitesh Estates Limited)

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Kamal Daluka
Executive Director &
Chief Financial Officer

Prasant Kumar
Company Secretary

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
Consolidated Statement of Changes in Equity for the year ended March 31, 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

a. Equity share capital

	No of Shares	Amount in ₹`
Equity shares of `₹ 10 each issued, subscribed and fully paid		
At March 31, 2019	14,58,32,100	14,583
At March 31, 2020	**14,58,32,100**	**14,583**

b. Other equity
For the year ended March 31, 2020

	Reserves and surplus		Other Reserve	
	Securities premium	Retained Earnings	Fair Value through Other Comprehensive Income- Equity Instrument	Total
	₹	₹	₹	₹
As at 1 April 2018	**31,259**	**(51,231)**	**(3,562)**	**(23,534)**
Loss for the period	-	(16,550)	-	(16,550)
Other comprehensive income*	-	5	(6)	(1)
Transition adjustment for implementation of Ind AS 115		(18,663)		(18,663)
Others**		(2,777)		(2,777)
Adjustment on Sale of Koregaon Park High Street Private Limited(Formerly known as Nitesh Pune Mall Private Limited), a subsidiary company***		17,293	-	17,293
Total comprehensive income	-	**(20,692)**	**(6)**	**(20,698)**
As at 31 March 2019	**31,259**	**(71,923)**	**(3,568)**	**(44,232)**
As at 1 April 2019	31,259	(71,923)	(3,568)	(44,232)
Loss for the period	-	(71,898)	-	(71,898)
Other comprehensive income*	-	96		96
FVOCI-Equity instruments [OCI reversal on sale of shares] net of taxes			3,568	3,568
Adjustment of earlier loss/(profit) on account of Investment impairment		21,084		21,084
Others**		2,240		2,240
As at 31 March 2020	**31,259**	**(1,20,402)**	**-**	**(89,142)**

* As required under Ind AS complaint Schedule III, the Group has recognized remeasurement gains/(losses) of defined benefit plans (net of tax) as part of retained earnings.

**The Company has transferred Rs 2240/- Lakhs during the year (Rs. 2935/- Lakhs during previous year) from retained earning to Deferred Tax Account for earlier year adjustment of deferred tax.

***During the previous year Koregaon Park High Street Private Limited(Formerly known as Nitesh Pune Mall Private Limited), a wholly owned step down subsidiary has been sold to outside party as on 21st Feb 2019 and accordingly the assets and liabilities of the company are adjusted with the sale proceeds.

The above statement of changes in equity should be read in conjunction with the accompanying notes.
As per our report of even date

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

Mrinal Kanti Banerjee
Partner
Membership No. 051472
UDIN : 20051472AAAAAS8201

Place: Bangalore
31st July 2020

for and on behalf of the Board of Directors of
NEL Holdings Limited
(Formerly known as Nitesh Estates Limited)

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Kamal Daluka
Executive Director &
Chief Financial Officer

Prasant Kumar
Company Secretary

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
Notes to the financial statements for the year ended March 31, 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1 Corporate Information

NEL Holdings Limited (Formerly known as Nitesh Estates Limited) ('the Company' or 'NEL' or 'the holding company') was incorporated on February 20, 2004. The Group as a real estate developer engaged in the business of development, sale, management and operation of all or any part of housing and hotel projects, commercial premises and other related activities. The Consolidated financial statements relate to NEL Holdings Limited (Formerly known as Nitesh Estates Limited) ('the Company') its subsidiary companies as referred in Note 41 (collectively referred as 'the Group')

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 Basis of preparation

Compliance with Ind AS

(Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act (as amended from time to time)

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

► Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

► Defined benefit plans - plan assets measured at fair value

The financial statements are presented in INR and all values are rounded to the nearest Lakhs, except when otherwise indicated.

Amended standards adopted by the Group

a) Basis of consolidation

i. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

Consolidation procedure

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. The manner of accounting for any related goodwill is explained below.

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
Notes to the financial statements for the year ended March 31, 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d. The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31st and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

e. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of Profit and Loss, consolidated Statement of Changes in Equity and Balance Sheet respectively.

f. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses and tested for impairment annually.

If the Group loses control over a subsidiary, it:

-Derecognizes the assets (including goodwill) and liabilities of the subsidiary
-Derecognizes the carrying amount of any non-controlling interests
-Derecognizes the cumulative translation differences recorded in equity
-Recognizes the fair value of the consideration received
-Recognizes the fair value of any investment retained
-Recognizes any surplus or deficit in profit or loss
-Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

ii. Associates

Associates are all entities over which the group has significant influence but not control or joint control

This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

iii. Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The results, assets and liabilities of joint venture are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable.

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iv. Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group`s share of the post acquisition profits or losses of the investee in profit and loss, and the group`s share of other comprehensive income of the investee in 'Other Comprehensive Income'.

When the group`s share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivable, the group doesn't recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the group and its associates and joint venture are eliminated to the extent of the group`s interest in its entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

b) **Business combinations and goodwill**

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from the date of transition, i.e., April 1, 2016. As such, Previous GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward. The same first time adoption exemption is also used for joint ventures.

2 **Summary of significant accounting policies**

a) **Revenue recognition**

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services. Revenue also excludes taxes collected from customers.
Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation, net of variable consideration, if any.
Variable consideration, af any, is on account of discounts or schemes offered by the Group as part of the contract. This variable consideration is estimated based on the expected value of outflow.
Revenue is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty, if any, relating to its recognition is resolved.

The specific recognition criteria described below must also be met before revenue is recognised.

i. Income from lease of commercial properties
Rental income receivable under operating leases is recognized in the income statement as and when due over the lease period.

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ii. **Recognition of revenue from real estate development**

Revenue from real estate projects is recognised at a point-in-time upon registration of the property in favour of the customer, which, in the opinion of the Group, marks the transfer of control upon the property and also the satisfactory discharge of the Group's performance obligation.

For projects executed through joint development arrangements, wherein the land owner / possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Compant has agreed to transfer certain percentage of constructed area or certain percentage of revenue proceeds. The project costs include fair value value of land being offered for the project and revenue from the development and transfer of constructed area / revenue sharing arrangement in exchange of such development rights / land is accounted on gross basis.

Revenue is measured at the fair value of land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of land received cannot be measured reliably, revenue is measured at the fair value of the estimated construction service rendered to the landowner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in determining the project cost.

iii. **Contract Assets and Contract Liabilities**

Contract Assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

A Contract Liability is recognised for an unearned or deferred revenue due to billing as per contractual terms in excess of revenue recognised. Bills are raised as per schedules agreed with customers to collect milestone based progress payments within contractually agreed credit period.

iv. **Interest income**

Interest income, including income arising from other financial instruments, is recognized using the effective interest
rate method.

For all debt instruments measured either at amortized cost , interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

vii. **Dividend income**

Revenue is recognized when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholder approve the dividend.

viii. **Share in profit/ (loss) from Investments in Association of Persons (AOP)**

The Company’s share in profits from AOP as per the terms of the agreement, where the Company is a member, is recognized on the basis of such AOP’s accounts.

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b) **Property, plant and equipment**

Since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

Property, plant & equipment are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets.

Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are expensed as incurred.

Subsequent costs are included in the asset`s carrying amount or recognized as separate asset, as appropriate, only when it is probable that future economic benefits associated with the item with the item will flow to the Group and the cost of the item can be measured reliably. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of Profit and Loss for the period during which such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

c) Depreciation on property, plant and equipment

Depreciation on property, plant and equipment is provided 'Written Down Value Method' based on useful life as prescribed under Schedule II of Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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d) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and its cost can be measured reliably. Intangible assets/ Computer software is amortized using straight line method over a period of 5 years, which is estimated by the management to be the useful life of the asset.

Since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its intangible assets as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

e) Investment Property

Ind AS 101 permits a first-time adopter to measure an item investment property and investment property under construction at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Costs including subsequent costs and borrowing costs for long-term construction projects are recognised only if the recognition criteria are met. When significant components of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

f) Segment reporting

Identification of segments - The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Unallocated items - Unallocated items include general corporate asset, liability, income and expense items which are not allocated to any business segment

Segment accounting policies - The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

g) Foreign currency translation

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Group's functional and presentation currency.

Foreign currency transactions and balances

i) Initial recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion: Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange difference: The Group accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.

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h) **Impairment of non financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

i) Impairment of financial assets

The Group assesses at each date of Balance Sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

j) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The real estate development projects undertaken by the Group run over a period ranging upto 5 years or such extended period. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of upto 5 years or such an extended period. Borrowings in connection with such projects are classified as short-term (i.e current) since they are payable over the term of the respective projects.

Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realized / are contractually repayable within 12 months from the Balance Sheet date and as non-current, in other cases.

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k) Fair value measurement

The Group measures financial instruments, such as Investments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or
► In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
► Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
► Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
► Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

l) **Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

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Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

Debt instruments at amortized cost
Debt instruments at fair value through other comprehensive income (FVTOCI)
Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortized cost
A ‘debt instrument’ is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

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Equity investments in joint ventures
The Group has availed the option available in Ind AS 27 to carry its investment in joint ventures at cost. Impairment recognized, if any, is reduced from the carrying value.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognized when:
► The rights to receive cash flows from the asset have expired, or
► The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.
The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

m) Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
Gains or losses on liabilities held for trading are recognized in the profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.
Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

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Trade and other payables

n) These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

o) Borrowing costs

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for inventorisation/ capitalization are charged to statement of Profit and Loss.

p) Cash and cash equivalents

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less , which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal usage.

q) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of Profit and Loss of the year when the contributions to the provident fund are due. There are no other obligations other than the contribution payable to the government administered provident fund.

Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end. The cost of providing benefits under gratuity is determined on the basis of actuarial valuation using the projected unit credit method at each year end.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group does not have any carry forward of unutilized leave balance.

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period for which the services are rendered by the employee.

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r) Provisions

A provision is recognized when the group has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each Balance Sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, increase in the provision due to the passage of time is recognized as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

u) Taxes

Tax expense comprises of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are recognised for all taxable temporary differences, except:

> In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. MAT paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of MAT under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

v) Land

Advances paid by the Group, except for acquisition of fixed assets/ investment properties, to the seller/ intermediary towards outright purchase of land is recognized as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to work in progress. Deposits paid by the Group to the seller towards right for development of land in exchange of constructed area are recognized as land advance under loans and advances, unless they are non-refundable, wherein they are transferred to work-in-progress or capital work in progress on the launch of project.

Land/ development rights received under joint development arrangements is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. Further, non-refundable deposit amount paid by the Group under joint development arrangements is recognized as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress.

w) Leases

A Contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for considerations.

Group as a lessee

At the commencement date, a lessee shall recognise a right-of-use asset at cost and a lease liability at the present value of the lease payments that are not paid at that date for all leases unless the lease term is 12 months or less or the underlying asset is of low value.

Subsequently, right-of -use asset is measured using cost model whereas, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless the costs are included in the carrying amount of another asset applying other applicable standards.

Right-of-use asset is depreciated over the useful life of an asset, if the lease transfers ownership of the asset to the lessee by the end of the lease term or if the cost of the right-to-use asset reflects that the lessee will exercise a purchase option. Otherwise, the lessee shall depreciate the right-to-use asset from the commencement date to the earlier of the end of the useful life of the right-to-use or the end of the lease term.

Group as a lessor

All leases as either an operating lease or a finance lease.
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

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Operating leases-lease payments from operating leases are recognised as income on either a straight-line basis unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is dimished.
Finance leases- assets held under a finance lease is initially recognised in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease using the interest rate implicit in the lease to measure the net investment in the lease.

x) Inventories

Direct expenditure relating to real estate activity is accounted to inventories. Other expenditure (including borrowing costs) during construction period are accounted to inventories to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

i) Work-in-progress: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.

ii) Finished goods - Stock of Flats: Valued at lower of cost and net realizable value.

iii) Raw materials, components and stores: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

iv) Land stock: Valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the Group to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the accounting policies, the group has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

i) **Going concern**

These consolidated financial statements have been prepared on a going concern basis notwithstanding accumulated losses as at the Balance Sheet date and a negative net current assets situation.
These consolidated financial statements therefore do not include any adjustments relating to recoverability and classification of asset amounts or to classification of liabilities that may be necessary if the Group is unable to continue as a going concern.

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ii) Classification of property

The Group determines whether a property is classified as investment property or inventory as below.

Investment property comprises land and buildings (principally office and retail properties) that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Group develops and intends to sell before or during the course of construction or upon completion of construction.

b) **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Determination of Contract Costs

Cost of property units for which revenue is recognised on registration, is charged to the statement of Profit & Loss on the basis of an appropriate ratio of overall budgeted cost (as reviewed from time to time to closely approximate the actual cost) for the project as a whole since it is impracticable to track actual costs for each registerable unit of property. Significant judgement and estimation is involved in budgeting the overall cost of the project and in determining the ratio applicable to each registerable unit of property.

ii) Accounting for revenue and land cost for projects executed through joint development arrangements ('J

For projects executed through joint development arrangements, as explained in note 2.2(a) under significant accounting policies, the revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Group under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.

iii) Estimation of net realizable value for inventory (including land advance)

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

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iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) Provisions and contingent liabilities

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

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4 **Property, plant and equipment**

	Leasehold improvements	Office Equipment	Computer	Furniture & fixtures	Vehicles	Total
Cost						
At 1 April 2018	21	87	44	234	92	477
Additions	-	20	2	6	-	28
Disposals	-	-	-	-	-	-
Other adjustments	-	37	12	190	1	240
At 1 April 2019	**21**	**70**	**34**	**50**	**91**	**265**
Additions	-	-	1	-	-	1
Disposals	-	-	-	-	-	-
At 31 March 2020	**21**	**70**	**34**	**50**	**91**	**265**
Depreciation and impairment						
At 1 April 2018	21	51	24	105	44	245
Charge for the year	-	10	4	7	14	35
Disposals	-	0	-	-	-	-
Other adjustments	-	28	5	87	-	120
At 31 March 2019	**21**	**33**	**23**	**25**	**58**	**160**
Additions	0	9	3	6	10	27
Disposals	0	0	0	0	0	-
At 31 March 2020	**21**	**42**	**26**	**32**	**68**	**188**
Net Book value						
At 31 March 2020	**0**	**27**	**9**	**18**	**23**	**77**
At 31 March 2019	**0**	**36**	**10**	**25**	**33**	**104**

4a **Capital Work in progress**

	Investment property under construction	Property, Plant and Equipment	Total
Cost			
At 1 April 2018	41,628	-	41,629
Additions	0	-	-
Capitalized during the year	0	-	-
At 31 March 2019	**41,628**	**-**	**41,628**
Additions	8,835	-	8,835
Impaired during the year	36,645	-	36,645
At 31 March 2020	**13,819**	**-**	**13,819**

Investment properties under construction

(i) The projects cost of Plaza, Soho and Chelsea represents fair value of land of Rs. 12,998/- Lakhs and development cost of Rs. 8,835/- Lakhs respectively. The Group has made provision on fair value of land fully amounting Rs 12,998/- in its books of accounts during the year as the Group has to exit the projects as per SARFAESI notice received from the bank and the property has permanently withdrawn from use and no future economic benefits are expected to be received. However, no provision has been made on development cost of the projects based on management's expectation to recover the said amount at the time of refund/sale of land on final settlement with land owners.

(ii) Nitesh Indiranagar Retail Private Limited (NIRPL), which is a 100% subsidiary of NEL Holdings Limited has investment in land and properties under construction which has been valued at fair value in the FY 2016-17, as per IND AS requirement. During the year ended 31 March 2020 the Company has impaired its Land held under Joint Development Arrangement by Rs. 28,630 lakhs. However, based on the Arbitral Award dated 25 April 2018 according to which the Company will receive Rs 4,245 lakhs and interest computed @ 9% from the date of award till 31st March, 2020 amounting to Rs 738 lakhs.

5 **Intangible Assets**

	Computer Software	Goodwill	Total
Cost			
At 1 April 2018	56	2,755	2,810
Additions	0	0	-
Disposals			-
At 31 March 2019	**56**	**2,755**	**2,810**
Additions	3	-	3
Disposals	-	-	-
At 31 March 2020	**58**	**2,755**	**2,812**
Depreciation and impairment			
At 1 April 2018	37	0	37
Charge for the year	8		8
Disposals			-
Other adjustments		2,594	2,594
At 31 March 2019	**46**	**2,594**	**2,640**
Charge for the year	4	161	165
Disposals	-	-	-
At 31 March 2020	**50**	**2,755**	**2,805**
Net Book value			
At 31 March 2020	**9**	**0**	**9**
At 31 March 2019	**10**	**161**	**170**

(i) The Group net worth has fully eroded and investment in subsidiaries has been provided fully. Hence the goodwill araises for initial investment in subsidiaries no more exists.

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6 Investments

	Current		Non-current ₹	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Investments in Association of Persons				
Nitesh Estates Whitefiled	-	-	1,008	1,008
Total	**-**	**-**	**1,008**	**1,008**
Aggregate amount of quoted investments	-	-	-	-
Market value of quoted investments	-	-	-	-
Aggregate amount of unquoted investments	-	-	1,008	1,008
Aggregate amount of impairment in the value of investments	-	-	-	-

7 Inventories (as certified by management)

	31-Mar-20 ₹	31-Mar-19 ₹	31-Mar-20 ₹	31-Mar-19 ₹
Land held under joint development arrangements	91,312	91,190		
Properties under development	62,333	74,643		
Finished goods	9,599	4,975		
	1,63,244	**1,70,808**	**-**	**-**
Less: Impairment of Properties under Development	(1,742)	-		
	1,61,502	**1,70,808**	**-**	**-**

*includes payable to landowner for land under Joint Development Agreement (JDA) amounting Rs 85,089/- Lakhs which is payable to land owners and disclosed in note no 18 under the head "Consideration under JDA towards purchase of land".

8 Loans (Unsecured, considered good unless otherwise stated)

	Current		Non-current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Security deposit				
Unsecured, considered good				
Security deposit -related parties	-	-	-	177
Security Deposit -others	20	9	87	142
*Refundable deposits under joint development agreements	4,716	2,131	-	-
	4,736	**2,140**	**87**	**319**

*Advances paid by Group to the land owners towards joint development of land is recognized as deposits since the advances is in the nature of refundable deposit.

9 Deferred tax Assets/(liabilities)- (Net)

	Current		Non Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Deferred tax liabilities				
a) Fair Valuation of investment Property under construction on the date of transition	-	-	-	4,419
b) Fair Valuation of investment in Preference Share (Compound financial instrument)	-	-	-	209
c) Revenue recognition under gross accounting method	-	-	129	5
d)Others			-	800
Gross deferred tax liabilities (A)	**-**	**-**	**129**	**5,434**
Deferred tax assets			-	-
a) Depreciation and amortization	-	-	48	7
b) Leave encashment and gratuity - deductible on payment	-	-	83	63
c) Fair valuation of security deposit-Assets	-	-	-	-
d) Provision for advances	-	-	454	448
e) Fair valuation investments in equity shares	-	-	-	3,047
f) Others	-	-	44	79
g) Other Subsidiaries	-	-	7,491	3,695
Gross deferred tax assets (B)			**8120**	**7399**
Total	**-**	**-**	**7,991**	**1,965**

9a The Group is working on component wise calculation /reconciliation of deferred tax assets and liabilities. Accounting entries resulting from such reconciliation will be passed in due course.

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10 Trade receivables

	Current		Non-current	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
(a) Unsecured, considered good				
Trade receivables considered good -secured -related parties	8	10	-	-
Trade receivables considered good -secured	1,152	4,539	-	-
Trade receivables considered good -unsecured	6	-	-	-
Trade receivables Credit impaired	-	6	-	-
Less: Allowance for Trade Receivables	6	6	-	-
Total	**1,160**	**4,549**	**-**	**-**

11 **Other financial assets**

	Current		Non-current	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
(a) Unsecured, Considered good				
Interest accrued on deposits	3	3	-	-
Total	3	3	-	-

12 Other Assets

	Current		Non-current	
	31-Mar-20	**31-Mar-19**	**31-Mar-20**	**31-Mar-19**
I) Unsecured, Considered good				
Advances paid towards Joint Development (Refer Note 12(i) to (iii) noted below)	45,580	39,737	-	-
Less: Expected Credit Loss Allowance against Advances (Refer Note 12(i) noted below)	25,320	25,254	-	-
	20,259	**14,483**	**-**	**-**
Unsecured, considered doubtful				
Advance paid for purchase of property and Transferable Rights	98	88	-	-
Less: Expected Credit Loss Allowance against Advances	98	88	-	-
	-	-	-	-
II) Others				
Vendor advances			-	-
- To related parties (Refer Note 13(v) noted below)	144	241		
- To others	8,089	8,187		
Less: Allowance for doubtful debts/advances	(160)	-		
Prepaid expenses - NFA	19	24	-	-
Advance paid for purchase of properties				
- To related parties		3,885	-	-
- To others		5,889	-	-
Advances for supply of goods and rendering of services				
- To related parties	120	-	-	-
- To others	525	628	-	-
Balances with government authorities	1,686	1,931	-	-
Advance Income Tax (Net of Provision, TDS Receivable)	605	-	-	-
Amount paid to Related Parties	3,669	2,669		
Security Deposits	4	-	39	-
	14,702	**23,454**	**39**	**-**
Total	**34,961**	**37,937**	**39**	**-**

i) The Group has given advances amounting Rs 25,221.95 Lakhs to Somerset Infra Projects Private Limited for acquiring land /immovable property under Joint Development. Considering the timelines as per joint development Agreements ranging between seven to ten years for the recoverability/conversion, the necessary provision has been made by the management in the books of account on the basis of life time expected credit loss.

ii) Consist advance given by the Company to Winter Lands Pvt Ltd amounting Rs 5,927.57 Lakhs and Rs 4,436.22 Lakhs to Boulevard Developers Pvt Ltd for acquiring various immovable properties. The Company is of the view that provision is not required as on the balance sheet date due to the timeline and nature of transaction.

iii) Advances for land though unsecured, are considered good as the advances have been given based on arrangements/ memorandum of understanding executed by the Company and the Company/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation..

iv) The Company has granted unsecured loans and advances in the ordinary course of business to its related parties for furtherance of the business objectives of the group Companies as a whole. Such advances given to relative parties is part of business policies and not prejudicial to the interest of the Company.

v) NHDPL South Private Limited, which is 100% subsidiary of NEL Holdings Limited has paid Rs. 472 lakhs on 01.12.2015 by availing loan from HDFC ltd to the erstwhile director of the holding company during his tenure as director towards purchase of property from him at arm's length which was erroneously classified earlier under customer advances has now been rectified to reflect under Vendor advances.

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13 Cash and cash equivalent

	31-Mar-20	31-Mar-19
Cash on hand	16	2
Balances with banks		
- On current accounts [Refer Note No. 13(i) to (iv) below)	123	312
Total	**140**	**314**

(i) The Deputy Commissioner of Commercial Tax,D.C.C.T (A&R) - 1.8, DVO-1 Yeshawantapur, Bengalore, has issued Demand Notice dated 22/10/2018 for payment of Tax under KVAT ACT 2003 amounting to Rs 327 Lakhs including interest of Rs 174 Lakhs and penalty Rs 14 Lakhs. For non-payment of demand as stated above the tax authority has frozen the Bank accounts in NEL Holdings Limited.
(ii) The Deputy Commissioner of Commercial Tax,D.C.C.T / Audit - 1.8, T.161/2018-19, DVO-1 Yeshawantapur, Bengalore, has issued Demand Notice dated 03/08/2018 for payment of Tax under KVAT ACT 2003 amounting to Rs 960 Lakhs including interest of Rs 182 Lakhs. For non-payment of demand as stated above the tax authority has frozen the following Bank accounts of the Company.
(iii) The Assisstant PF Commissioner (Compliance), Bengaluru (M), had issued order of attachement dated 20/03/2020 for the default in Provident Fund Contributions of Rs. 19.95 lakhs under Section 8F of the Employees' Provident and Miscellaneous Provisions Act, 1952. In this regard, the PF Authority has frozen Corporation Bank Account.
(iv) The Officer-in-charge of Shakespeare Sarani Police Station, Kolkata has frozen below mentioned account for the purpose of investigation by issuing notice to then bank under section 102 of the code of criminal procedure,1973.
All the frozen bank accounts remained non-operational as on 31st March, 2020.

Banks	**Balance as on 31st Mar, 2020**	**Authority**	**Balance as on 31st Mar, 2019**	**Authority**
Axis Bank	2	VAT	2	VAT
Corporation Bank	1	VAT	0	VAT
HDFC Bank	10	VAT	-	
Yes Bank	15	VAT	3	VAT
Corporation Bank	22	Kolkata PS		
Corporation Bank	0	PF	0	VAT
ICICI Bank	0	IT Department	0	VAT
Total	**50**		**5**	

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14 Share Capital

	31-Mar-20	31-Mar-19
Authorized		
150,000,000 (2019 : 150,000,000) equity shares of Rs 10 each	15,000	15,000
5,000,000 (2019: 5,000,000) 9% Non Cumulative Redeemable Preference Shares of Rs 10 each	500	500
Issued, subscribed and fully paid shares		
145,832,100 (2019: 145,832,100) Equity shares of Rs.10 each	14,583	14,583
Total issued, subscribed and fully paid share capital	14,583	14,583

(a) Reconciliation of the shares outstanding at the beginning and end of the reporting year

	31-Mar-20		31-Mar-19	
	No of Shares	₹	No of Shares	₹
Equity shares				
At the beginning of the year	14,58,32,100	1,458	14,58,32,100	1,458
Issued during the year	-	-	-	-
Outstanding at the end of the year	14,58,32,100	1,458	14,58,32,100	1,458

(b) Rights, preferences and restrictions attached to equity shares

The Holding Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General meeting.

In event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	31-Mar-20		31-Mar-19	
	No of Shares	Holding percentage	No of Shares	Holding percentage
Equity shares of `10 each fully paid up				
Nitesh Shetty, Managing Director	5,22,16,298	35.81%	4,30,29,295	30%
Nitesh Industries Private Limited	1,31,23,930	9%	1,80,70,276	12%
HSBC Bank (Mauritius) Limited	92,00,189	6%	92,00,189	6%

As per records of the Holding Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

d) There have been no buy back of shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet.

15 Other equity

	31 March 2020	31 March 2019
RESERVES AND SURPLUS		
Securities premium	31,259	31,259
Retained earnings	(1,20,402)	(71,923)
	(89,142)	**(40,664)**
OTHER RESERVE		
FVOCI - Equity Instruments	-	(3,568)
	-	**(3,568)**
	(89,142)	**(44,232)**

(A) RESERVES AND SURPLUS

(a) Securities premium		
Balance at the beginning of the year	31,259	31,259
Less: Adjustment during the year	-	-
Balance at the end of the year	**31,259**	**31,259**

Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

(b) Retained earnings		
Balance at the beginning of the year	(71,923)	(51,231)
Profit/(loss) for the year	(71,898)	(16,550)
Transition adjustment for implementation of Ind AS 115	-	(18,663)
Other (Refer Note 15(ii) below)	2,240	(2,777)
Adjustment on Sale of Koregaon Park High Street	-	17,293
Other comprehensive income	96	5
Adjustment of earlier loss/(profit) on account of Investment impairment	21,084	-
Balance at the end of the year	**(1,20,402)**	**(71,923)**

(B) OTHER RESERVE

Fair Value through Other Comprehensive Income - Equity Instrument		
Balance at the beginning of the year	(3,568)	(3,562)
Add: Changes during the year	3,568	(6)
Balance at the end of the year	**-**	**(3,568)**
Total other equity	**(89,142)**	**(44,232)**

Note 15(i): In view of the loss for the year as well as carried forward accumulated losses, the holding company has not created debenture redemption reserve in respect of 18.5% non convertible redeemable debentures as per compliance under section 18(7) of the Companies Act, 2013.

Note 15(ii):The Group has transferred Rs 2240/- Lakhs during the year from retained earning to Deferred Tax Account for earlier year adjustment of deferred tax.

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16 Borrowings

Particulars	Effective interest rate %	Maturity	31 March 2020 ₹	31 March 2019 ₹
Secured Loans				
Current Borrowings				
Loan from Banks and Financial Institutions	Refer Note (iv) below	Refer Note (iv) below	96,177	95,521
18.5 % Non convertible, redeemable debentures			5,500	5,500
			1,01,677	1,01,021
Unsecured loans				
- from a director			1	1
- from others			-	1,044
			1	1,045
Total current Borrowings			1,01,678	1,02,066

Note:

(i) The continous loss and liquidity constraints of the company lead to non-payment of principal and non-servicing of interest, resulting all the borrowing accounts are classified as Non Performing Assets (NPA) by the Banks/Financial Institutions:

a) The holding company has entered into a compromise with Sriram City Union Finance Ltd, for full and final settlement of their dues by agreeing to pay Rs 1300 Lakhs against the total outstanding amount of Rs 1,879 Lakhs vide their Joint Memo reference I. R. No. 4285/2019 dated 03.03.2020 under certain terms and conditions as mentioned their in. Any adjustment required for off-setting the outstanding balance as per books of account of the holding company will be adjusted on final payment of the settlement amount and acceptance of ackowledgment from the financers.

b) YES Bank
On defaults in repayment of principal amounts and interest along with other charges in respect of credit facilities availed, the YES Bank Limited under the circumstances has called upon the demand of outstanding amount of Rs 75,893 Lakhs, together with interest and other charges vide multiple demand notices with reference no. YBL/CFUIBBANGALORE/2019-20/April/June/5 dated 18.06.2019, YBL/CFUIBBANGALORE/2019-20/April/Nitesh/1 dated 12.04.2019 and YBL/CFUIBBANGALORE/2019-20/Nitesh/June/2 dated 10.06.2019. If the Group fails to make the payments as aforesaid, the bank shall be constrained to take such steps and measures as may be permissible under law for recovery of all the monies due and payable by the Group at its own risk as to the costs and consequences thereof. However, no notice for recovery measures permissible under law has been received on behalf of the bank from any legal authority till the balance sheet date

c) HDFC Bank
HDFC bank has called upon the loan and issued notice under SARFAESI Act for recovery of their loan against the related projects.

ii) As on 31st March, 2020, the group has the following outstanding balance of borrowings from the various banks and financial institution:

Name of Bank	Principal Amount	Interest Amount provided in the accounts	Penal interest not provided in the accounts	Total
HDFC Limited	25,675	7,251	1,358	34,284
Shriram City Union Fina	1,380	133	296	1,809
Yes Bank	71,210	11,413	5,539	88,162
Unamortised Processin	-2,089	-	-	-2,089
Total	**96,176**	**18,797**	**7,193**	**1,22,166**

(iii) 18.5% non Convertible Redeemable Debentures are redeemable in 21 equal monthly instalments starting from July 15, 2016 and ended on March 15, 2019.
The IDBI Trusteeship Services Ltd (Debenture Trustee) on behalf of Debenture holders had filed a petition (Ref. No.-CP(IB)/270/BB/2018) seeking insolvency of the company in terms of Section 7 of the Insolvency and Bankruptcy Code, 2016 before the National Company Law Tribunal, Bangalore Branch on 4th October,2018 for an outstanding amount of Rs.11,718 Lakhs against book liability of the Holding Company of Rs. 8,311 Lakhs as on that date which has been dismissed by the Tribunal vide Order dated 22nd July,2019 based on the contention of both the parties wanted to withdraw the petetion on the ground of exploring out of Tribunal settlement.

Since the parties failed to make any effective outside Tibunal settlement of the debts, further appeal has been filed by Investcorp Real Estate Yield Fund (Formerly known IDFC Real Estate Yield Fund) represented by IDBI Trusteeship Services Ltd before the National Company Law Tribunal (NCLT), Bangalore to initiate corporate insolvency resolution process again under the Insolvency and Bankruptcy Code, 2016 on dated 12th June, 2020 for recovery of debenture debt against the Holding Company. As per the claim of the Debenture Trustee to the NCLT the outstanding amount of principal Rs 5500 Lakhs and interest Rs 11812 Lakhs as on 15th May, 2020, the last schedule payment due date. Pending judgement /Order from the NCLT the Holding company has neither ascertained and accounted the claim of interest fully on the books of account nor made any settlement of the amount due as per claim by the debenture trustee as on the balance sheet date. 18.5 % Non convertible, redeemable debentures has not been considered as "current liabilities" since no legal notice for the claim has been received by the Holding Company.

Details of principal outstanding and interest provided in the books of accounts as on 31.03.2020

Particulars	Rupees in Lakhs
Principal Amount	5,500
Interest Amount	4,846
Total	**10,346**

(iv) Details of security and terms of loans and debentures

Particulars	Amount 31-Mar-20	Amount 31-Mar-19	Interest rate	Security details	Repayment terms
Loan from Financial Institutions	3100	3700	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.55% per annum and the applicable rate for the said financial facility was 13.30% per annum. The interest rate applicable as on date was 15.10% per annum.	i. Equitable mortgage of developer's share of unsold units in Nitesh Park Avenue admeasuring 0.62 acres. ii. Charge on developer's share of receivables from sold and unsold units. iii. Personal guarantee of Mr. Nitesh Shetty. iv. PDCs for repayment of Principal Rs. 24 crores.	Repayment starts from the begining of 25th Month from the date of first disbursement in 31 equal monthly installments.
Loan from Financial Institutions	0	34	Interest rate is based on the PNBHFR plus / minus the spread that will be applicable from time to time on each disbursement. The FR as on date of sanction was 14.35% per annum and the applicable rate for the said financial facility was 14% per annum.	i. Mortgage of two unsold units in Nitesh Central Park and two unsold units in Nitesh Flushing Meadows.	The loan is repayable in 60 equated monthly installments of Rs.599,158 pm starting from immediately nest month of disbursement.

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Loan from Financial Institutions	22575	23124	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.65% per annum and the applicable rate for the said financial facility was 15% per annum for 1st tranche & 13.60% for 2nd tranche. The interest rate applicable as on date was 15.30% per annum.	i. Equitable mortgage of developer's share of area of the following projects ; - Nitesh British Columbia - Nitesh Long Island - Nitesh Chelsea - Nitesh Knights Bridge - Nitesh RIO - Nitesh Hunter Valley ii. Personal guarantee of Mr. Nitesh Shetty. iii. PDCs for repayment of Principal Rs. 270 crores. iv. Demand Promissory Notes.	Repayment starts from the begining of 37th Month from the date of first disbursement in 40 equal monthly installments.
Loan from Financial Institutions	1379	1080	16.50% per annum	i. First & exclusive charge by way of mortgage of 3 unsold units in Nitesh Logo aggregating to 16 659 sf area. ii. First & exclusive charge by way of Hypothecation if receivablesfrom the mortgages units. iii. Escrow of all cash flows, both present & future from the sale of the aforesaid property iv. Personal guarantee of Mr. Nitesh Shetty. v. Demand promisory note vi. Two UDCs for Principal and Interest payment of Rs. 18 Crores and 2.97 Crores. vii. Any other security as may be stipulated by our investment Committee and/or detailed in Definitive Agreements	The amount is repayable in 30 equal monthly installments starting from 19th Month to 48th Month
Loan from Financial Institutions	8469	10854	4.3% ('spread) over and above the Bank's yearly MCLR. The interest rate applicable as on date was 14% per annum.	i.Exclusive charge on JDA rights on the property situated at Commissariate Road (Total land area -89000 sft). ii. Exclusive charge on all borrower's share of development. iii. exclusive charge on borrower;s share of project receivables/cash flows. iv. Personal guarantee of Mr Nitesh Shetty. v. Blank ECS mandate duly signed.	Bullet repayment of entire amount at the end of 72 months
Loan from Financial Institutions	12740	10357	4.3% ('spread) over and above the Bank's yearly MCLR. The interest rate applicable as on date was 14% per annum.	i.Exclusive charge on JDA rights on the property situated at Ali Asker Road (Total land area 110000 sft). ii. Exclusive charge on all borrower's share of development. iii. Exclusive charge on all borrower's share of projects receivables/cashflows. iv. Personal guarantee of Mr Nitesh Shetty. v. Blank ECS mandate duly signed	Bullet repayment of entire amount at the end of 72 months
18.5 % Non convertible, redeemable debentures	5500	5500	18.50% per annum	i. First and exclusive charge by way of a mortgage by deposit of title deeds over the Logos & Virgin Island. ii. Escrow account in respect of the receivables from the projects Logos & Virgin Island. . iii. First and exclusive charge by way of hypothecation on the receivables in the projects Logos & Virgin Island . iv. Personal Guarantee of Mr.Nitesh Shetty in favour of the Debenture Trustee.	The amount is repayable in 21 equal monthly installments starting from July 15, 2016 to March 15, 2018

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Term loans from banks	31,018	30,707	Base rate plus 3.50%.	i.Exclusive charge by way of registered mortgage on all present & future assets of the borrower, entire land, development rights and structures built thereon (both present & future). Current ongoing projects are Hyde Park, Columbus Square, Napa Valley I, Napa Valley II, Fisher Island, Melburne Park and Grand Canyon. ii. Exclusive charge on all borrower's share of project receivables/cashflows (both sold and unsold stock, present &future) along with escrow of gross sales proceeds. iii. Exclusive charge on the current assets, movable fixed assets and non current loan & advances of the borrower. YBL to have charge on all assets created out of loans and advances of the company. iv. Corporate Guarantee of Nitesh Estates Limited v. Personal Guarantee of Mr Nitesh Shetty vi. DSRA of one quarter interest and one quarter principal; DSRA for	Total door to door tenor of 72 months with 36 months of moratorium and 12 equal quarterly repayments over next 36 months
Term loans from banks	18,184	18,024	Base rate plus 4.50%.	i. Registered mortgage on land, developments rights and structures built thereon (both present &future) of projects presently under development under NUDPL Viz Cape Cod, Palo Alto, Santa Clara and Melno Park. ii. Exclusive charge on all borrower's share of project receivables/cash flows (both sold and unsold stock, present &future) along with escrow of gross sale proceeds. (Sum of receivables from sold stock and value of unsold stock minus cost to be incurred on project will at any point in time provide min 1.5x cover. Value of unsold stock to be calculated basis prevailing market rate). iii. Exclusive charge on all current assets long term loans and advances and movable fixed assets (both present and future) of the borrower. iv. Corporate guarantee from Nitesh Estates Limited Mortgage will be created in favor of Security Trustee to be appointed for the facility	Total door to door tenor of 72 months with 36 months of moratorium and 12 equal quarterly repayments over next 36 months

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17 Other financial liabilities

	Current		Non-Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Payable to related parties	1,227	1,044	-	-
Other payables	3,933	3,669	-	-
Total	**5,160**	**4,713**	**-**	**-**

18 Other Liabilities

	Current		Non-Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Consideration under JDA towards purchase of land (Refer Note 18(i) noted below)	85,089	91,700	-	-
Other advance received from related parties towards contract	432	400	-	-
Advance received from related parties	1,784	3,661	-	-
Advance received from customers for sale or maint. of properties	11,415	7,393	-	-
Contract Liability-Billings in excess of revenue (Refer Note 18 (ii) noted below)	54,078	54,553	-	-
Other statutory dues	4,356	763	-	-
Security Deposit	36	-	-	28
Other Payables	173	295	-	302
Accrued salaries and benefits	131	44	-	-
Interest payable	34	65	-	-
Total	**1,57,529**	**1,58,874**	**-**	**330**

18 (i) The Group has entered into the Joint Development Agreement (JDA) with land owners for development of the properties at its own cost of development and for the consideration of the land of the land owner, the Group shares the residential flats or revenue from the commercial property as per jointly agreed terms and conditions of the agreement. The land acquired by the Group from the land owner initialy recorded in the books of account at the estimated cost of construction for the share of the property to be handed over to land owner on completion of the construction/development of the property.

18 (ii) Customerwise reconciliation "Billing in excess of revenue" is under process

19 Provisions

	Current		Non-Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Provision for employee benefits				
Provision for gratuity	10	33	129	150
Provision for leave benefits	9	21	75	140
	20	**54**	**204**	**290**

20 Current Tax Liability (net)

	Current		Non-Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Provision for income tax	487	472	-	-
Mat Credit Entitlement	0	70		
	487	**402**	**-**	**-**

21 Trade payables

	Current		Non Current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Trade payables				
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 36 for details of dues to micro and small enterprises)	225	162	-	-
			-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises			-	-
- to related parties	572	290	-	-
- to others	34,216	27,567	-	-
			-	-
	35,013	**28,019**	**-**	**-**

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
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22 Revenue from operations

	31-Mar-20	31-Mar-19
Revenue from operations		
Income from property development	4,069	5,686
Building Maintenance income	96	106
Income from sale of land	-	5,500
	4,165	**11,292**

23 Other income

	31-Mar-20	31-Mar-19
Provisions no longer required written back	909	-
Miscellaneous Income	163	23
	1,072	**23**

24 Land and construction cost

	31-Mar-20	31-Mar-19
Land and construction cost	6,904	98,223
	6,904	**98,223**

25a (Increase)/decrease in inventories of stock of flats, land stock and work-in-progress

Opening Inventory	1,70,809	78,655
Less: Adjustment/transferred of Inventory	13,862	-
Less: Closing Inventory	1,61,502	1,70,809
Change in Inventory	**(4,554)**	**(92,154)**

25 Employee benefits expense

	31-Mar-20	31-Mar-19
Salaries, wages and bonus	1,193	1,948
Contribution to provident and other fund	27	38
Staff welfare expenses	11	34
	1,230	**2,020**

26 Finance costs

	31-Mar-20	31-Mar-19
Interest expense	9,172	9,489
Processing charges and other charges	468	-
Total finance costs	**9,640**	**9,489**

Finance cost includes Rs 47 Lakhs (PY - Rs 68 Lakhs) "Interest on Micro Small and Medium Enterprises [MSME]" and Rs 30 Lakhs (PY - Rs 246 Lakhs) interest charged as per the orders passed by RERA.

27 Depreciation and amortization expense

	31-Mar-19	31-Mar-18
Depreciation of property, plant and equipment	27	35
Amortization of intangible assets [Refer Note No 5 (i)]	165	7
	193	**42**

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
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28 Other expenses

	31-Mar-20 ₹	31-Mar-19 ₹
Power and fuel	112	49
Rent	214	308
Rates and taxes [Refer Note No 28 (iii)]	2,595	680
Insurance	17	30
Building Maintenance Charges	31	-
Repairs and maintenance-Others	22	19
Office maintenance	19	40
Advertising and sales promotion	7	410
Travelling and conveyance	47	85
Communication costs	13	20
Printing and stationery	1	2
Director's sitting fees	23	22
Donation	-	15
Bad debts / advances written off	703	-
Legal and Professional Charges	199	587
Payment to Auditors - Refer note (i) below	26	27
Hire Charges	12	3
Security Charges	47	-
Interest and other charges	7	77
Bank charges	2	3
Expected Credit Loss Allowance against Advances	-	3,808
Allowance for Impairment on Investments [Refer Note No 28 (ii) (a) & (t	2,372	2,075
Loss on Sale of investments	-	1,738
Reversal of Cancellation charges	12	33
Miscellaneous expenses	113	121
	6,592	**10,152**

Note:

i) **Payments to auditors**

	31-Mar-20	31-Mar-19
As an auditor:		
Statutory Audit fees	17	17
Limited review fees	9	9
Reimbursement of expenses	1	1
	27	**27**

ii) a. The Group has impaired its investment in subsidiaries and associates based on 'Net Worth' as per the Balance Sheet Valuation as well as operating performance amounting to Rs. 630 Lakhs

b. The Group has provided Rs.1,742 Lakhs during the year out of total development cost of Rs.3,325 Lakhs incurred for the project of "British Columbia" as the land has to be transferred to the land owner on closure/cancellation of the project. The management is expecting to recover the remaining balance of Rs 1,600 Lakhs included in WIP as on balance sheet date on sale/transfer of the said land under Joint Development Agreement(JDA).

iii) Rates & Taxes includes VAT for the earlier years Rs 510 Lakhs and interest provision on VAT payable Rs 1663 Lakhs has been accounted for during the year.

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
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iv) Details of CSR expenditure:
The group has not provided for any Corportae Social Responsibility expenses, due to the absense of sufficient cash profits.

	31-Mar-20 ₹	31-Mar-19 ₹
28A Exceptional Items		
Impairment Loss of Investment in subsidiary [Refer Note No 28A (i) (a) 8	20,547	-
Loss on sale of investments in Nitesh Residency Hotels Pvt Ltd [Refer Note No 28A (ii)]	5,633	-
Impairement loss on CWIP-Investment properties under construction [Refer Note No 4a (i) and (ii)]	36,644	-
	62,824	**-**

i) a. During the year the Group has provided for the total amortised cost of preference shares in subsidiary companies amounting Rs.1,568 Lakhs as on the balance sheet date due to negative net worth, negative operating performance and continous loss of subsidary companies.

b. The Group has fully impaired its investment in subsidiary companies based on negative net worth and operating performance as per the balance sheet valuation due to continous loss over the years.

Name of the Company	Amount
Nitesh Indiranagar Retail Private Limited	18,905
Courtyard Construction Private Limited	74
Total	**18,979**

ii) During the year Group has sold 8,22,52,406 number of shares to Bolgati Enterprises Private Limited a related party on a consideration of Rs.4,107 Lakhs by incurring loss of Rs.5,633 Lakhs as stated above.

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
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29 Income tax

	31-Mar-20	31-Mar-19
Current income tax:		
Current income tax charge	-	44
Adjustments in respect of current income tax of previous year	175	-
	175	44
Deferred tax:		
Decrease / (Increase) in deferred tax assets	2	864
(Decrease) / Increase in deferred tax liabilities	(4,017)	-
	(4,015)	864
Less : Recognised in OCI		(6)
Relating to origination and reversal of temporary differences	(4,015)	858
Income tax expense reported in the statement of profit or loss	**(3,840)**	**2,580**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019:

	31-Mar-20	31-Mar-19
Accounting profit before income tax	**(77,592)**	**(16,457)**
At India's statutory applicable income tax rate		
Non-deductible expenses for tax purposes:		
Adjustment on account of depreciable assets	-	40
Tax effect of amounts which are not taxable in calculating taxable income:		
Provision for doubtful debts	4	
Adjustment in 43B	-	20
Other differences:		
Difference due to gross accounting	-	(5)
Other Adjustments	(4,019)	
Recognised in OCI	-	(6)
	(4,015)	**49**

Reconciliation of deferred tax liabilities (net)

	31-Mar-20	31-Mar-19
Opening balance	(1,782)	2,646
Deferred tax (credit)/charge during the period recognised in Profit & Loss	(4,015)	(49)
Deferred tax (credit)/charge during the period recognised in OCI	-	(6)
Others	(2,194)	(809)
Closing balance	**(7,991)**	**(1,782)**

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
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30 Related Party Disclosure

(i) List of related parties

In accordance with the requirements of Indian Accounting Standards (Ind AS)- 24 'Related Party Disclosure' the names of the related party where control exists / enable to exercise significant influence along with the aggregate transactions and year end balance with them in the ordinary course of business and on arms' length basis are given below

(a) Key Management Personnel of the company and close member of Key Management Personnel of the company
Nitesh Shetty [Chairman and Managing Director]
Jagdish Capoor[Independent Director] [Upto February 14th, 2020]
Dipali Khanna [Independent Director]
Mahesh Bhupati [Independent Director]
G. N Bajpai [Independent Director][Upto August 17th ,2018]
M. D Mallya [Independent Director][Upto April 5th, 2018]
S. Ananthanarayanan[Independent Director][From February,26th,2019]
Shantanu Consul[Additional Independent Director][From February,26th,2019 and upto August 01st, 2019]
Pradeep Narayan [Additional Director (from February 13, 2019)]
P C Ashok (Director)
L.S.Vaidyanathan [Executive Director]
Ashwini Kumar [Executive Director] [Upto February 24th, 2020]
Rakesh Singh [Chief Executive Officer][Upto June 5th, 2020]
Kamal Daluka [Executive Director & Chief Financial Officer]
Venkateshan .M.A.[Chief Financial Officer][Upto April 30th,2019]
Karthikeyan S. [Chief Financial Officer] [Up to November 5th, 2019]
Prasant Kumar[Company Secretary]
Ganapati Mala Joshy [Company Secretary from May 30, 2019]
D. Srinivasan [Company Secretary][Upto August 2nd, 2018]
Prakruthi Shetty T G [Company Secretary upto November 12, 2018]
Nischita Shetty [Relative of Director]

(c) Enterprises owned or significantly influenced by Key Managerial Person
Nisco Ventures Private Limited
Southern Hills Developers Private Limited
Nitesh Infrastructure and Construction
Nitesh Industries Private Limited
Gross Outdoor Advertising Private Limited
Pushrock Environment Private Limited
Nitesh Office Parks Private Limited
Nitesh Residency Hotels Private Limited
Bolgati Einterprises Private Limited
Orange Self Storage Private Limited
Boulevard Developers Private. Limited
Winterlands Private Limited

(ii) Transactions with related parties

Transactions with related parties	31-Mar-20	31-Mar-19
Rent paid		
Nitesh Infrastructure and Construction	202	216
Nitesh Industries Private Limited	-	60
Other Expenses		
Nitesh Residency Hotels Private Limited	7	27
Maintenance charges billed		
Nitesh Shetty	5	4
Nitesh Infrastructure & construction	11	8
Maintenance charges Received		
Nitesh Shetty	5	-
Nitesh Infrastructure & construction	9	-
Billed to Customer		
L S Vaidyanathan	105	-
Security Deposit Recived back		
Nitesh Infrastructure and Construction	177	-
Advances received from customers		
Pushrock Environment Private Limited	589	1,163
Nitesh Shetty	(722)	547
Nitesh Infrastructures & Contructions	-	117
Loans advanced		
Nitesh Residency Hotels Private Limited	-	1,055
Loans and advances received/(repaid)		
Nitesh Office Parks Private Limited (formerly known as Kakanad Enterprises Private Limited)	(48)	45
Nitesh Industries Private Limited	4	-
Orange Self Storage Private Limited	32	-
Nitesh Residency Hotels Private Limited	-	(330)
Nitesh Estates - Whitefield	(177)	-
Managerial remuneration (Refer note 1 below)		
Nitesh Shetty	-	131
L.S.Vaidyanathan	99	117
D. Srinivasan	-	16
Venkateshan .M.A.	-	80
Kamal Daluka	75	-
Rakesh Singh	50	-
Prakruthi Shetty T.G	-	4
Prasant Kumar	21	13
Karthikeyan S	19	37
Directors' sitting fees		
G. N Bajpai	-	3
Jagdish Capoor	4	7
Ms. Dipali Khanna	10	9
S. Ananthanarayanan	8	6
Mahesh Bhupathi	1	1
Shantanu consul	1	-
Contribution of Gratuity Fund		
Nitesh Estates Limited Employees' Gratuity Fund Trust	-	7
Nitesh Housing Developers Private Limited Employees' Gratuity Fund Trust	-	8
Nitesh Urban Development Private Limited Employees' Gratuity Fund Trust	-	6
Refund of Gratuity		
Nitesh Housing Developers Private Limited Employees' Gratuity Fund Trust	-	8
Nitesh Urban Development Private Limited Employees' Gratuity Fund Trust	-	6
Sale of Investment in NRHPL*		
Bolgati Enterprises Private Limited		
The no of 7,26,63,000 shares of Rs.5.27 Each.	3,830	-
The no of 95,87,405 shares of Rs.2.89 Each.	277	-

(iii) **Amount Outstanding as at Balance Sheet Date**

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	31-Mar-20	31-Mar-19
Trade receivables(asset)		
Nitesh Infrastructure and Constructions	8	4
Nitesh Shetty	0	1
Gross Outdoor Advertising Private Limited (Formerly known as Serve & Volley Outdoor Advertising Private Limited)	5	5
L S Vaidyanatha - Columbus Square	24	24
Loans and advances to related entites(asset)		
Southern Hills Developers Private Limited	111	111
Nitesh Office Parks Private Limited	371	323
Nitesh Estates – Whitefield	3,184	3,186
Winterlands Private Limited	63	63
Loans and advances from related entites (liability)		
Nitesh Residency Hotels Private Limited	931	931
Nitesh Infrastructure and Constructions	7	7
Pushrock Environment Private Limited	156	73
Orange Self Storage Private Limited	35	35
Boulevard Developers Private. Limited	289	289
Advance against Property (asset)		
Nisco Ventures Private Limited	108	108
Security Deposits (asset)		
Nitesh Infrastructure and Construction	-	177
Unsecured Loans(liability)		
Nitesh Shetty	1	1
Trade Advances(asset)		
Gross Outdoor Advertising Private Limited (Formerly known as Serve & Volley Outdoor Advertising Private Limited)	157	157
Trade payables(liability)		
Nitesh Industries Private Limited	29	34
Nitesh Infrastructure and Construction	86	95
Gross Outdoor Advertising Private Limited (Formerly known as Serve & Volley Outdoor Advertising Private Limited)	-	7
Nitesh Residency Hotels Private Limited	152	154
Orange Self Storage Private Limited	32	
Photo concierge Private Limited	1	1
Other Advance from customers towards contract(liability)		
Nitesh Residency Hotels Private Limited	400	400
Advance from customers(liability)		
Nitesh Estates – Whitefield	22	-
Nitesh Residency Hotels Private Limited	(1,155)	(1,155)
Nitesh Shetty	2,822	3,544
Nischita Shetty - Madision Square	100	100
Pushrock Environment Private Limited	(4)	17
L.S.Vaidyanathan - Napavalley	32	137
Managerial remuneration Payable		
Nitesh Shetty	-	3
L.S.Vaidyanathan	91	15
Venkateshan .M.A.	14	-
Kamal Daluka	34	-
Rakesh Singh	5	-
Prasant Kumar	9	-
Directors' Sitting Fees Payable		
Jagdish Capoor	6	-
Ms. Dipali Khanna	11	3
Mahesh Bhupathi	1	-
Shantanu consul	0	-
S. Ananthanarayanan	7	-
Balance for Sale of Investments		
Bolgati Enterprises Private Limited	0	-

Terms and conditions of transactions with related parties

1) Remuneration paid to KMP includes perquisites evaluated as per Income tax Rules and excludes provision for/contribution to gratuity and unveiled leave which are based on actuarial valuation done on an overall group basis (cannot be individually identified) are excluded in the disclosure above. Further the remuneration to KMP excludes accrual for bonus/incentives which is considered in the year in which the same is actually paid out.

2) The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
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31 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Particulars	31 March 2020		31 March 2019	
	Fair value through OCI	Amortised Cost	Fair value through OCI	Amortised Cost
Financial assets				
Investments Measured at Fair Value through OCI	1,008		4,335	
Trade receivables		1,160		4,549
Cash and Cash Equivalents		140		314
Loan		4,822		2,459
Other Financial Assets		3		3
	1,008	**6,125**	**4,335**	**7,325**
Financial liabilities				
Measured at amortised cost				
Current borrowings		1,01,678		1,02,066
Trade payables		35,013		28,019
Other current financial liabilities		5,160		4,713
		1,41,851		**1,34,798**

Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The Group does not enters into any derivative financial instruments like foreign exchange forward contracts, futures , options etc, which employs the use of market observable inputs. Further, the carrying amount is a reasonable approximation of fair value for all other financial instruments such as short-term trade receivables and payables.Hence no fair value hierarchy disclosures has been provided.

There have been no transfers between the levels during the period.

The details of fair value measurement of Group's financial assets/liabilities are as below:

Particulars	Level	31 March 2020	31 March 2019
Financial assets/liabilities measured at fair value through OCI:			
Investment in equity instruments of Other company	3	1,008	4,335

The management assessed that the carrying values of cash and cash equivalents, trade receivables, deposits, trade payables, borrowings and other financial assets and liabilities approximate their fair values largely due to the short-term maturities.

The following methods and assumptions were used to estimate the fair values:

In absence of audited financial statements for the current year,the fair value of unquoted equity shares have been estimated using Net Assets Value Model, based on the last year financials.

Management has considered cost value of investment in Association of Person (AOP), Nitesh Estates- Whitefield Rs 1008 Lakhs as fair value due to current financial situation of AOP.

The valuation requires Management to make certain assumptions about the model inputs, including forecast cash flow, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in Management's estimates of Fair value for the unquoted investments.

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32 Gratuity and other post-employment benefit plans

Particulars	Current		Non-current	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Defined Benefit Plan				
Gratuity - Funded	-	33	-	150
Gratuity- Unfunded	10	-	129	-
Leave Encashment	9	21	75	140

The Group has a defined benefit gratuity plan (funded). The Group's defined benefit gratuity plan is a final salary plan, which requires contributions to be made to a separately administered fund.

a) Gratuity Fund Status

Upto September 30, 2018 the Group operates defined gratuity plan for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.The scheme is funded with an insurance company in the form of qualifying insurance policy.
As at March 31, 2020 the Gratuity plan of the group is unfunded.The company is only making book provisions for the entire Gratuity Liability on the valuation and follows a pay as you go" system to meet the liabilities as and when they fall due. Therefore the scheme is fully unfunded, and no assets are maintained by the group and asset values are taken as zero; there is liquidity risk in that they may run out of cash

b) Cost of Long term benefit by way of accumulated compensated absence arising during the service period of employees is calculated based on cost of service and the pattern of leave availment. The present value of obligation towards availment under such long term benefit is determined based on the actuarial valuation carried on by an Independent Actuary using projected limit credit method as at the close of accounting period. The Company is providing liability as per actuarial valuation in its books of account as the plan is not funded.

c) In absence of Actuarial valuation as on 31st March, 2019, the disclosure requirements as per IND AS-19 Employee Retirement Benefit for 'Long Term Defined Plans' in respect of Gratuity and Compensated Absence has been disclosed in the Financial Statements to the extent available for the previous year.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for the respective plans:

i. Changes in the defined benefit obligation and fair value of plan assets as at March 31,2020 :

	Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income							
Particulars	30-09-2018	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-03-2020
Defined benefit obligation	183	50	16	66	0	0	2	8	(119)	(110)	0	139
Fair Value of plan asse	10	0	0	0	0	(5)	0	0	0	(5)	0	0
Benefit liability	**173**	**50**	**16**	**66**	**0**	**5**	**2**	**8**	**(119)**	**(105)**	**0**	**139**

ii. Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2019 :

	Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income							
Particulars	01-04-2018	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-03-2019
Defined benefitobligati	201	19	7	26	(28)	0	0	(9)	4	(4)	-	194
Fair Value of Plan Asse	13	0	1	1	(28)	(1)	0	0	0	(1)	28	13
Benefit liability	**188**	**19**	**6**	**25**	**-**	**1**	**-**	**(9)**	**4**	**(4)**	**(28)**	**181**

iii. The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group's plans are shown below:

Particulars	31-Mar-20	30-Sep-18
Discount rate	6.83%	8.10%
Future salary increases	6.00%	6.00%
Attrition Rate	5.00%	2.00%
Expected rate of return of assets	-	-
Mortality	Indian assured lives mortality(2012-14) (Ultimate	Indian assured lives mortality(2006-08) (modified
Withdrawal rate	5.00%	1%-2%

iv. A quantitative sensitivity analysis for significant assumption as at March 31,2020 is as shown below:

	31-03-2020						30-09-2018			
Asssmumtions	Discount Rate		Salary Growth Rate		Attrition Rate		Discount Rate		Salary Growth Rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Sensitivity Level	+100 basis point	-100 basis point	+100 basis point	-100 basis point	+100 basis point	-100 basis point	+50 basis point	-50 basis point	+50 basis point	-50 basis point
Impact on defined benefit obligation - Gratuity	-6.90%	7.84%	5.81%	-5.81%	0.69%	-0.78%	-3.90%	4.20%	2.01%	-2.35%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key

v. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31-Mar-20	30-Sep-18
Year 1	5	7
year 2	4	5
year 3	6	19
year 4	6	9
year 5	4	26
year 6 to 10	28	35
Above 10 years	34	
Total expected payments	**88**	**101**

The defined benefit obligations have the undermentioned risk exposures-

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
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33 Segment information

Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors of the Holding Company is identified as the Chief Operating Decision Maker ("CODM"), CODM evaluates the performance of the group based on the below operative segment for the purpose of allocation resources and evaluating financial performance.

The Holding Company is domiciled in India. The amount of its revenue from external customers broken by location of the customers is shown in the table below. There are no material assets held by the Holding Company outside India.

The Operative segment comprises of the following:
1) Residential,
2) Retail

	For the year ended 31st march, 2020			For the year ended 31st march, 2019		
Particulars	**Residential**	**Retail**	**Total**	**Residential**	**Retail**	**Total**
Segment Revenue:						
External Customers	4,165	-	4,165	11,292	-	11,292
Inter-segment revenue	-	-	-	-	-	-
Total Revenue	**4,165**	**-**	**4,165**	**11,292**	**-**	**11,292**
Segment Results:						
Profit/(loss) before tax and interest	(69,024)	-	(69,024)	(3,660)	(3,331)	(6,991)
Add: Other Income (including interest income)			1,072			23
Add: Share of profit/(loss) from associate			-			-
Less: Finance cost			(9,640)			(9,490)
Less: Other unallocated expenditure			-			
Profit/(Loss) before tax	**(69,023)**		**(77,591)**			**(16,457)**
Segment Assets	1,62,860	7,918	1,70,777	2,57,450	33,060	2,90,510
Unallocated			54,755			1,140
			2,25,532			**2,91,650**
Segment Liabilities	2,25,357	6,039	2,31,396	3,04,634	11,443	3,16,077
Unallocated			68,695			1,178
			3,00,091			**3,17,255**
Capital Assets Purchased*	1		1	22		22
Depreciation and amortization:	192		192	42		42

* Capital expenditure consists of addition of property, plant and equipment, investment property, intangible assets, intangible assets under development and CWIP.

Segment Policies:

1) Segment revenue and expenses are directly attributable to the segment except for certain expenses which are in the nature of common expenses. Common expenses have been allocated to the business segments on a reasonable basis.

2) Segment assets and liabilities include all operating assets and liabilities used by a segment.

Revenue from external customers
India
Rest of the world

The revenue information above is based on the locations of the customers.

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
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34 Earnings per share ['EPS']

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	**31-03-2020**	**31-03-2019**
Profit after tax attributable to shareholders	(71,898)	(16,550)
Weighted average number of Equity Shares outstanding during the year	14,58,32,100	14,58,32,100
Effect of dilution:	-	-
Weighted average number of Equity Shares	14,58,32,100	14,58,32,100
Loss per share ['EPS']	-49.30	-11.35

35 Contingent liabilities

A.The Group have the following Contingent liabilities on the reporting date in respect of:

(i)(a). Claims against the Group pending applellate/judicial decision not acknowledged as debts:

Particulars	**31 March 2020**	**31 March 2019**
Claims against the Group not acknowledged as debts in respect of		
- Income-tax	818	741
- Service tax	4	1778
- Karnataka Value Added Tax	1422	4472

(i)(b). Following is the summary of financial exposure of cases filed against the group by customers,vendors and other business associates:

Customers-		
a. Seeking Possession of Property	6309	758
b. Seeking Refund	4443	5237
c. Seeking Reimbursement of Pre - EMI	313	317
Vendors		
Seeking Recovery of Dues	40	214
Contractor dispute case	11	11
	11,116	6,537

B.Commitments
(a) Capital commitments
Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	**31-Mar-20** `	**31-Mar-19** `
Estimated amount of contracts remaining to be executed on projects (net of advances) and not provided for	50,715	45,007

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Notes :

a. The Group has entered into various joint development agreements wherein, on completion of all obligations of the land owner and possession of land to the Group, the Group is required to construct and develop the entire property and hand over an agreed proportion of the built up area to the land owner as a consideration for the undivided share in land transferred to the Group.

b. The Group has provided support letters to subsidiary companies wherein it has accepted to provide the necessary level of financial support to enable the company to operate as a going concern and meet its obligations as and when they fall due.

36 Disclosure as required under Micro Small and Medium Enterprises Act , 2006(MSME Act)

Particulars	31-Mar-20 `	31-Mar-19 `
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.		
Principal amount due to micro and small enterprises	226	162
Interest due on above	120	78
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the beyond the appointed day during each accounting year.	0	0
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	42	78
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	120	78
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid.	0	0

Note :The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 is disclosed to the extent such parties have been identified on the basis of the information available with the company. Interest is not provided for the claims which are under dispute.

NEL Holdings Limited (Formerly known as Nitesh Estates Limited)
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(All amounts in Indian Rupees Lakhs, except as otherwise stated)

37 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Holding Company. The primary objective of the Group's capital management is to maintain strong credit rating and heathy capital ratios in order to support its business and maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio minimal. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. Further, advances received from customers pursuant to agreements, wherein the Group has committed prescribed return to customers contingent on exercise of the option given to such customers on expiry of the prescribed time period, including the amount of such return accrued by the company using effective interest method has been considered as part of net debt by the Group.

	31 March 2020	31 March 2019
Borrowings	1,01,678	1,02,066
Trade payables	35,013	28,019
Other payables	5,160	4,713
Less: Cash and cash equivalents	-140	(314)
Net debt (A)	**1,41,711**	**1,34,484**
Equity	(74,559)	(29,649)
Total capital (B)	**(74,559)**	**(29,649)**
Equity plus Net debt [C=A+B]	**67,152**	**1,04,835**
Gearing ratio [D=A/C]	211%	128%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial

38 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the acquisition and Group's real estate operations. The Group's principal financial assets include cash and cash equivalents, loans and unbilled revenue that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2019. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives.

The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other postretirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:

1. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019.

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis	Effect of profit before tax
March 31, 2020		
INR	+50	5
INR	-50	5

	Increase/decrease in basis	Effect of profit before tax
March 31, 2019		
INR	+50	5
INR	-50	-5

iii. Credit risk

Financial Instrument and Cash Deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and loans are given only within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Holding Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Holding Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2020 and 2019 is the carrying amounts.

iv. Liquidity risk

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 1 year	2-3 years	More than 3 Years	Total
Year ended 31/03/2020					
Borrowings	1,01,678				1,01,678
Trade and other payables	23,643	11,370			35,013
Interest free security deposit from customer		36			36
Loan and advances from related parties repayable on demand		1,227			1,227
Other Payables		3,933			3,933
Year ended 31/03/2019					
Borrowings	12,951	-	35,713	53,402	1,02,066
Trade and other payables		28,019			28,019
Other Payables		4,713			4,713

39 Financial instruments- accounting classification and fair value measurement

The carrying values of trade and other receivables, other assets, cash and short term deposits, tarde and other payables based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are re-priced frequently.

Group's assets and liabilities which are measured at amortised cost

Particulars	31st March 2020		31st March 2019	
	Carrying Value	Amortised Cost	Carrying Value	Amortised Cost
Financial Assets				
Trade Receivables	1,160	1,160	4,549	4,549
Cash and Cash equivalents	140	140	314	314
Bank balances other than cash and cash equivalents	-	-	-	-
Other Financial Assets	4,822	4,822	2,459	2,459
Security Deposits	3	3	3	3
	6,125	**6,125**	**7,325**	**7,325**
Financial Liabilities carried at amortised costs:				
Current borrowings	1,01,678	1,01,678	1,02,066	1,02,066
Trade payables	35,013	35,013	28,019	28,019
Other Financial Liability	5,160	5,160	4,713	4,713
	1,41,851	**1,41,851**	**1,34,798**	**1,34,798**

40 Recent Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

NEL Holdings Limited(Formerly known as Nitesh Estates Limited)
Notes to the Consolidated Financial Statements for the year ended 31st March 2020
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41 Group Information
The consolidated financial statements of the Group includes the following components:

(a) Subsidiaries

Name of the Entity	Principal Activities	Country of Incorporation /Principal place of business	% of equity interest held by the Group	
			March 31, 2020	March 31, 2019
NHDPL South Private Limited (Formerly NHDPL Properties Private Limited)	Real Estate Development	India	100% *	100% *
NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited)	Real Estate Development - Retail	India	100%	100%
Nitesh Indiranagar Retail Private Limited	Real Estate Development- Retail	India	100%	100%
Lob Property Management Private Limited	Property Management	India	100%	100%
Nitesh Office Parks Private Limited***	Real Estate Development	India	NIL***	19.23%***
Courtyard Hospitality Private Limited (Formerly Courtyard Constructions Private Limited)	Real Estate Development	India	100%**	100%**

* NEL Holds 89.9 % and NUDPL holds 10.1%
** NEL holds 50% and NUDPL holds 50%
***Nitesh Office Parks Private Limited is no longer a subsidiary since 31st March,2019 and hence it has not been consolidated.

(b) Associate
During the year, Group has reduced its investment in AOP - Nitesh Estates Whitefield from 24% to 18% as on 20th February, 2020. Accordingly, it has not been considered for consolidation.

The following table illustrates the summarised financial information of the Group's investment in Nitesh Estates- whitefield:

(i) Summary of assets and liabilities

Particulars	March 31, 2020 **Rs.**	March 31, 2019 **Rs.**
Current assets	-	6,512
Non-current assets	-	1
Current liabilities	-	(3,473)
Total Equity	-	3,040
Attributable to the Group (24%)	-	730

(ii) Summary of profit and loss

Particulars	March 31, 2020 **Rs.**	March 31, 2019 **Rs.**
Total Revenue	-	-
Profit/(loss) for the year	-	-
	-	-
Attributable to the Group (24%)	-	-

(iii) Summary of cash flows

Particulars	March 31, 2020 **Rs.**	March 31, 2019 **Rs.**
Net cash inflow/(outflow) during the year	-	(2)
Attributable to the Group (24%)	-	(0)

(iv) Summary of commitments and contingent liabilities

Particulars	March 31, 2020 **Rs.**	March 31, 2019 **Rs.**
Capital commitments	-	-
Contingent liabilities	-	402
Attributable to the Group (24%)	-	96

NEL Holdings Ltd(Formerly known as Nitesh Estates Limited)
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42 Transition to Ind AS 115 "Revenue from contracts with customers"

a) Revenue disaggregation by various vertical as follows

Particulars	Year Ended 31st March, 2020	Year Ended 31st March, 2019
Segment Vertical		
Residential (Refer Note No 22)	4,165	11,292
Retail	-	-
Total revenue from operations	4,165	11,292
Timing of goods or service	-	-
Goods transferred at a point in time	4,165	11,292
Goods transferred over time	-	-
Total revenue from operations	4,165	11,292

b) (i) In the assessment of the group, there is no significant financing component in any of its contracts.

(ii) Revenue recognised during the year 2020-21 from performance obligations satisfied in the previous year is NIL

NEL Holdings Limited(Formerly known as Nitesh Estates Limited)
Notes to the Consolidated Financial Statements for the year ended 31st March 2020
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

43 Neither development activities nor sale of apartments is undertaken by the holding Company for its four residential projects (British Colombia, Hunter Valley, Chelse and Virgin Island) launched in prior to the effective date of RERA Act. Pending approval of sanction plan and certificate of commencement as well as prevalent adverse market condition of real estate business, the holding company has not registered the said projects under RERA Act. However, discontinuation of one projects i.e Virgin Island out of the four has not been intimated to the RERA authority for necessary update.

The Holding Company has accepted working advance more than 10% of cost before RERA period in case of one residential project. Pending arbitration proceedings between the company and the landowner, the Company has decided to suspend the project on an intimation to Real Estate Regulatory Authority, Karnataka.

Group has collected advance amounting Rs 1,414/- Lakhs in respect of the said projects, it is in the process of refunding the same and which has been shown in "Note no 18 - Other liabilities" under "Advance received from customers for sale of properties".

44 The outbreak of COVID-19 pandemic has significantly impacted global businesses environment. The restriction of human movement through nationwide lockdown during the period from 25th April, 2020 to 8th June, 2020 imposed by the Government of India to prevent community spread of the disease has resulted significant reduction in economic activities with respect to the operations of the Group, The business of the Group has gone down drastically and the construction activities of the Group has been stopped due to non-availability of resources during lock down period. The Group has taken necessary steps to overcome the present situation by analysing various internal and external information inter-alia the assumptions relating to economic forecasts and future cash flows for assessing the recoverability of various assets and receivables viz, investments, contract and non-contract assets, trade and non-trade receivables, inventories, advances and contract costs as on the date of approval of these financial statements. The assumptions used by the group are being tested through sensitivity analysis and the company expects to recover the carrying amount of these assets and receivables based on the current indicators of future economic benefits. As the management is still assessing the impact of COVID-19 pandemic on the future period, the impact may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor the material changes if any, to the future economic conditions.

45 Lease

The Group has adopted Ind AS 116 "Leases" w.e.f. 01.04.2019. The adoption of this standard did not have any impact on the standalone financial statements. Accordingly, disclosure requirements of this standard are not applicable to the Group.

46 Going Concern

The Group has incurred losses over the years resulting in negative net worth, negative working capital and negative cash flows. The Group has defaulted in payment of dues to banks, financial institutions and creditors etc. The adverse market environment and Government rules and regulations has slowed down the real estate business during the recent past. As a result, the Group has suspended the development of certain projects to cope-up with present market condition and to recover from the financial stress. Management believe that the real estate market will be improved on domestic as well as overseas demand on the change of public mind set as well as Government initiative to increase the public expenditure with parallel growth of economy. On the expectation of changing scenario the accounts of the Group have been continued to be prepared on going concern basis for the continuing operation and to realize the assets and discharge the liabilities under normal course of business

47 Prior year comparatives

The figures of the previous year have been regrouped/reclassified/recast, wherever necessary, to conform with the current year's classification.

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

for and on behalf of the Board of Directors of
NEL Holdings Limited
(Formerly known as Nitesh Estates Limited)

Mrinal Kanti Banerjee
Partner
Membership No. 051472
UDIN : 20051472AAAAAS8201

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Place: Bangalore
31st July 2020

Kamal Daluka
Executive Director &
Chief Financial Officer

Prasant Kumar
Company Secretary

Annexure

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(All amounts in Indian Rupees Lakhs, except as otherwise stated)
(Information in respect of each subsidiary presented with amounts in Rs.)

1		1	2	3	4	5
2	**Name of the subsidiary**	**NHDPL South Private Limted (Formerly known as NHDPL Properties Private Limited)**	**NUDPL Ventures Private Limted (Formerly known as NUDPL Enterprises Private Llimited)**	**Nitesh Indiranagar Retail Pvt. Ltd.**	**LOB Property Management Private Limited**	**Courtyard Hospitalities Private Limited (Formerly known as Courtyard Constructions Pvt. Ltd.)**
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA
5	Share capital	500	658	6,991	30	1
6	Reserves & surplus	-35,245	-14,597	-5,111	-805	-38
7	Total assets	70,173	54,756	7,918	860	121
8	Total Liabilities	70,173	54,756	7,918	860	121
9	Investments	-	-	-	-	-
10	Turnover	2,149	-	-	96	-
11	Profit before taxation	-2,760	-1,692	-23,751	-115	-41
12	Provision for taxation	50	-	-4,012	2	100
13	Profit after taxation	-2,810	-1,692	-19,739	-117	-141
14	Proposed Dividend	-	-	-	-	-
15	% of shareholding	90	100	100	100	100

1 Names of subsidiaries which are yet to commence operations:
2 Names of subsidiaries which liquidated/sold during the year:

As per our report of even date attached

For **Ray & Ray**
Chartered Accountants
Firm registration number: 301072E

for and on behalf of the Board of Directors of
NEL Holdings Limited
(Formerly known as Nitesh Estates Limited)

Mrinal Kanti Banerjee
Partner
Membership No. 051472
UDIN : 20051472AAAAAS8201

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Place: Bangalore
31st July 2020

Kamal Daluka
Executive Director &
Chief Financial Officer

Prasant Kumar
Company Secretary

Additional Information to Consolidated Inds-AS Financial Statements Based on the Standalone Ind-AS Financial Statements of the components of the Group

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Name of the entity	Net Assets/ (Liabilities), i.e., Total Assets minus				Total Comprehensive Income for the year ended March 31, 2020						Total Comprehensive Income for the year ended March 31, 2019					
	March 31,2020		March 31, 2019		Share in Profit/ [Loss]		Share in Other		Share in Total Comprehensive		Share in Profit/ [Loss]		Share in Other		Share in Total	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of Consolidated Profit/ [Loss]	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount	As % of Consolidated Profit/ [Loss]	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
Parent																
NEL Holdings Limited (Formerly known as Nitesh Estates Limited)	110%	-81,792	-43%	12,870	140%	-1,00,521	99%	3,619	142%	-96,902	88%	-14,550	-1028%	11	88%	-14,539
Subsidiaries (Indian)																
Nitesh Indiranagar Retail Private Limited	-3%	1,879	-73%	21,618	27%	-19,739	0%	-	29%	-19,739	20%	-3,331	-121%	1	20%	-3,330
NHDPL Properties Private Limited (Formerly Nitesh Housing Developers Private Limited)		-34,745	108%	-31,972	4%	-2,811	1%	37	4%	-2,774	30%	-4,980	841%	-9	30%	-4,989
LOB Property Management Private Limited	1%	-775	2%	-659	0%	-117	0%	1	0%	-116	0%	-75	35%	-0	0%	-75
NUDPL Enterprises Private Limited(Formerly Known as Nitesh Urban Development Private Limited)		-13,940	41%	-12,205	2%	-1,692	0%	4	2%	-1,688	26%	-4,315	374%	-4	26%	-4,319
Courtyard Hospitality Private Limited (Formerly Courtyard Constructions Private Limited)		-36	0%	105	0%	-141	0%	-	0%	-141	-1%	180	0%	-	-1%	180
Nitesh Office Parks Private Limited	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Nitesh Pune Mall Private Limited(PUNE)	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-	0%	-
Joint Ventures																
Nitesh Estates - whitefiled	0%	-	-2%	730	0%	-	0%	-	0%	-	0%	-22	0%	-	0%	-22
Sub Total	**108%**	**-1,29,409**	**32%**	**-9,514**	**174%**	**-1,25,021**	**100%**	**3,661**	**178%**	**-1,21,360**	**164%**	**-27,092**	**100%**	**-1**	**164%**	**-27,093**
Elimination and Consolidation Adjustments	-74%	-54,850	68%	20,135	-74%	-53,123	0%	-	-78%	-53,123	-64%	-10,542	0%		-64%	-10,542
Consolidated Total	**35%**	**-74,559**	**100%**	**-29,649**	**100%**	**-71,898**	**100%**	**3,661**	**100%**	**-68,237**	**100%**	**-16,550**	**100%**	**-1**	**100%**	**-16,551**

Note

As part of **GO GREEN** initiative and **SAVE PLANET EARTH,** the shareholders of NEL Holdings who have still not registered their email ids are hereby requested to register their email ids with their respective Depositories in their demat accounts in order to receive the soft copy of Annual Report by email

NEL
Holdings Limited

NEL Holdings Limited

CIN: L07010KA2004PLC033412

Regd Office: Level 7, Nitesh Timesquare, #8, M. G. Road, Bangalore – 560 001, India

P: +91-80-4017-4000 F: +91-80-2555-0825

E: investor@niteshestates.com W: nelholdings.in