



NEL

Holdings South Limited
Ref.: NEL/037/2021-22

February 11, 2022

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

Dear Sir / Madam,

Sub: Unaudited Standalone and Consolidated Financial Results of the Company for the Third Quarter ended on February 11, 2022 along with the Limited Review Report

We herewith enclose the unaudited Standalone and Consolidated Financial Results of the Company for Third Quarter ended on 31st December, 2021 as approved by the Board of Directors together with the Limited Review Report as submitted by the Statutory Auditors.

Request you to take the above on record.

For NEL Holdings South Limited
(Formerly NEL Holdings Limited)


Prasant Kumar
Company Secretary & Chief Compliance Officer



Encl.: As above

NEL Holdings South Limited

(Formerly Known as NEL Holdings Limited)

CIN : L07010KA2004PLC033412

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RAY & RAY

CHARTERED ACCOUNTANTS

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Independent Auditor's Report on unaudited consolidated financial results of the Group for quarter and months ended December 31, 2021 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE BOARD OF DIRECTORS OF NEL HOLDINGS SOUTH LIMITED (FORMERLY KNOWN AS NEL HOLDINGS LIMITED)

Report on the review of the Unaudited Consolidated Financial Results

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **NEL HOLDINGS SOUTH LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter and nine months ended December 31, 2021 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No CIR/CFD/CMD1/44/2019 dated March 29, 2019, as amended.
2. This Statement, which is the responsibility of the Holding Company's Management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013, (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



4. We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

The Statement includes the results of the following entities:

- NHDPL South Private Limited (formerly known as NHDPL Properties Private Limited)
- NUDPL Ventures Private Limited (formerly known as NUDPL Enterprises Private Limited)
- LOB Property Management Private Limited

5. Attention is drawn to the following matters and other matters disclosed in the Notes of the Statement which are the subject matter of adverse conclusion as given in para 6 below:

- a) 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, may cast significant doubt on the Group's ability to continue as a going concern. The Statement does not adequately disclose this fact.

The Group is the process of exiting projects and settling the loans from banks, financial institutions and creditors etc. Although these transactions have reduced the liability of the Group to banks and financial institutions, the ability of the Group to continue as a going concern remains uncertain in view of the above.

As the Group has not recognized this fact and has prepared the Unaudited Standalone Financial Results on a going concern assumption basis without carrying out any adjustments, the same may not give a true and fair view.

- b) On default in repayment of the principal amount of Rs. 50,000 lakhs and interest of Rs. 3,283 lakhs for 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 has demanded payment of the outstanding dues. As informed to us by the management, no additional demand/notice has been received by the Group during the current quarter and nine months ended on 31st December 2021.
- c) The Group has accounted for Principal amount of Rs. 71,497 lakhs, Accrued Interest of Rs. 25,820 lakhs and Disputed Liability of Rs. 3,728 lakhs in its books of account as total outstanding to banks and financial institutions as on 31st December, 2021. All the banks and financial institutions have declared the outstanding loan accounts of the Company as Non-Performing Accounts (NPA) in the earlier years.

In relation to a loan taken by the Holding Company from Yes Bank for the Commissariat Road Project (Soho Project), the Bank has principally agreed for settlement of the loan for Rs. 3,000 lakhs. The Group has not provided any further interest on this loan since the previous year. Further, the Group has written back



to income, accrued interest amounting to Rs. 1,443 Lakhs during the current nine month period ended 31st December, 2021 without any confirmation from the Bank in this regard. Due to non-availability of any information for such settlement, we are unable to comment on the extent of non-provisioning and the basis for such write back of interest (Refer to note 13 of the Statement).

During the quarter and nine months, the Group has not provided interest for the loan outstanding from Yes Bank against the Plaza Project. Further, the Group has classified the interest outstanding as on March 31, 2021 amounting to Rs. 3,728 Lakhs, to the extent allocated to the project, as disputed liability without any confirmation from the Bank in this regard. The basis and documentation for such non provision of interest and classification as disputed liability was not made available for our verification. (Refer to note 14 of the statement)

- d) Penal interest on default on payment to banks and financial institution has not been provided for in the books of account of the Group (Refer to note 8 of the Statement).
- e) During the previous year, the Group has sold/disposed three projects viz, Knightsbridge, Virgin Island and Napa Valley. The remaining balance of the term loan related to these projects amounting to Rs 23,822 lakhs in respect of the borrowings from Yes Bank and HDFC Limited has been written back as income in previous quarter. (Refer note 12 of the statement). We have not been provided with the necessary documentation or other appropriate correspondence with Yes Bank and HDFC Limited regarding the waiver of such loans and interest outstanding.

(Rs/ lakhs)

Bank/Financial Institution	Project Name	Principal	Interest	Total
HDFC Limited	Knightsbridge	-	256	256
HDFC Limited	Virgin Island	8,146	3,000	11,146
Yes Bank	Napa Valley	9,400	3,020	12,420
Total		17,546	6,276	23,822

- f) The Company has transferred/disposed the project "Nitesh Cape Cod", on an ongoing basis during the previous quarter through an unregistered Business Transfer Agreement. In this respect, the Company had borrowed Rs. 18,500 lakhs from YES Bank for various projects including Nitesh Cape Cod. As per the terms of the unregistered Business Transfer Agreement with the third party, an amount of Rs. 8,500 lakhs (lender liability) was payable to YES Bank within a specified date for release of charge on Nitesh Cape Cod. However, the third party has failed to make such payment within the stipulated date and the 'No Objection Certificate' (NOC) earlier issued by the Bank for release of charge against such transfer has expired. (Refer note 6 of the statement)

Further, it is noted that such third party has challenged the RERA order approving such transfer and has appealed to the appellate tribunal for modification of certain



clauses in the above mentioned order. No documentation pertaining to such appeal has been made available for our verification.

- g) The outstanding balance of advances collected from customers in earlier years pertaining to closed/ suspended residential projects, which have now been abandoned, amounts to Rs. 426 lakhs as on the reporting date. 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 is within the purview of the provisions of sections 73 to 76 of the Companies Act, 2013.
- h) The Group has not tested impairment of its projects' CWIP and Inventories amounting to Rs 8,835 lakhs and Rs 26,495 lakhs (Net of "Payable to land owner for land under Joint Development Agreement") respectively, for ascertaining the realizable value as on 31st December, 2021. To the extent of any possible diminution of value not accounted for, the unaudited consolidated financial statements may not give a true and fair view as per the requirement of Ind AS 2.
- i) Balance confirmation certificates in respect of trade receivables, trade payables, vendor advances, advance from customers, security deposit from customers and a few 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 further provision may be necessary with respect to the carrying amounts of these balances as on the reporting date. Trade Receivable amounting to Rs. 393 lakhs as on 31st December 2021 has not been considered for impairment loss based on expected credit loss method as per requirement of Ind AS 109.
- j) As per the records of the Group and information and explanations provided to us, the Group has been irregular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, value added tax, Goods and Services tax, cess. The GST department has suo moto suspended/cancelled the GST registration on various dates. The Group has also a receivable balance of Rs.1,741 lakhs from various government authorities. Due to such statutory non compliances, we are unable to comment on the actual recoverability of such balance.
- k) The Group has an outstanding liability of Rs. 476 lakhs towards employee payable as on 31st December 2021. Due to non-availability of additional information and ageing, we are unable to comment on the applicability of related statutory compliances or on the requirement of any further provision.

Further, during the quarter, out of the above liability, the Group has written back employee payable to the extent of Rs. 50 lakhs, without any communication with the concerned employees.

- l) The Group has neither ascertained nor accounted neither MAT Liability nor Deferred Tax Liabilities arising on account of write back of loans from financial institutions and difference in revenue recognition respectively, on the reporting date and its adjustment in the Statement of Profit & Loss during the quarter and nine months.



- m) The Group has an investment in Whitefield Housing Enterprises (Whitefield) amounting Rs 1,008 lakhs on the balance sheet date. Due to non-availability of the financial statements of Whitefield, we are unable to comment on the status of the same.
- n) As reported by the other auditor of a subsidiary company Lob Property Management Private Limited, during the quarter ended December 31, 2021, the subsidiary company has received a notice from the service tax department (OC No. 424/2021 dated 7/09/2021 with respect to original order No. 18/202021) and is liable to pay an amount of Rs.70,95,482/ which is still outstanding as on 31-12-2021. The excess liability of an amount of Rs.60,69,654 is now accounted for in the books of accounts and the effect of the same has been given as an exceptional item in the statement of profit and loss in line with Guidance Note Division II – Ind AS disclosures per Schedule III issued ICAI.

The other auditor has also pointed out the inadequacy of appropriate internal control system to ascertain the criteria and timing for the recognition of revenue.

6. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the considerations of the review reports of the other auditors referred to in paragraph 7 below, due to the significance of the matters stated in Para 5 above and it's consequential impact on the unaudited consolidated financial results for the quarter and nine months ended December 31, 2021, we are of the view that the Statement read with notes thereon have not been prepared fairly in all material respect in accordance with aforesaid Indian Accounting Standards specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies, and has not disclosed fairly the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



- a. During the previous quarter, the Holding Company has divested its shareholding in two subsidiaries NIRPL Ventures Private Limited (formerly known as Nitesh Indiranagar Retail Private Limited) and Courtyard Hospitality Private Limited (Formerly known as Courtyard Constructions Private Limited) to a private limited company to the extent of 85% and 100% of the shareholding respectively. The Group has provided certificates from the Practicing Company Secretary stating that after such divestments, these Companies shall no longer continue to be the subsidiaries of the Group as defined under section 2(87) of the Companies Act, 2013 and are not required to be consolidated under the Group. (Refer note 9 and 10 of the Statement)
- b. The Group has given unsecured advance amounting to Rs. 5,903 lakhs to WLM Logistics Parks Private Limited (formerly known as Winter Lands Private Limited) (WLM) for acquiring various immovable properties on behalf of the Group for which no Joint Development Agreement (JDA) could be produced to us. We have been informed that WLM is not in a position to honor its commitment or repay the advance. The management is of the view that provision for the same is not required as, WLM has sought to transfer its JDA rights in the Project at Commissariat Road, Bengaluru, to the extent of 30,000 Sq. feet to the Group by way of Memorandum of Understanding (MOU) with two of the group companies viz. NEL Holdings South Limited and NHDPL South Private Limited. In this context, we have not been provided with any copy of No Objection Certificate (NOC) from the Land owners and also the basis of the valuation has not been satisfactorily explained to us.
- c. During the quarter, the Group has received Rs. 5.30 lakhs as advance from WLM. We have not been provided any documentation or explanation in respect of and such transactions.

In addition to the existing liability, WLM has acquired the following liabilities of Boulevard and Somerset as provided below:

- i. As reported earlier, the Group has given unsecured advance amounting to Rs 4,436 lakhs to Boulevard Developers Pvt. Ltd (Boulevard) for acquiring various immovable properties on behalf of the Group for which no Joint Development Agreements (JDA's) could be produced to us. We have been informed that the Boulevard is not in a position to honor its commitment and repay the advance. The Group had fully provided for the same in the previous financial year.

During the previous quarter, the outstanding amount of Rs.4,436 lakhs repayable to the Group by Boulevard has been taken over by WLM. Correspondingly, the provision against such advance has also been transferred to WLM.

The Group has entered into an MOU with WLM agreeing to enter into a JDA for development of Residential Layouts. In respect of this MOU, the Group has agreed to adjust an amount of Rs. 3,000 lakhs towards an interest free



Refundable Security Deposits from the balance of Rs. 4,436 lakhs taken over by WLM as mentioned above. We have not been provided with any copy of No Objection Certificate (NOC) from the Land owners. Further, the ownership of WLM in such property has not been satisfactorily explained to us.

- ii. As reported earlier, the Group had advanced Rs. 23,888 lakhs to Somerset Infra Projects Pvt Limited (Somerset) for acquiring immovable properties and for transfer of development rights (TDR) in various cities like Chennai, Cochin, Bangalore, on behalf of the Group. Somerset has failed to procure land and/or the licensed TDR Rights as per the agreement and has not refunded the money. The Group had made full provision for the said advance over the last four years and has already written off an amount of Rs. 22,660 lakhs in respect two of subsidiaries of the Group without taking any legal action for recovery post obtaining necessary approvals from shareholders in the general meeting. During the previous quarter and nine months, an amount of Rs. 500 lakhs received earlier from a third party towards assignment of the recovery of such advance has now been adjusted with this balance.

In respect of the remaining balance of Rs. 728 lakhs receivable, we have been informed that WLM has taken over this liability from Somerset and has subsequently assigned the rights of a certain villa in the project "True Blue Napa Valley" to the Company by way of MOU dated 29.09.2021. However, the ownership of WLM in such property has not been satisfactorily explained to us.

The board of the Holding Company in its 155th meeting has approved for filing of insolvency petition by the wholly owned subsidiary companies NHDPL South Private Limited and NUDPL Ventures Private Limited against Somerset with the NCLT for recovery of such advances. However, we have not been provided with any document regarding such petition filed.

- d. In the previous quarter, the Group had written back loan outstanding along with accrued interest amounting to Rs. 3,763 lakhs pertaining to a term loan from HDFC Limited against a transferred Company project Park Avenue and also a term loan from Sriram City Union Finance Limited (SCUFL) pertaining to Company project Logos, both of which has been waived off by HDFC Limited and SCUFL respectively. Such waiver has been verified on the basis of the documents made available for our verification. (Refer note 11 and 12 of the statement)

Bank/Financial Institution	Project Name	Principal	Accrued Interest	Total
HDFC Limited	Park Avenue	2,422	1,057	3,479
SCUFL	Logos	284	-	284
Total		2,706	1,057	3,763



- e. The Group has not renewed the registration of project "Rio" under the provisions of Real Estate (Regulation and Development) Act, 2016 since 31st March 2019, resulting in non-compliance under the relevant rules and regulations of the Real Estate (Regulation and Development) Act, 2016
- f. The Gratuity plan of the Group is unfunded as at 31st December, 2021 and the Group has made provision for the entire Gratuity Liability. Employee Gratuity Liability is being met as and when they fall due. As per the Trust Fund Statement from LIC, the Policy Account Value (PAV) is Rs. 4 lakhs as compared to Gratuity Liability of Rs. 111 lakhs as on 31.12.2021 accrued in books of accounts. We are unable to comment on the assets that are maintained by the Group and whether there is a liquidity risk that the Group may run out of cash resources which may further affect the financial position of the Group.
- g. Based on the verification of books of accounts, during the quarter and the nine months period ended 31st December 2021, the Holding Company has granted unsecured loans or advances amounting to Rs. 435 lakhs to NHDPL South Private Limited and Rs. 88 lakhs to NUDPL Ventures Private Limited, as listed in the register maintained under section 189 of the Act. The Group has not provided us with any information or necessary documents or details in respect of such fresh loans and advances given to the subsidiary without realization of the previous loans or advances.
- h. Certain Managerial personnel duly appointed by members have intimated the Board in the previous quarter that they would be foregoing their remuneration retrospectively from their respective date of the appointment in order to comply with the provisions of section 197(1) of the Companies Act, 2013 since lender's approval prior to such appointment was not obtained. Necessary approval from the Board is yet to be obtained in this regard.
- i. Effect of COVID-19: We draw attention to note no. 15 of the unaudited consolidated financial results, which describes the economic and social consequences/disruption that the entity is encountering as a result of the COVID-19 pandemic that has impacted supply chains and consumer demand across the Country and has negatively affected the business of the Group. The situation is still evolving and the management's assessment of the impact of the pandemic on subsequent periods is dependent on the circumstances as they evolve.

Our conclusion is not modified in respect of the above matters.

7. We did not review the financial results of one subsidiary Lob Property Management Private Limited included in the consolidated unaudited financial results, whose interim financial results reflect total revenues of Rs. 81 lakhs, total net profit/(loss) after tax of Rs. (88) lakhs and total comprehensive income/ loss amounting to Rs. (88) lakhs for the nine months ended December 31, 2021. Such interim financial results do not reflect the total asset position as at 31st December 2021 and the related cash flows for



RAY & RAY
CHARTERED ACCOUNTANTS

the nine month period ended 31st December 2021. The unaudited financial results and other financial information for the subsidiary has been reviewed by the other auditor and whose report has been furnished to us by the Management. Our conclusion on the unaudited quarter and nine months financial results, in so far as it relates to such subsidiary, is based solely on the report of the other auditor and the procedures performed by us as stated in paragraph 3 above.

RAY & RAY
Chartered Accountants

(Firm's Registration No. 301072E)



Shipra Gupta

(Shipra Gupta)
Partner

Place: Bengaluru

Date: February 11, 2022

Membership No. 436857
UDIN: 22436857ABIZKU3963

NEL Holdings South Limited
(Formerly Known as NEL Holdings Limited)
Regd. Office: No. 110, Level 1 Andrews Building, M.G.Road Bangalore KA 560001 IN
CIN: L07010KA2004PLC033412, website - www.nelholdings.in
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Consolidated Segment wise revenue, results for the period ended December 31, 2021

(Rs in lakh except EPS)

No	Particulars	Quarter ended			Period ended		Previous year ended 31-03-2021
		3 months ended 31-12-2021	3 months ended 30-09-2021	Corresponding 3 months ended 31-12-2020	Year to date figures for current period ended 31-12-2021	Year to date figures for previous year ended 31-12-2020	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Segment revenue						
	(a) Residential	1,645	4,015	5,945	7,139	7,025	12,482
	(b) Facility Management	23	22	-	80	-	-
	Total	1,668	4,037	5,945	7,219	7,025	12,482
	Less: Inter-segment revenue	-	-	-	-	-	-
	Net income from operations	1,668	4,037	5,945	7,219	7,025	12,482
2	Segment results						
	Profit/(loss) before tax and interest						
	(a) Residential	(692)	2,416	(856)	1,413	(25,028)	(27,923)
	(b) Facility Management	(15)	(12)	-	(18)	-	-
	Total	(708)	2,404	(856)	1,395	(25,028)	(27,923)
	Add: Other income	124	18,364	5	18,589	22,685	22,708
	Less: Interest	2,093	2,435	2,913	6,616	11,678	13,058
	Total profit/(loss) before tax	(2,677)	18,333	(3,764)	13,368	(14,021)	(18,272)
3	Segment Assets						
	(a) Residential	93,556	1,00,911	1,50,221	93,556	1,50,221	1,09,073
	(b) Facility Management	756	752	-	756	-	-
	(c) Unallocated	29,758	29,784	52,226	29,758	52,226	54,755
	Total	1,24,072	1,31,447	2,02,447	1,24,072	2,02,447	1,63,827
4	Segment Liabilities						
	(a) Residential	1,43,097	1,48,560	2,21,950	1,43,097	2,21,950	1,94,366
	(b) Facility Management	1,829	1,746	-	1,829	-	-
	(c) Unallocated	51,364	50,578	70,976	51,364	70,976	68,695
	Total	1,96,290	2,00,885	2,92,926	1,96,290	2,92,926	2,63,061



(Rs in lakh
except EPS)

Statement of unaudited Consolidated financial results for quarter and nine month ended December 31, 2021

No	Particulars	Quarter ended			Period ended		Previous year ended 31-03-2021
		3 months ended 31-12-2021	3 months ended 30-09-2021	Corresponding 3 months ended 31-12-2020	Year to date figures for current period ended 31-12-2021	Year to date figures for previous year ended 31-12-2020	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Income						
	(a) Revenue from operations	1,668	4,037	5,945	7,219	7,025	12,482
	(b) Other Income	124	18,364	5	18,589	22,685	22,708
	Total Income	1,792	22,401	5,950	25,808	29,710	35,190
2	Expenses						
	(a) Land and construction cost	1,787	1,245	(16,808)	4,535	(16,327)	11,702
	(b) Changes in Inventories of Finished goods, work in progress & Stock in Trade	-	-	19,690	-	19,761	(634)
	(c) Employee benefits expense	178	182	185	532	575	754
	(d) Finance costs	2,094	2,435	2,913	6,616	11,678	13,058
	(e) Depreciation and amortization expense	2	2	7	7	17	23
	(f) Other Expenses	407	204	3,727	750	28,027	28,560
	Total Expenses	4,468	4,067	9,715	12,440	43,731	53,462
3	Profit/(Loss) before exceptional items and tax (1-2)	(2,676)	18,333	(3,764)	13,368	(14,021)	(18,272)
4	Exceptional items	(61)	(18,272)	(290)	10,696	5,872	5,601
5	Profit/(Loss) before tax (3+4)	(2,737)	61	(4,054)	24,064	(8,149)	(12,671)
6	Tax expenses						
	i) Current Tax	18	29	82	55	82	-
	ii) Deferred tax	(21)	(24)	(73)	(27)	7,872	7,842
7	Profit/(Loss) after tax for the period (3-6)	(2,734)	56	(4,063)	24,036	(16,103)	(20,513)
8	Share of Profit/(loss) of an Associate/ a Joint Venture (net of tax)	-	-	-	-	-	-
9	Profit/(Loss) after taxes and share of Profit/ (loss) of Associate/Joint Venture (7+8)	(2,734)	56	(4,063)	24,036	(16,103)	(20,513)
	Attributable to:						
	(i) owners of the parent Group	(2,734)	56	(4,063)	24,036	(16,103)	(20,513)
	(ii) non-controlling interests	-	-	-	-	-	-
10	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit & Loss						
	(ii) Remeasurement of Defined Benefit Plan	(165)	(20)	(27)	(73)	(83)	161
	(iii) FVOCI - equity investments	-	-	-	-	-	-
	(iv) Tax on above items that will not be reclassified to profit or loss	45	9	5	20	13	(29)
	Total Other Comprehensive Income	(120)	(11)	(23)	(53)	(70)	132
	Total Comprehensive Income for the period (Comprising profit/(loss) and Other Comprehensive Income for the period (9+10))	(2,854)	45	(4,086)	23,983	(16,173)	(20,381)
	Attributable to:						
	(i) owners of the parent Group	(2,854)	45	(4,086)	23,983	(16,173)	(20,381)
	(ii) non-controlling interests	-	-	-	-	-	-
12	Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.) (not annualised)						
	(a) Basic	(1.87)	0.04	(2.79)	16.48	(11.04)	(14.07)
	(b) Diluted	(1.87)	0.04	(2.79)	16.48	(11.04)	(14.07)
13	Paid up equity share capital (Face Value of 10/-each)	14,583	14,583	14,583	14,583	14,583	14,583

Notes to the financial results:

1 The above consolidated financial results have been reviewed by the Audit committee and approved by the Board of Directors of the Company at its meeting held on 11th February, 2022. The figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year upto 31st December, 2021 and the unaudited published year-to-date figures upto 31st December, 2021, being the date of the end of the third quarter of the financial year which were subject to limited review by the statutory auditors.

These Consolidated financial results presented above is prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. These results are uploaded on the Company website i.e. www.nelholdings.in and on the Stock Exchanges where the shares of the Company are listed i.e. www.bseindia.com. These results include the result of the following subsidiary companies.

Subsidiaries: NHDPL South Private Limited (Formerly known as NHDPL Properties Private Limited), NUDPL Ventures Private Limited (Formerly known as NUDPL Enterprises Private Limited), LOB Property Management Private Limited.

2 The Company primarily operates in two business segments - 'Residential' and 'Facility Management'. All operations are in India and hence there is no geographical segment.

3 Statement of unaudited Consolidated financial results for quarter and nine month ended December 31, 2021

No	Particulars	Quarter ended			Period ended		Previous year ended 31-03-2021
		3 months ended 31-12-2021	3 months ended 30-09-2021	Corresponding 3 months ended 31-12-2020	Year to date figures for current year ended 31-12-2021	Year to date figures for previous year ended 31-12-2020	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
a	Revenue from Operations	461	1,040	1,906	2,260	2,707	7,372
b	Profit/(Loss) before tax	(607)	1,417	(5,977)	16,688	(4,635)	(7,465)
c	Profit/(Loss) after tax	(613)	1,388	(6,000)	16,620	(5,366)	(8,127)

4 Ind AS 116 "Leases" mandatory for reporting periods beginning on or after 1st April, 2019 as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2019, replacing the existing lease rental recognition criteria. However, it is not applicable for the Company as it does not hold any leases valid for more than 12 months as at 31st December, 2021.



- 5 The Company has exited Caesars Palace Project to M/s. BRS Associates in second quarter. RERA approval for this project has been obtained for the same.
- 6 The Subsidiary Company, viz NUDPL Enterprises Private Limited (Formerly NUDPL Ventures Private Limited) has exited Cape Cod Project via Business Transfer Agreement (BTA) that has been executed and transferred the assets and liabilities of the projects to M/s. Inesa Ventures LLP. RERA approval for this project has been obtained in the name of M/s. Inesa Ventures LLP.
- 7 The Subsidiary Company, viz NHDPL South Private Limited (Formerly known as NHDPL Properties Private Limited) is in the process of exiting Melbourne Park project to M/s. VDB Infra & Realty Pvt Ltd through MOU. RERA approval for this project is being applied. 102 customers to the extent of Rs. 8.40 crores is refunded as of current quarter.
- 8 The Holding Company alongwith its two subsidiaries viz. NHDPL South Private Limited (formerly NHDPL Properties Private Limited) and NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited) has defaulted on payment to two lenders, Principal (Rs 71,497 lakhs) as on 31st December, 2021 as the facilities have been called off by the banks & financial institutions and entire facility has become due for payment. The penal interest 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.
- 9 The Holding Company has divested 85% of its holding in NIRPL Ventures Pvt Ltd (formerly known as Nitesh Indiranagar Retail Private Limited) in the second quarter. Consequent to said divestment, NIRPL ceases to be the subsidiary of the Company as on 26th August 2021.
- 10 The Holding Company has divested 100% of its holding (along with holding in NUDPL) in Courtyard Hospitality Private Limited (Formerly known as Courtyard Constructions Private Limited) in the current quarter. Consequent to said divestment, CHPL ceases to be the subsidiary of the Company as on 30th September 2021.
- 11 The Company has settled the outstanding loan of M/s. Shriram City Union Finance Ltd (SCUF) in the first quarter and the outstanding balance of Rs. 9.29 crores has been settled at Rs. 6.45 cores. Consequently Rs. 2.84 crores is written back in our records.
- 12 The Company has exited Park Avenue, Knightsbridge, Virgin Island & Napa Valley projects and entered in to one time settlement with the lenders against loan outstanding for said projects. Accordingly the company has written back classified Rs. 273.01 crores in first quarter as the bank has released its charge on such projects.
- 13 The Company has been engaged with Yes Bank in relation to closure of Commissariat road project Loan or which Yes bank has principally agreed for a settlement of the said loan for Rs. 30 Crs. In view of this, Company has written back the interest of Rs. 14.43 crores in first quarter.
- 14 In respect of Plaza project, the company has reclassified the outstanding interest amount of Rs. 37.28 crs as disputed liability in first quarter.
- 15 The outbreak of second wave of COVID-19 pandemic has significantly impacted global businesses environment. The restriction of human movement through nationwide lockdown during the period from 27th April, 2021 to 21st June, 2021 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. Same situation is continuing in the FY 2021-22 due to pandemic outbreak.
- 16 **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. As per the management with these exits of residential projects and the debt coming down, the company is hopeful of revival in the coming years.
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.
- 17 The figures in respect of previous period have been regrouped/recast wherever necessary.

For and on behalf of the Board of Directors of
NEL Holdings South Limited
(Formerly Known as NEL Holdings Ltd)


Rajeev Khanna
DIN : 07143405
Director Finance & Chief Financial Officer

Place: Bengaluru, India
Date : 11th February 2022



RAY & RAY

CHARTERED ACCOUNTANTS

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Independent Auditor's Report on unaudited standalone financial results of NEL HOLDINGS SOUTH LIMITED for quarter and nine months ended December 31, 2021 Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

INDEPENDENT AUDITOR'S REVIEW REPORT

TO
THE BOARD OF DIRECTORS OF
NEL HOLDINGS SOUTH LIMITED (FORMERLY KNOWN AS NEL HOLDINGS LIMITED)

1. We have reviewed the accompanying statement of Unaudited Standalone Financial Results of **NEL HOLDINGS SOUTH LIMITED** ("the Company") for the quarter and nine months ended December 31, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations 2015").
2. This statement which is the responsibility of the Company's Management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' (Ind AS 34) prescribed under Section 133 of the Companies Act, 2013, (the 'Act') read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial statements based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.



4. Attention is drawn to the following matters and other matters disclosed in the Notes of the Statement which are the subject matter of adverse conclusion as given in Para 5 below:

- a) 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. The Statement does not adequately disclose this fact.

The Company is in the process of exiting the projects and settling the loans from banks, financial institutions and creditors etc. Although these transactions have reduced the liability of the Company to banks and financial institutions, the ability of the Company to continue as a going concern remains uncertain in view of the above.

As the Company has not recognized this fact and has prepared the Unaudited Standalone Financial Results on a going concern assumption basis without carrying out any adjustments, the same may not give a true and fair view.

- b) The Company has accounted for Principal amount of Rs. 34,497 lakhs, Accrued Interest of Rs. 7,705 lakhs and Disputed Liability of Rs. 3,728 lakhs in its books of account as total outstanding to banks and financial institution as on 31st December, 2021. All the banks and financial institutions have declared the outstanding loan accounts of the company as Non-Performing Accounts (NPA) in the earlier years.

In relation to a loan taken from Yes Bank for the Commissariat Road (Soho) Project, the Bank has principally agreed for settlement of the loan for Rs. 3,000 lakhs. The Company has not provided any further interest on this loan since the previous year. Further, the Company has in the previous quarter written back to income, accrued interest amounting to Rs. 1,443 lakhs without any confirmation from the Bank in this regard. Due to non-availability of any information of such settlement, we are unable to comment on the non-provisioning and on the basis for such write back of interest. (Refer to note 12 of the Statement).

During the quarter and nine months, the Company has not provided interest for the loan outstanding from Yes Bank against the Plaza Project. Further, the Company has classified the interest outstanding as on March 31, 2021 amounting to Rs. 3,728 lakhs, to the extent allocated to the project, as a disputed liability without any confirmation from the Bank in this regard. The basis and documentation for such non provision of interest and classification as a disputed liability was not made available for our verification. (Refer to note 11 of the Statement).



- c) Penal interest on default on payment to banks and financial institution has not been provided for in the books of account of the Company. (Refer to note 5 of the Statement)
- d) During the previous year, the Company has sold/disposed two projects viz, Knightsbridge and Virgin Island. The remaining balance of the term loan related to these projects amounting to Rs 11,402 lakhs in respect of the borrowing from HDFC Limited has been written back as income in previous quarters. (Refer note 10 of the statement). We have not been provided with the necessary documentation or other appropriate correspondence with HDFC Limited regarding the waiver of such loans and interest outstanding.

(Rs. In lakhs)

Project Name	Principal	Interest	Total
Knightsbridge	-	256	256
Virgin Island	8,146	3,000	11,146
Total	8,146	3,256	11,402

- e) The outstanding balance of advances collected from customers in earlier years pertaining to closed/ suspended residential projects, which have been abandoned, amounts to Rs. 426 lakhs as on the reporting date. Such receipts are in the nature of deemed deposits under Rule 2(c) (xii) (b) of the Companies Acceptance of Deposit (Rules) 2014 and is within the purview of the provisions of sections 73 to 76 of the Companies Act, 2013.
- f) In spite of negative net worth of the subsidiaries, the Company has not accounted for impairment of Rs. 5,191 lakhs against the advances given to them, resulting in the understatement of loss and overstatement of net worth by the said amount. The Company has further disbursed fresh advance amounting to Rs. 26 lakhs during the nine months for which no document has been provided to us for our verification and which in our opinion is a matter of concern and is prejudicial to the interest of the Company.
- g) The Company has not tested impairment of its projects' CWIP and Inventories amounting to Rs 8,835 lakhs and Rs 2,957 lakhs (Net of "Payable to land owner for land under JDA") respectively, for ascertaining the realizable value as on 31st December, 2021. To the extent of any possible diminution of value not accounted for, the unaudited standalone financial statements may not give a true and fair view as per the requirement of Ind AS 2.
- h) Balance confirmation certificates in respect of trade receivables, trade payables, vendor advances, advance from customers and a few other advances, have not been provided for our verification and record. In absence of adequate evidence, we are unable to ascertain as to whether any further provision may be necessary with respect to the carrying amounts of these balances as on the reporting date. Trade



Receivable amounting to Rs. 88 lakhs as on 31st December, 2021 has not been considered for impairment loss based on expected credit loss method as per requirement of Ind AS 109.

- i) As per the records of the Company and information and explanations provided to us, the Company has been irregular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, Goods and Services tax, cess. The GST department has suo moto suspended the GST registration of the Company on June 15, 2021. The Company also has a receivable balance of Rs.1,195 lakhs from various government authorities. Due to such statutory non compliances, we are unable to comment on the actual recoverability of such balance.
- j) The Company has an outstanding liability of Rs. 326 lakhs towards employee payable as on 31st December, 2021. Due to non-availability of additional information and ageing, we are unable to comment on the applicability of related statutory compliances or on the requirement of any further provision.

Further, during the quarter, out of the above liability, the Company has written back employee payable to the extent of Rs. 38.81 lakhs, without any communication with the concerned employees.

- k) The Company has neither ascertained nor accounted for MAT and Deferred Tax Liabilities arising on account of write back of loans from financial institutions and difference in revenue recognition respectively, on the reporting date and its adjustment in the Statement of Profit & Loss during the quarter and nine months period.
 - l) The Company has an investment in Whitefield Housing Enterprises (Whitefield) amounting Rs 1,008 lakhs on the reporting date. Due to non-availability of the financial statements of Whitefield, we are unable to comment on the status of the investment.
5. Based on our review conducted as above, due to the significance of the matters stated in Para 4 above and it's consequential impact on the unaudited financial results for the quarter and nine months ended December 31, 2021, we are of the view that the Statement read with notes thereon have not been prepared fairly in all material respect in accordance with aforesaid Indian Accounting Standards specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies, and has not disclosed fairly the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



Emphasis of Matter

We draw attention to the fact that:

- a. The Company has given unsecured advance amounting to Rs. 1,887 lakhs to WLM Logistics Parks Private Limited (formerly known as Winter Lands Private Limited) (WLM) for acquiring various immovable properties on behalf of the Company for which no Joint Development Agreement (JDA) could be produced to us. We have been informed that WLM is not in a position to honor its commitment or repay the advance. The management is of the view that provision for the same is not required as, WLM has sought to transfer its JDA rights in the Project at Commissariat Road, Bengaluru, to the extent of 9920 Sq. feet to the Company by way of Memorandum of Understanding (MOU). In this context, we have not been provided with any copy of No Objection Certificate (NOC) from the Land owners and also the basis of the valuation has not been satisfactorily explained to us.

During the quarter, the Company has received Rs. 5.30 lakhs as advance from WLM. We have not been provided any documentation or explanation in respect of and such transactions.

In addition to the existing liability, WLM has acquired the following liabilities of Boulevard and Somerset as provided below:

- i. As reported earlier, the Company has given unsecured advance amounting to Rs. 3,515 lakhs to Boulevard Developers Private Limited (Boulevard) for acquiring various immovable properties on behalf of the Company for which no Joint Development Agreements (JDA) could be produced to us. We have been informed that Boulevard is not in a position to honor its commitment and repay the advance. The Company had fully provided for the same in the previous financial year.

During the previous quarter, this outstanding amount of Rs. 3,515 lakhs repayable to the Company by Boulevard has been taken over by WLM. Correspondingly, the provision against such advance has also been transferred to WLM.

The Company has entered into an MOU with WLM agreeing to enter into a JDA for development of Residential Layouts. In respect of this MOU, the Company has agreed to adjust an amount of Rs. 3,000 lakhs towards an interest free Refundable Security Deposits from the balance of Rs. 3,515 lakhs taken over by WLM as mentioned above. We have not been provided with any copy of No Objection Certificate (NOC) from the Land owners. Further, the ownership of WLM in such property has not been satisfactorily explained to us.



- ii. As reported earlier, the Company had advanced Rs. 1,228 lakhs to Somerset Infra Projects Private Limited (Somerset) for acquiring immovable properties and for transfer of development rights (TDR) in various cities like Chennai, Cochin, Bangalore, on behalf of the Company. Somerset has failed to procure land and/ or the licensed TDR Rights as per the agreement and has not refunded the money. The Company had made full provision for the said advance over the last four years without taking any legal action for recovery. During the previous / quarter and nine months, an amount of Rs. 500 lakhs received earlier from a third party towards assignment of the recovery of such advance has now been adjusted with this balance.

In respect of the remaining balance of Rs. 728 lakhs receivable, WLM has taken over this liability from Somerset and has subsequently assigned the rights of a certain villa in the project "True Blue Napa Valley" to the Company by way of MOU dated 12.08.2021. However, the ownership of WLM in such property has not been satisfactorily explained to us.

- b. In the previous quarter, the Company had written back loan outstanding along with accrued interest amounting to Rs. 3,763 lakhs pertaining to a term loan from HDFC Limited against a transferred Company project Park Avenue and also a term loan from Sriram City Union Finance Limited (SCUFL) pertaining to Company project Logos, both of which has been waived off by HDFC Limited and SCUFL respectively. Such waiver has been verified on the basis of the documents made available for our verification. (Refer note 9 and 10 of the statement)

Bank/Financial Institution	Project Name	Principal	Accrued Interest	Total
HDFC Limited	Park Avenue	2,422	1,057	3,479
SCUFL	Logos	284	-	284
Total		2,706	1,057	3,763

- c. The Company has not renewed the registration of project "Rio" under the provisions of Real Estate (Regulation and Development) Act, 2016 since 31st March 2019, resulting in non-compliance under the relevant rules and regulations of the Real Estate (Regulation and Development) Act, 2016
- d. The Gratuity plan of the Company is unfunded as at 31st December, 2021 and the Company has made provision for the entire Gratuity Liability. Employee Gratuity Liability is being met as and when they fall due. As per the Trust Fund Statement from LIC, the Policy Account Value (PAV) is Rs. 141.98 (absolute figure) as compared to Gratuity Liability of Rs. 95 lakhs as on 31.12.2021 accrued in books of accounts. We are unable to comment on the assets that are maintained by the Company and whether there is a liquidity risk that the Company may run out of cash resources which may further affect the financial position of the Company.



- e. Certain Managerial personnel duly appointed by members have intimated the Board in the previous quarter that they would be foregoing their remuneration retrospectively from their respective date of appointment in order to comply with the provisions of section 197(1) of the Companies Act, 2013 since lender's approval prior to such appointment was not obtained. Necessary approval from the Board is yet to be obtained in this regard.
- f. Effect of COVID-19: We draw attention to note no. 13 of the Statement, which describes the economic and social consequences/disruption that the entity is encountering as a result of the COVID-19 pandemic that has impacted supply chains and consumer demand across the Country and has negatively affected the business of the Company. The situation is still evolving and the management's assessment of the impact of the pandemic on subsequent periods is dependent on the circumstances as they evolve.

Our conclusion is not modified in respect of these above matters.

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



Shipra Gupta

(Shipra Gupta)
Partner

Membership No. 436857
UDIN:22436857ABIYGP2628

Place: Bengaluru

Date: February 11, 2022

NEL Holdings South Limited
(Formerly Known as NEL Holdings Limited)
Regd. Office: No. 110, Level 1 Andrews Building, M.G.Road Bangalore KA 560001 IN
CIN: L07010KA2004PLC033412, website - www.nelholdings.in
Phone Number: +91 80 4017 4000



Standalone Segment wise revenue, results for the period ended December 31, 2021

(Rs in lakh except EPS)

No	Particulars	Quarter ended			Period ended		Previous year ended 31-03-2021
		3 months ended 31-12-2021	3 months ended 30-09-2021	Corresponding 3 months ended 31-12-2020	Year to date figures for current period ended 31-12-2021	Year to date figures for previous year ended 31-12-2020	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Segment revenue						
	(a) Residential	461	1,040	1,906	2,260	2,707	7,372
	(b) Facility Management	-	-	-	-	-	-
	Total	461	1,040	1,906	2,260	2,707	7,372
	Less: Inter-segment revenue	-	-	-	-	-	-
	Net income from operations	461	1,040	1,906	2,260	2,707	7,372
2	Segment results						
	Profit/(loss) before tax and interest						
	(a) Residential	(247)	(15,696)	(4,765)	311	1,762	(1,089)
	(b) Facility Management	-	-	-	-	-	-
	Total	(247)	(15,696)	(4,765)	311	1,762	(1,089)
	Add: Other income	146	17,613	60	17,906	170	243
	Less: Interest	510	500	1,273	1,530	6,567	6,619
	Total profit/(loss) before tax	(610)	1,418	(5,978)	16,688	(4,635)	(7,465)
3	Segment Assets						
	(a) Residential	50,370	55,405	92,580	50,370	92,580	67,985
	(b) Facility Management	-	-	-	-	-	-
	(c) Unallocated	-	-	-	-	-	-
	Total	50,370	55,405	92,580	50,370	92,580	67,985
4	Segment Liabilities						
	(a) Residential	1,23,593	1,28,016	1,79,697	1,23,593	1,79,697	1,57,788
	(b) Facility Management	-	-	-	-	-	-
	(c) Unallocated	-	-	-	-	-	-
	Total	1,23,593	1,28,016	1,79,697	1,23,593	1,79,697	1,57,788



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(Rs in lakh
except EPS)

Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2021

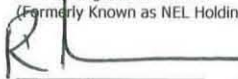
No	Particulars	Quarter ended			Period ended		Previous year ended 31-03-2021
		3 months ended 31-12-2021	3 months ended 30-09-2021	Corresponding 3 months ended 31-12-2020	Year to date figures for current period ended 31-12-2021	Year to date figures for previous year ended 31-12-2020	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(a) Revenue from operations	461	1,040	1,906	2,260	2,707	7,372
	(b) Other Income	147	17,613	60	17,906	170	243
	Total Income	608	18,653	1,966	20,166	2,877	7,615
2	Expenses						
	(a) Land and construction cost	192	(1,079)	(3,076)	(85)	(3,003)	9,710
	(b) Changes in Inventories of Finished goods, work in progress & Stock in Trade	-	-	5,549	-	5,781	-
	(c) Employee benefits expense	153	158	186	462	460	556
	(d) Finance costs	508	500	1,273	1,530	6,567	6,619
	(e) Depreciation and amortization expense	2	2	4	6	10	13
	(f) Other Expenses	360	184	3,717	705	4,007	4,259
	Total Expenses	1,215	(234)	7,655	2,617	13,822	21,157
	Exceptional items	(0)	(17,470)	(289)	(861)	6,310	6,077
3	Profit/(Loss) before tax (1-2)	(607)	1,417	(5,977)	16,688	(4,635)	(7,465)
4	Tax expenses						
	i) Tax for previous years	10	37	29	55	82	
	ii) Current Tax						
	iii) Deferred tax	(4)	(8)	(5)	13	649	662
5	Profit/(Loss) after tax for the period (3-4)	(613)	1,388	(6,000)	16,620	(5,366)	(8,127)
6	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit & Loss	16	(21)	17	(53)	52	
	(ii) Remeasurement of Defined Benefit Plan	-	-	-	-	-	115
	(iii) FVOCI - equity investments	-	37	-	-	-	(29)
	(iv) Tax on above items that will not be reclassified to profit or loss	(4)	(8)	(4)	13	(13)	
	Total Other Comprehensive Income	12	8	13	(40)	39	86
7	Total Comprehensive Income for the period (Comprising profit/(loss) and Other Comprehensive Income for the period (5+6))	(601)	1,396	(5,987)	16,580	(5,327)	(8,041)
8	Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.) (not annualised)						
	(a) Basic EPS	(0.42)	0.95	(4.11)	11.40	(3.68)	(5.57)
	(b) Diluted EPS	(0.42)	0.95	(4.11)	11.40	(3.68)	(5.57)
9	Paid up equity share capital (Face Value of 10/-each)	14,583	14,583	14,583	14,583	14,583	14,583



Notes to the financial results:

- 1 The above standalone financial results have been reviewed by the Audit committee and approved by the Board of Directors of the Company at its meeting held on 11th February, 2022. The statutory auditors have conducted a limited review of the standalone Financial Results of the Company for the period ended 31st December, 2021.
- 2 These standalone financial results information presented above is prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. These results are uploaded on the Company website i.e. www.nelholdings.in and on the Stock Exchanges where the shares of the Company are listed i.e. www.bseindia.com.
- 3 Ind AS 116 "Leases" mandatory for reporting periods beginning on or after 1st April, 2019 as notified by the Ministry of Corporate Affairs (MCA) vide Companies (Indian Accounting Standard), Amendment Rules, 2019, replacing the existing lease rental recognition criteria. However, it is not applicable for the Company as it does not hold any leases valid for more than 12 months as at 31st December, 2021.
- 4 The Company has exited Caesars Palace Project to M/s. BRS Associates in second quarter. RERA approval for this project has been obtained for the same.
- 5 The Company has defaulted on payment to two lenders, Principal (Rs 34,497 lakhs) as on 31st December, 2021 as the facilities have been called off by the banks & financial institutions and entire facility has become due for payment. The penal interest 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.
- 6 The Company primarily operates in two business segments - 'Residential' and 'Facility Management'. All operations are in India and hence there is no geographical segment.
- 7 The Company has divested 85% of its holding in NIRPL Ventures Pvt Ltd (formerly known as Nitesh Indiranagar Retail Private Limited) in the second quarter. Consequent to said divestment, NIRPL ceases to be the subsidiary of the Company as on 26th August 2021.
- 8 The Company has divested 100% of its holding (along with holding in NUDPL) in Courtyard Hospitality Private Limited (Formerly known as Courtyard Constructions Private Limited) in the second quarter. Consequent to said divestment, CHPL ceases to be the subsidiary of the Company as on 30th September 2021.
- 9 The Company has settled the outstanding loan of M/s. Shriram City Union Finance Ltd (SCUF) in the first quarter and the outstanding balance of Rs. 9.29 crores has been settled at Rs. 6.45 crores. Consequently Rs. 2.84 crores is written back in our records.
- 10 The Company has exited Park Avenue, Knightsbridge and Virgin Island projects and entered in to one time settlement with the lenders against loan outstanding for said projects. Accordingly the company has written back classified Rs. 148.81 crores in first quarter as the bank has released its charge on such projects.
- 11 In respect of Plaza project, the company has reclassified the outstanding interest amount of Rs. 37.28 crs as disputed liability in first quarter.
- 12 The Company has been engaged with Yes Bank in relation to closure of Commissariat road project Loan or which Yes bank has principally agreed for a settlement of the said loan for Rs. 30 Crs. In view of this, Company has written back the interest of Rs. 14.43 crores in first quarter.
- 13 The outbreak of second wave of COVID-19 pandemic has significantly impacted global businesses environment. The restriction of human movement through nationwide lockdown during the period from 27th April, 2021 to 21st June, 2021 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. Same situation is continuing in the FY 2021-22 due to pandemic outbreak.
- 14 **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. As per the management with these exits of residential projects and the debt coming down, the company is hopeful of revival in the coming years.
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.
- 15 The figures in respect of previous period have been regrouped/recast wherever necessary.

For and on behalf of the Board of Directors of
NEL Holdings South Limited
(Formerly Known as NEL Holdings Limited)



Rajeev Khanna
DIN : 07143405
Director Finance & Chief Financial Officer

Place: Bengaluru, India
Date : 11th February 2022

