

NEL

Holdings South Limited

November 12, 2021

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

Dear Sir / Madam,

Sub.: Outcome of the Board Meeting held on November 12, 2021

As intimated vide our letter NEL/027/2021-22 dated 06.11.2021, the Board of Directors of the Company met today i. e on November 12, 2021 and amongst other businesses, have considered and approved the unaudited Standalone and Consolidated Financial Results of the Company for the quarter and half year ended on 30th September, 2021.

The unaudited Financial Results on Standalone and Consolidated basis along with the Limited Review Report of the Statutory Auditors thereon are enclosed.

The meeting concluded at 8.45 PM.

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 standalone financial results of NEL HOLDINGS SOUTH LIMITED for quarter and half year ended September 30, 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 half year ended September 30, 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. 34,617 lakhs, Accrued Interest of Rs. 7,169 lakhs and Disputed Liability of Rs. 3,728 lakhs in its books of account as total outstanding to banks and financial institution as on 30th September, 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 half year, 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 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 quarter. (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 now been abandoned, amounts to Rs. 446 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. 5,197 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 Rs. 26 lakhs during the half year 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 3,022 lakhs (Net of "Payable to land owner for land under JDA") respectively, for ascertaining the realizable value as on 30th September, 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 30th September, 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.1,220 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. 356 lakhs towards employee payable as on 30th September, 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.
 - 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 half year.
 - 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.
 - m) The presentation of the Cash Flow Statement in the financial results is not as per the disclosure requirement of Ind AS 7.
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 half year ended September 30, 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.

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 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 quarter and half year, 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 project Park Avenue and Sriram City Union Finance Limited (SCUFL) pertaining to Company project Logos, 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 30th September, 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. 94 lakhs as on 30.09.2021 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. As reported earlier, the Company is in the process of revising the budgeted cost of completion for the projects held in Inventory. During the quarter and half year ended 30th September, 2021, the Company has sold certain units of its two projects, the cost of sale of which will be readjusted to reflect the revised budgeted cost.
- f. Managerial personnel duly appointed by the members have intimated the Board that they are forgoing the remuneration retrospectively from their respective date of the appointments for compliance with the provisions of section 197(1) of the Companies Act, 2013. The same is subject to approval from the board.



- g. 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

Place: Bengaluru

Date: November 12, 2021

(Shipra Gupta)
Partner
Membership No. 436857
UDIN: 21436857AAAABX8046.



Statement of unaudited standalone financial results for the period ended September 30, 2021

(Rs in lakh except EPS)

No	Particulars	Quarter ended			Period ended	
		3 months ended 30-09-2021	3 months ended 30-06-2021	Corresponding 3 months ended 30-09-2020	Year to date figures for current period ended 30.09.2021	Year to date figures for previous year ended 31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income					
	(a) Revenue from operations	1,040	759	481	1,799	7,372
	(b) Other Income	17,613	146	62	17,760	243
	Total Income	18,653	905	543	19,559	7,615
2	Expenses					
	(a) Land and construction cost	(1,079)	801	35	(277)	9,710
	(b) Changes in Inventories of Finished goods, work in progress & Stock in Trade	-	-	185	-	-
	(c) Employee benefits expense	158	150	134	308	556
	(d) Finance costs	500	520	1,997	1,020	6,619
	(e) Depreciation and amortization expense	2	2	3	4	13
	(f) Other Expenses	184	160	161	345	4,259
	Total Expenses	(234)	1,633	2,515	1,400	21,157
	Exceptional items	(17,470)	16,608	6,599	(861)	6,077
3	Profit/(Loss) before tax (1-2)	1,417	15,880	4,627	17,298	(7,465)
4	Tax expenses					
	i) Tax for previous years	37	8		37	
	ii) Current Tax			53		
	iii) Deferred tax	(8)	25	658	17	662
5	Profit/(Loss) after tax for the period (3-4)	1,388	15,847	3,916	17,244	(8,127)
6	Other Comprehensive Income					
	(i) Items that will not be reclassified to profit & Loss	(21)	(48)	18	(69)	
	(ii) Remeasurement of Defined Benefit Plan	-	-	-	-	
	(iii) FVOCI - equity investments	37	(37)	-	-	115
	(iv) Tax on above items that will not be reclassified to profit or loss	(8)	25	(5)	17	(29)
	Total Other Comprehensive Income	8	(60)	13	(52)	86
7	Total Comprehensive Income for the period [Comprising profit/(loss) and Other Comprehensive Income for the period (5+6)]	1,405	15,787	3,929	17,192	(8,041)
8	Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.) (not annualised)					
	(a) Basic EPS	0.95	10.87	2.68	11.82	(5.57)
	(b) Diluted EPS	0.95	10.87	2.68	11.82	(5.57)
9	Paid up equity share capital (Face Value of 10/-each)	14,583	14,583	14,583	14,583	14,583



1 Statement of Assets & Liabilities

(Rs in lakh)

Particulars	As on 30-Sep-21 unaudited	As on 31-Mar-21 audited
ASSETS		
(1) Non-current assets		
a) Property, Plant and Equipment	40	41
b) Right of use asset	-	-
c) Other Intangible assets	2	5
d) Capital work in progress	21,833	21,833
Less : Provision for impairment loss of CWIP	(12,998)	(12,998)
	8,877	8,880
e) Financial Assets		
(i) Investments	1,009	1,009
(ii) Loans	19	47
	39	39
f) Other non-current assets		
	1,067	1,095
(2) Current assets		
a) Inventories	16,756	31,650
b) Financials Assets		
(i) Trade receivables	88	753
(ii) Cash and cash equivalents	49	48
(iii) Other Bank balances	-	-
(iv) Loans	5,787	9,915
(v) Other current financials assets	-	-
c) Other current assets	22,781	15,645
d) Current tax assets, net	-	-
	45,460	58,010
Total Assets	55,405	67,986
EQUITY AND LIABILITIES		
(1) Equity		
Equity Share capital	14,583	14,583
Other Equity	(87,194)	(1,04,386)
	(72,612)	(89,804)
(2) Non-current liabilities		
a) Financial Liabilities		
(i) Other financial liabilities	-	-
(ii) Net employee defined benefit liabilities	-	-
b) Deferred tax liabilities, net	163	163
c) Provisions	96	88
(3) Current liabilities	259	251
a) Financial Liabilities		
(i) Borrowings	34,617	35,586
(iii) Lease liability	-	(0)
(iv) Trade payables	14,102	19,321
(v) Other current financial liabilities	3,780	14,933
(vi) Net employee defined benefit liabilities	-	-
b) Other current liabilities	70,235	87,244
c) Provisions	4,581	34
d) Current tax liabilities, net	443	419
	1,27,758	1,57,539
Total Equity & Liabilities	55,405	67,986
	(0)	(0)



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 12th November, 2021. The statutory auditors have conducted a limited review of the standalone Financial Results of the Company for the period ended 30th September, 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 30th September, 2021.
- 4 The Company has exited Caesars Palace Project via Business Transfer Agreement (BTA) that has been executed and transferred the assets and liabilities of the projects to M/s. BRS Associates. RERA approval for this project has been obtained in the name of M/s. BRS Associates.
- 5 The Company has defaulted on payment to various lenders, Principal (Rs 34,617 lakhs) as on 30th September, 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 current quarter. Consequent to said divestment, NIRPL Ventures Pvt Ltd 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 current quarter. Consequent to said divestment, Courtyard Hospitality Private Limited 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 previous 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 previous 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 the previous 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 previous 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.
- 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 : 12th November 2021



Standalone Segment wise revenue, results for the period ended September 30, 2021

(Rs in lakh except EPS)

No	Particulars	Quarter ended			Period ended	
		3 months ended 30-09-2021	3 months ended 30-06-2021	Corresponding 3 months ended 30-09-2020	Year to date figures for current period ended 30.09.2021	Year to date figures for previous year ended 31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment revenue					
	(a) Residential	1,040	759	481	1,799	7,372
	(b) Retail	-	-	-	-	-
	Total	1,040	759	481	1,799	7,372
	Less: Inter-segment revenue	-	-	-	-	-
	Net income from operations	1,040	759	481	1,799	7,372
2	Segment results					
	Profit/(loss) before tax and interest					
	(a) Residential	(15,696)	16,254	6,564	558	(1,089)
	(b) Retail	-	-	-	-	-
	Total	(15,696)	16,254	6,564	558	(1,089)
	Add: Other income	17,613	146	62	17,760	243
	Less: Interest	500	520	1,997	1,020	6,619
	Total profit/(loss) before tax	1,418	15,880	4,629	17,298	(7,465)
3	Segment Assets					
	(a) Residential	55,405	71,189	(962)	55,405	67,985
	(b) Retail	-	-	-	-	-
	(c) Unallocated					
	Total	55,405	71,189	(962)	55,405	67,985
4	Segment Liabilities					
	(a) Residential	1,28,016	1,45,206	1,83,519	1,28,016	1,57,788
	(b) Retail					
	(c) Unallocated					
	Total	1,28,016	1,45,206	1,83,519	1,28,016	1,57,788



NEL Holdings South Limited (Formerly known as NEL Holdings Limited)

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Statement of Cash Flows for the period ended September 30, 2021

	Amount
Operating activities	
Profit/ (Loss) before tax	17,297.85
<i>Non-cash adjustment to reconcile profit before tax to net cash flows</i>	
Other Comprehensive Income (net of tax)	-49.65
<i>Adjustments to reconcile profit before tax to net cash flows:</i>	
Depreciation of property, plant and equipment	2.76
Impairment Provision against Investments	-
Interest element on Preference shares of NHDPL	125.10
Writeback of Bank Borrowings	-
Writeback of Bank Interest Payable	-
Deferred tax charge/(credit)	-19.50
Finance costs	1,020.13
<i>Working capital adjustments:</i>	
(Increase)/ decrease in Inventories	14,893.75
(Increase)/ decrease in trade receivables	665.47
(Increase)/ decrease in other financial and non-financial assets	-2,980.71
Increase/ (decrease) in trade payables and other financial liabilities	-33,394.94
Increase/ (decrease) in provisions	4,429.72
Net cash flows from/ (used in) operating activities (A)	1,989.96
	-
Investing activities	
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	-
Amount contributed to partnership current account	-
Proceeds from sale of property, plant and equipment	-
Redemption of Investments - net	-
Interest received	-
Net cash flows from/ (used in) investing activities (B)	-
	-
Financing activities	
Proceeds from long-term borrowings	-969.27
Proceeds from current borrowings	-
Ind AS 115 / 116 - Retained earning entries	-
Interest paid (gross)	-1,020.13
Net cash flows from/ (used in) financing activities (C)	-1,989.40
	-
Net increase/ (decrease) in cash and cash equivalents	0.56
Cash and cash equivalents at the beginning of the year	48.04
Cash and cash equivalents at the end of the year	48.60
	-
Components of cash and cash equivalents	
Cash on hand	0.43
Balance with banks	-
- on current account	48.17
- on deposit account	-
Less - Bank overdraft	-
Total cash and cash equivalents	48.60



RAY & RAY

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Independent Auditor's Report on unaudited consolidated financial results of the Group for quarter and half year ended September 30, 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 half year ended September 30, 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. 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 has been received by the Group during the current quarter and half year.
- c) The Group has accounted for Principal amount of Rs. 71,617 lakhs, Accrued Interest of Rs. 23,734 lakhs and Disputed Liability of Rs. 3,728 lakhs in its books of account as total outstanding to banks and financial institutions as on 30th September, 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 previous quarter 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 non-provisioning and on the basis for such write back of interest (Refer to note 12 of the Statement).

During the quarter and half year, 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 13 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 7 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 11 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 current 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) issued by the Bank for release of charge against such transfer has expired. (Refer note 6 of the statement)
- 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. 446 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 27,746 lakhs (Net of "Payable to land owner for land under Joint Development Agreement") respectively, for ascertaining the realizable value as on 30th September, 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 30th September, 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.1,781 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 employee liability of Rs. 503 lakhs towards employee payable as on 30th September 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.
- 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 half year.
- 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, the subsidiary company has received amounts as sinking fund from its various customers, balance of which as on 30th September, 2021 is Rs. 502 lakhs.



During the previous year the subsidiary company had utilized such sinking fund towards settlement of power charges and adjustment of against the advance from customer, without any specific authorization. The fund can only be utilized for specific purpose as may be defined in various agreements. The purpose of utilization of sinking fund was not made available for our review.

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.

- o) The presentation of the Cash Flow Statement in the financial results is not as per the disclosure requirement of Ind AS 7.
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 its consequential impact on the unaudited consolidated financial results for the quarter and half year ended September 30, 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

- a. During the Quarter, the Holding Company has divested its share 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 8 and 9 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.

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 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 quarter and half year, an amount of Rs. 500 lakhs received earlier from a party (Positive View Private Limited) towards assignment of the recovery of such advance has now been adjusted with this balance. During the quarter and half year, 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.



- c. 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 project Park Avenue and Sriram City Union Finance Limited (SCUFL) pertaining to existing project Logos, 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 10 and 11 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

- d. 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
- e. The Gratuity plan of the Group is unfunded as at 30th September, 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. 122 lakhs as on 30.09.2021 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 Group.
- f. Based on the verification of books of accounts, during the quarter the Holding Company has granted unsecured loans or advances to LOB Property Management 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.
- g. As reported earlier, the Group is in the process of revising the budgeted cost of completion for the projects held in Inventory. During the quarter and half year, the Group has sold certain units of three projects, the cost of sale of which will be readjusted to reflect the revised budgeted cost.
- h. Managerial personnel duly appointed by the members have intimated the Board that they are forgoing the remuneration retrospectively from their respective date of the



appointments for compliance with the provisions of section 197(1) of the Companies Act, 2013. The same is subject to approval from the board.

- i. Effect of COVID-19: We draw attention to note no. 14 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 consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 752 lakhs as at September 30, 2021 and total revenues of Rs. 57 lakhs, total net profit/(loss) after tax of Rs. (10) lakhs and total comprehensive income/ loss amounting to Rs. (10) lakhs and cash flows (net) of Rs. (0.05) lakhs for the half year ended September 30, 2021 and for the period from April 01, 2021 to September 30, 2021. The unaudited financial results and other financial information for the subsidiary have been reviewed by the other auditor and whose report has been furnished to us by the Management. Our conclusion on the unaudited quarter and half year financial results, in so far as it relates to such subsidiary is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph 3 above.

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

RAY & RAY
Chartered Accountants

(Firm's Registration No. 301072E)



Shipra Gupta

(Shipra Gupta)
Partner

Place: Bengaluru

Date: November 12, 2021

Membership No. 436857
UDIN: 21436857AAAABY1386

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



Statement of unaudited Consolidated financial results for period ended September 30, 2021

(Rs in lakh except EPS)

No	Particulars	Quarter ended			Period ended	
		3 months ended 30-09-2021	3 months ended 30-06-2021	Corresponding 3 months ended 30-09-2020	Year to date figures for current period ended 30.09.2021	Year to date figures for previous year ended 31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income					
	(a) Revenue from operations	4,037	1,514	736	5,551	12,482
	(b) Other Income	18,364	101	22,680	18,465	22,708
	Total Income	22,401	1,615	23,416	24,017	35,190
2	Expenses					
	(a) Land and construction cost	1,245	1,503	58	2,749	11,702
	(b) Changes in Inventories of Finished goods, work in progress & Stock in Trade	-	-	392	-	(634)
	(c) Employee benefits expense	182	172	179	354	754
	(d) Finance costs	2,435	2,088	3,733	4,523	13,058
	(e) Depreciation and amortization expense	2	3	5	5	23
	(f) Other Expenses	204	139	24,140	343	28,560
	Total Expenses	4,067	3,905	28,507	7,974	53,462
3	Profit/(Loss) before exceptional items and tax (1-2)	18,333	(2,290)	(5,091)	16,042	(18,272)
4	Exceptional items	(18,272)	29,029	6,162	10,757	5,601
5	Profit/(Loss) before tax (3+4)	61	26,739	1,071	26,799	(12,671)
6	Tax expenses					
	i) Current Tax	29	8	-	37	-
	ii) Deferred tax	(24)	18	7,965	(6)	7,842
7	Profit/(Loss) after tax for the period (3-6)	56	26,713	(6,894)	26,768	(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)	56	26,713	(6,894)	26,769	(20,513)
	Attributable to:					
	(i) owners of the parent Group	56	26,713	(6,894)	26,769	(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	20	112	(28)	92	161
	(iii) FVOCI - equity investments	-	-	-	-	-
	(iv) Tax on above items that will not be reclassified to profit or loss	(9)	(34)	4	(25)	(29)
	Total Other Comprehensive Income	11	78	(22)	67	132
11	Total Comprehensive Income for the period (Comprising profit/(loss) and Other Comprehensive Income for the period (9+10))	67	26,635	(6,872)	26,702	(20,381)
	Attributable to:					
	(i) owners of the parent Group	67	26,635	(6,872)	26,702	(20,381)
	(ii) non-controlling interests	-	-	-	-	-
12	Earnings/(Loss) Per Share ("EPS") (of Rs. 10 each) - (Rs.) (not annualised)					
	(a) Basic	0.04	18.32	(4.73)	18.36	(14.07)
	(b) Diluted	0.04	18.32	(4.73)	18.36	(14.07)
13	Paid up equity share capital (Face Value of 10/- each)	14,583	14,583	14,583	14,583	14,583



Statement of Assets & Liabilities

(Rs in lakh)

Particulars	As on 30-Sep-21 Unaudited	As on 31-Mar-21 audited
ASSETS		
(1) Non-current assets		
a) Property, Plant and Equipment	48	63
b) Other Intangible assets	2	5
c) Capital work in progress	8,835	8,835
	8,886	8,903
Financial Assets		
Investments	1,009	1,008
Loans	56	88
Other non-current assets	39	38
Deferred tax assets, net	150	119
	1,253	1,253
(2) Current assets		
a) Inventories	80,602	1,20,173
b) Financials Assets		
Trade receivables	393	1,223
Cash and bank balances	114	122
Loans	11,865	4,044
Other current assets	28,033	28,110
Current tax assets, net	300	
	1,21,308	1,53,672
Total Assets	1,31,446	1,63,828
EQUITY AND LIABILITIES		
(1) Equity		
Equity Share capital	14,458	14,583
Other Equity	(83,897)	(1,13,817)
	(69,439)	(99,234)
(2) Non-current liabilities		
Net employee defined benefit liabilities	106	-
Provisions	-	97
	106	97
(3) Current liabilities		
Financial Liabilities		
Borrowings	71,790	72,587
Trade payables	34,758	37,294
Net employee defined benefit liabilities	4,604	-
Other current financial liabilities	11,502	28,834
Other current liabilities	77,650	1,19,057
Provisions	30	4,602
Current Tax Liabilities, net	443	591
	2,00,779	2,62,965
Total Equity & Liabilities	1,31,446	1,63,828



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 12th November, 2021. The figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year upto 30th September, 2021 and the unaudited published year-to-date figures upto 30th September, 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 Properties 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 period ended September 30, 2021

No	Particulars	Quarter ended			Period ended	
		3 months ended 30-09-2021	3 months ended 30-06-2021	Corresponding 3 months ended 30-09-2020	Year to date figures for current period ended 30.09.2021	Year to date figures for previous year ended 31.03.2021
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
a	Revenue from Operations	557	759	481	1,316	7,372
b	Profit/(Loss) before tax	1,418	15,880	4,627	17,298	(7,465)
c	Profit/(Loss) after tax	1,387	15,847	3,916	17,242	(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 30th September, 2021.
- 5 The Company has exited Caesars Palace Project via Business Transfer Agreement (BTA) that has been executed and transferred the assets and liabilities of the projects to M/s. BRS Associates. RERA approval for this project has been obtained in the name of M/s. BRS Associates.
- 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 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 various lenders, Principal (Rs 71,889 lakhs) as on 30th September, 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.
- 8 The Holding Company has divested 85% of its holding in NIRPL Ventures Pvt Ltd (formerly known as Nitesh Indiranagar Retail Private Limited) in the current quarter. Consequent to said divestment, NIRPL Ventures Pvt Ltd ceases to be the subsidiary of the Company as on 26th August 2021.
- 9 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, Courtyard Hospitality Private Limited ceases to be the subsidiary of the Company as on 30th September 2021.
- 10 The Company has settled the outstanding loan of M/s. Shriram City Union Finance Ltd (SCUF) in the previous 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,
- 11 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 previous quarter as the bank has released its charge on such projects.
- 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 previous quarter.
- 13 In respect of Plaza project, the company has reclassified the outstanding interest amount of Rs. 37.28 crs as disputed liability in previous quarter.
- 14 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 2020-21 due to pandemic outbreak.



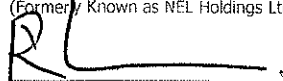
15 **Going concern**

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.

16 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 : 12th November 2021

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)

(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Consolidated Statement of Cash Flows for the period ended September 30, 2021

Operating activities	Amount
Profit/ (Loss) before tax	26,799.27
<i>Non-cash adjustment to reconcile profit before tax to net cash flows</i>	
Other Comprehensive Income (net of tax)	-49.65
<i>Adjustments to reconcile profit before tax to net cash flows:</i>	
Depreciation of property, plant and equipment	3.91
Impairment Provision against Investments	-
Impairment of capital work in progress	-
Interest element on Preference shares of NHDPL	-
Writeback of Bank Borrowings	-
Writeback of Bank Interest Payable	-
Deferred tax charge/(credit)	-18.38
Finance costs	4,340.61
<i>Working capital adjustments:</i>	
(Increase)/ decrease in Inventories	39,571.72
(Increase)/ decrease in trade receivables	830.25
(Increase)/ decrease in other financial and non-financial assets	-3,098.84
Increase/ (decrease) in trade payables and other financial liabilities	-67,633.64
Increase/ (decrease) in provisions	4,440.30
Increase/ (decrease) in other tax assets	-
Increase/ (decrease) in other current assets	-
Net cash flows from/ (used in) operating activities (A)	5,185.54
Investing activities	
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	-
Amount contributed to partnership current account	-
Proceeds from sale of property, plant and equipment	-
Redemption of Investments - net	-
Interest received	-
Net cash flows from/ (used in) investing activities (B)	-
Financing activities	
Proceeds from long-term borrowings	-969.27
Proceeds from current borrowings	125.25
Ind AS 115 / 116 - Retained earning entries	-
Interest paid (gross)	-4,340.61
Net cash flows from/ (used in) financing activities (C)	-5,184.63
Net increase/ (decrease) in cash and cash equivalents	0.92
Cash and cash equivalents at the beginning of the year	113.57
Cash and cash equivalents at the end of the year	114.48
Components of cash and cash equivalents	
Cash on hand	0.52
Balance with banks	
- on current account	113.96
- on deposit account	-
Less - Bank overdraft	-
Total cash and cash equivalents	114.48

