



NEL

Holdings South Limited

November 04, 2022

Ref.: NEL/025/2022-23

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 Second Quarter ended on 30th September, 2022 along with the Limited Review Report

We herewith enclose the unaudited Standalone and Consolidated Financial Results of the Company for Second Quarter ended on 30th September, 2022 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



**Prasant Kumar
Company Secretary & Chief Compliance Officer**

Encl.: As above

NEL Holdings South Limited

CIN : L93000KA2004PLC033412

#110, Andrews Building, Level 1, M.G. Road, Bengaluru - 560 001. P: 80-2227 2220, W: www.nelholdings.in, Email : info@nelholdings.in

RAY & RAY

CHARTERED ACCOUNTANTS

824, 2nd Cross, 11th Main
HAL 2nd Stage, Indiranagar
Bengaluru - 560 008.
Tele : +91-41221758
E-mail: ray_ray@vsnl.net

Auditor's Review Report on standalone unaudited financial results of the **NEL Holdings South Limited** (the Company) Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the quarter and half year ended September 30, 2022.

INDEPENDENT AUDITOR'S REVIEW REPORT ON STANDALONE UN-AUDITED FINANCIAL RESULTS

To

The Board of Directors

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

1. We have reviewed the accompanying statement of standalone unaudited financial results of **NEL HOLDINGS SOUTH LIMITED** ("the Company") for the quarter and half year ended September 30, 2022 ("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.
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 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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We believe that the audit evidence obtained by us referred to in paragraph 5 below, is sufficient and appropriate to provide a basis for our review report.



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 institutions 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 has separated from the four projects under development and has transferred those projects to other developers/ land owners through the Memorandum of Understanding or Business Transfer Agreement and repaid some portion of the bank loan.

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 continues to remain uncertain in view of the above.

As the Company has not recognized this fact and has prepared the standalone financial results on a going concern assumption basis without carrying out any adjustments, in our opinion, the standalone financial statements may not give a true and fair view. (Refer to note 10 of the Statement)

- b) The Company has accounted for a Principal of Rs. 34,455 Lakhs, Accrued Interest of Rs. 9,291 Lakhs and Disputed Liability of Rs.16,574 Lakhs in its books of account as total outstanding to banks and financial institutions as on 30th September, 2022. All the banks and financial institutions have declared the outstanding loan accounts of the Company as Non-Performing Accounts (NPA) in the earlier years. Pending confirmation and correspondence, the outstanding balance and status of demand raised by the respective banks and financial institutions have not been verified by us. Further, penal interest on default on the payment to banks and financial institutions has neither been ascertained nor provided for in the books of account of the Company. (Refer to note no. 4 of the Statement)

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 interest on this loan since March 31st, 2020. Further, the Company has classified interest of Rs. 1,443 Lakhs as Disputed Liability without any confirmation from the Bank in this regard.

The Company has not provided interest for the loan outstanding from Yes Bank against the Plaza Project since March 31, 2020. Further, the Company has classified the outstanding interest as on March 31, 2022 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 were not made available for our verification. (Refer to note 9 of the Statement)

The Company has sold/disposed of 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 classified as Disputed Liability.

As explained to us, the Bank is legally pursuing the recovery through the Debt Recovery Tribunal against which the Company has filed a defense appeal on 23.08.2021 against which the final order is still pending.

- c) In spite of the negative net worth of the subsidiaries, the Company has not accounted for impairment loss of Rs 5,384 Lakhs against advance given to them, resulting in the understatement of loss and overstatement of net worth by the said amount. The Company has further disbursed (net of realization) advance amounting Rs. 48 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.
- d) Inventories amounting to Rs 4,307 Lakhs (Net of "Payable to land owner for land under JDA") has not been tested impairment for ascertaining the realizable value as on 30th September, 2022. To the extent of any possible diminution of value not accounted for, the unaudited standalone financial results may not give a true and fair view as per the requirement of Ind AS 2.
- e) Confirmation of balances in respect of trade receivables, trade payables, vendor advances, advance from customers and other advances have not been provided for our verification and record. In absence of adequate audit evidence, we are unable to ascertain as to whether any further provision may be necessary with respect to the carrying amounts of these balances as on the reporting date.
- f) According to the 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, etc. as applicable to the Company. The GST department has suo moto cancelled the GST registration of the Company on and from October 31, 2020. The Company also has a receivable balance of Rs. 1,193 Lakhs and payable balance of Rs. 10,402 Lakhs (excluding interest) from/ to various government authorities. Due to such statutory non compliances, we are unable to comment on the actual recoverability and payment of the dues against such balances.



5. Based on our review conducted as above, due to the significance of the matters stated in Para 4 above and its consequential impact on the unaudited financial results for the quarter and half year ended September 30, 2022, 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.
6. Attention is drawn to the following matters disclosed in the Notes of the statement as Emphasis Matters:
- a. As reported earlier:
- (i) Against the unsecured advance of Rs. 1,887 Lakhs the Company has not yet been obtained JDA rights in the project at Commissariat Road, Bengaluru from WLM Logistics Parks Private Limited (WLM).
- (ii) Against the advance of Rs. 3,515 Lakhs taken over by the WLM from Boulevard Developers Private Limited (Boulevard), the Company has entered into an MOU for adjusting Rs. 3,000 Lakhs towards interest-free refundable deposit towards the development of residential layout to be developed on the property owned by WLM. However, no document for ownership of such property could be provided to us.
- (iii) The ownership documents of the Villa in project "True Blue Napa Valley" assigned against the advance of Rs. 728 lakhs (net of realization of Rs. 500 lakhs) which has been transferred from Somerset Infra Projects Private Limited (Somerset) to WLM has not been provided to us to establish the right of ownership.
- b. The outstanding balance of advances collected from customers in earlier years pertaining to closed/suspended residential projects, amount to Rs. 186 Lakhs as on September 30, 2022. Out of the above balance, Rs. 160 lakhs pertain to British Columbia Project, for which, Company has signed MOU with a new developer to exit the project. (Refer to note 6 of the Statement). Such advances are in the nature of deemed deposits under Rule 2(c) (xii) (b) of the Companies Acceptance of Deposit (Rules) 2014 and are within the purview of the provisions of sections 73 to 76 of the Companies Act, 2013 as on 30th September 22. However, in the process of customer settlement, the company through Landowner has already arranged Rs. 283 Lakhs towards refund of such deposits out of which Rs. 229 lakhs has already been settled with the customers as on our reporting date. The Company through its landowner is in the process of settlement of all deposits of customers to comply with the provision of the Companies Act at the earliest.



- c. The Company has impaired entire amount of CWIP by providing further provision of Rs. 8,835 Lakhs towards development cost of the projects namely Plaza, Soho and Chelsea during the quarter on the basis of expected unrealizable amount from the land owner on final settlement of their dues on exit and cancellation of the JDA agreement or on handover to incoming developer. However, cancellation agreement and release of charge etc. are yet to be executed by the Company.
- d. The Company has not renewed the registration of project "Rio" under the provisions of the 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 Company is in process of reconciling "Billing in excess of revenue" to the extent of Rs. 102 Lakhs.
- f. According to the information and explanation provided to us, Gratuity plan of the Company is unfunded and the Company has made provision for the entire Gratuity Liability. Employee Gratuity Liability is being met as and when they fall due. As no assets are maintained, there is a liquidity risk that the Company may run out of cash resources which may further affect the financial position of the Company.
- g. Certain Managerial personnel duly appointed by members have intimated the Board that they would be foregoing their remuneration 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. Accordingly, no managerial remuneration has been accounted for in the books of account in respect of those personnel. The board has noted the "Letter of Undertaking" received from the personnel for non-acceptance of salary and other remuneration. However, necessary resolution/approval of the Board are yet to be obtained in this regard.
- h. We have not received the necessary confirmation from the related parties of the Company. To this extent, we cannot comment on the outstanding balance of the related party transaction entered into by the Company during the financial year.
- i. The Company has written back certain long outstanding liabilities and written off some advances in its books of accounts. Same is subject to ratification by the board.
- j. The Company has an outstanding liability of Rs. 194 Lakhs towards employee payable as on September 30, 2022. 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 not complied with Ind AS 109 for accounting of interest-free refundable security deposit.
- l. Deferred tax has neither been ascertained nor accounted for due to the uncertainty of the taxable profit as estimated by the Management of the Company. (Refer to note no. 7 of the Statement)

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

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



(Shipra Gupta)
Partner

Membership No. 436857
UDIN: 22436857BCCHDO5089

Place: Bengaluru
Date: 04.11.2022

NEL Holdings South Limited

Regd. Office: No. 110, Level 1 Andrews Building, M.G.Road Bangalore KA 560001 IN
CIN: L93000KA2004PLC033412, website - www.nelholdings.in
Phone Number: +91 80 2227 2220



Statement of unaudited standalone financial results for the quarter and six months ended September 30, 2022
(Rs in lakh except EPS)

No	Particulars	Quarter ended			Period ended		Previous year ended 31-03-2022
		3 months ended 30-09-2022	Preceding 3 months ended 30-06-2022	Corresponding 3 months ended 30-09-2021	Year to date figures for current period ended 30-09-2022	Year to date figures for current period ended 30-09-2021	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Income						
	(a) Revenue from operations	750	880	1,040	1,629	1,799	2,260
	(b) Other Income	77	233	17,613	310	17,760	18,065
	Total Income	827	1,113	18,653	1,939	19,559	20,325
2	Expenses						
	(a) Land and construction cost	830	710	(1,079)	1,541	(277)	605
	(b) Employee benefits expense	177	178	158	354	308	497
	(c) Finance costs	527	499	500	1,026	1,020	2,923
	(d) Depreciation and amortization expense	2	1	2	3	4	12
	(e) Other Expenses	8,957	1,819	184	10,777	345	3,570
	Total Expenses	10,493	3,207	(234)	13,701	1,400	7,607
	Exceptional items	-	-	(17,470)	-	(861)	(13,706)
3	Profit/(Loss) before tax (1-2)	(9,666)	(2,094)	1,417	(11,762)	17,298	(988)
4	Tax expenses						
	i) Tax for previous years	-	-	37	-	37	-
	ii) Current Tax	19	18	-	37	-	220
	iii) Deferred tax	-	-	(8)	-	17	(164)
5	Profit/(Loss) after tax for the period (3-4)	(9,685)	(2,112)	1,388	(11,799)	17,244	(1,044)
6	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit & Loss					(69)	
	(ii) Remeasurement of Defined Benefit Plan	20	20	(21)	40	-	(63)
	(iii) FVOCI - equity investments	-	-	37	-	-	-
	(iv) Tax on above items that will not be reclassified to profit or loss	-	-	(8)	-	17	-
	Total Other Comprehensive Income	20	20	8	40	(52)	(63)
7	Total Comprehensive Income for the period [Comprising profit/(loss) and Other Comprehensive Income for the period (5+6)]	(9,665)	(2,092)	1,405	(11,759)	17,192	(1,107)
8	Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.) (not annualised)						
	(a) Basic EPS	(6.64)	(1.45)	0.95	(8.09)	11.82	(0.72)
	(b) Diluted EPS	(6.64)	(1.45)	0.95	(8.09)	11.82	(0.72)
9	Paid up equity share capital (Face Value of 10/- each)	14,583	14,583	14,583	14,583	14,583	14,583



1 Statement of Assets & Liabilities

Particulars	(Rs in lakh)	
	As on 30-Sep-22 unaudited	As on 31-Mar-22 audited
ASSETS		
(1) Non-current assets		
a) Property, Plant and Equipment	28	33
b) Other Intangible assets	1	1
c) Capital work in progress	-	8,835
d) Other non-current assets	29	8,869
	82	86
(2) Current assets		
a) Inventories	16,057	17,559
b) Financials Assets		
(i) Trade receivables	91	1,838
(ii) Cash and cash equivalents	11	49
(iii) Other Bank balances	48	-
(iv) Loans	5,590	5,590
c) Other current assets	17,270	17,277
	39,067	42,312
Total Assets	39,178	51,269
EQUITY AND LIABILITIES		
(1) Equity		
Equity Share capital	14,583	14,583
Other Equity	(117,255)	(105,495)
	(102,672)	(90,911)
(2) Non-current liabilities		
a) Provisions	48	94
	48	94
(3) Current liabilities		
a) Financial Liabilities		
(i) Borrowings	34,455	34,495
(ii) Trade payables	10,811	10,837
(iii) Other current financial liabilities	16,588	16,587
b) Other current liabilities	79,241	79,509
c) Provisions	34	8
d) Current tax liabilities, net	673	650
	141,801	142,086
Total Equity & Liabilities	39,178	51,269

**Notes to the financial results:**

- 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 4th November, 2022. The statutory auditors have conducted a limited review of the standalone Financial Results of the Company for the period ended 30th September, 2022.
- 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.
- IndAS 16 for "Property, Plant and Equipment" has gone in to some modification which will be reviewed by company and same will be incorporated where ever applicable.
IndAS 37 for "Provision, Contingent Liabilities and Contingent Assets" is reviewed by the company and will be incorporated if applicable.
IndAS 103 for "Financial Instruments" is reviewed by the company and will be incorporated if applicable.

Ind AS 101 for Subsidiary "First time adoption of Indian Accounting Standards" effective from 1st April, 2022 as notified by the Ministry of Corporate Affairs (MCA) vide notification no. G.S.R. 255 (E) dated 23rd March 2022. The Company and its subsidiaries are following the IndAS Accounting Standards which are in place as on 30th September 2022. Hence, this standard is not applicable to companies.

IndAS 41 for "Agriculture" is not applicable as the Company is not involved in any of the agricultural process.
IndAS 109 for "Business Combinations" is not applicable as the Company does not control one or more business.
- The Company has defaulted on payment to two lenders, Principal (Rs 34,454 lakhs) as on 30th September, 2022 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.
- The operating segment of the Company has extended from "Residential projects" & "Facility Management" to complete incomplete residential projects and to the "Service business of facilities / manpower / catering / restaurants activities", "Trading in land and plotted development", "PropTech and related Internet Technology Services", "Long term investment and trading in equities".
All operations are in India and hence there is no geographical segment.
- The Company has signed the MOU to exit from British Columbia project as on 7th July 2022 with a new developer and the land owners. The Company is in the process of settling all customer refunds and transfer of project to the new developer post signing of MOU.
- Deferred Tax has not been accounted for due to the uncertainty of taxable profit as estimated by the management against which the Deferred tax assets can be adjusted / utilised in near future.



- 8 The Company has provided for Expected credit loss amount of Rs. 15.60 crores during the half year ended 30th September 2022 towards old outstanding sundry debtors.
- 9 The Company has exited Knightsbridge and Virgin Island projects and based on the NOC received and settlement pending with the bank, the company has classified Rs. 114.02 crores as disputed liability in the previous year. In respect of Plaza project, the company has classified the outstanding interest amount of Rs. 37.28 crores as disputed liability in the previous year. 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 crores. In view of this, Company classified the interest as disputed liability of Rs. 14.43 crores in the previous year.
- 11 **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.
- 12 The figures in respect of previous period have been regrouped/recast wherever necessary.

For and on behalf of the Board of Directors of
NETH Holdings South Limited


Rajeev Khanna
DIN : 07143405
Director Finance & Chief Financial Officer



Place: Bengaluru, India
Date : 4th November 2022

NEL Holdings South Limited
 Regd. Office: No. 110, Level 1 Andrews Building, M.G.Road Bangalore KA 560001 IN
 CIN: L93000KA2004PLC033412, website - www.nelholdings.in
 Phone Number: +91 80 2227 2220



Standalone Segment wise revenue, results for the period ended September 30, 2022

(Rs in lakh except EPS)

No	Particulars	Quarter ended			Period ended		Previous year ended 31-03-2022
		3 months ended 30-09-2022	Preceding 3 months ended 30-06-2022	Corresponding 3 months ended 30-09-2021	Year to date figures for current period ended 30-09-2022	Year to date figures for current period ended 30-09-2021	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Segment revenue						
	(a) Residential	750	880	1,040	1,629	1,799	2,260
	(b) Facility Management	-	-	-	-	-	-
	Total	750	880	1,040	1,629	1,799	2,260
	Less: Inter-segment revenue	-	-	-	-	-	-
	Net income from operations	750	880	1,040	1,629	1,799	2,260
2	Segment results						
	Profit/(loss) before tax and interest						
	(A) Residential	(9,217)	(1,828)	(15,696)	(11,045)	558	(16,130)
	(B) Facility Management	-	-	-	-	-	-
	Total	(9,217)	(1,828)	(15,696)	(11,045)	558	(16,130)
	Add: Other income	77	233	17,613	310	17,760	18,065
	Less: Interest	527	499	500	1,026	1,020	2,923
	Total profit/(loss) before tax	(9,667)	(2,094)	1,417	(11,761)	17,298	(988)
3	Segment Assets						
	(a) Residential	39,178	49,727	55,405	39,178	55,405	51,268
	(b) Facility Management	-	-	-	-	-	-
	(c) Unallocated	-	-	-	-	-	-
	Total	39,178	49,727	55,405	39,178	55,405	51,268
4	Segment Liabilities						
	(a) Residential	141,848	142,732	128,016	141,848	128,016	142,180
	(b) Facility Management	-	-	-	-	-	-
	(c) Unallocated	-	-	-	-	-	-
	Total	141,848	142,732	128,016	141,848	128,016	142,180



NEL Holding South Limited
CASH FLOW STATEMENT

(₹ in Lakh)

NEL-Standalone
Period ended
30.09.2022

Particulars	
Cash flows from operating activities	
Profit before tax	-11,761.48
Adjustments for :	
Depreciation, amortisation and impairment of Fixed Assets	3.19
Fair Value Change-OCI	39.94
Sundry Balance Write/Rounding Off	0.17
(Profit)/ Loss on sale of Assets	-5.95
Liability/Provision written back	-154.46
Provision for Capital Work in Progress	8,835.13
Allowance for trade Receivables and Advances	1,560.55
Operating Profit before Current/Non Current Assets and Liabilities	-1,482.91
Adjustment for :	
Trade Receivables	186.15
Inventories	1,501.87
Other Assets	-100.62
Other Liabilities	-349.00
Trade Payables	322.13
Provisions	-19.71
Cash Generated from Operation	57.93
Income Tax Paid/Refund (NET)	-13.18
Net Cash Flow from Operating Activities	44.75
CASH FLOW FROM INVESTING ACTIVITIES	
Proceeds from Sale of Property Plant and Equipment	6.21
Other Bank Balances	-48.08
Net Cash from Investing Activities	-41.87
CASH FLOW FROM FINANCING ACTIVITIES	
Repayment/Increase in Borrowings	-40.45
Interest & Finance cost pertaining to Financing Activities	-
Net Cash used in Financing Activities	-40.45
Net Increase / (Decrease) in Cash & Cash equivalent (A+B+C)	-37.57
Cash & Cash equivalent as at the beginning of the period (Refer Note 9 for components of cash & cash equivalents)	49.00
Cash & Cash equivalent as at the end of the period (Refer Note 9 for components of cash & cash equivalents)	11.43

(All figures in bracket represent outflow.)



RAY & RAY

CHARTERED ACCOUNTANTS

824, 2nd Cross, 11th Main
HAL 2nd Stage, Indiranagar
Bengaluru - 560 008.
Tele : +91-41221758
E-mail: ray_ray@vsnl.net

Auditor's Review Report on the consolidated un-audited financial results of **NEL HOLDINGS SOUTH LIMITED** ("the group") Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended for the quarter and half year ended September 30, 2022.

INDEPENDENT AUDITOR'S REVIEW REPORT ON CONSOLIDATED UN-AUDITED FINANCIAL RESULTS.

To

The Board of Directors

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

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **NEL HOLDINGS SOUTH LIMITED** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the quarter and half year ended September 30, 2022 ("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, 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, and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on these 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 inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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.

We believe that the audit evidence obtained by us and other auditor in terms of their reports referred to in paragraph 6 below, is sufficient and appropriate to provide a basis for our review conclusions.

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements of the Group, subsidiaries referred to in paragraph 6 below, the Statement:
 - a) includes the results of the following entities as subsidiaries of the Parent:
 - i. NHDPL South Private Limited (Formerly known as NHDPL Properties Private Limited);
 - ii. NUDPL Ventures Private Limited (Formerly known as NUDPL Enterprises Private Limited);
 - iii. LOB Facilities Management Private Limited. (Formerly known as LOB Property Management Private Limited)
 - b) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
 - c) based on our audit conducted and procedures performed as stated in paragraph 3 above and based on the review report of other auditor referred to in paragraph 6 below and the significance of matters stated in paragraph 5 above and its consequential impact on the consolidated unaudited financial results for the quarter and half year ended September 30, 2022, in our opinion, the statement read with notes thereon does not give a true and fair view in conformity with the recognition and



measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated total comprehensive loss and other comprehensive income and other financial information of the Group for the quarter and half year ended September 30, 2022.

5. Attention is drawn of the following matters which are subject matter of adverse conclusion given in paragraph 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 Group has separated from the seven projects under development and has transferred those projects to other developers/landowners through Memorandum of Understanding or Business Transfer Agreement and repaid some portion of the bank loan.

Although these transactions have reduced the liability of the Group to bank and financial institution, the ability of the Group to continue as a going concern continues to remain uncertain in view of the above.

As the Group has not recognized this fact and has prepared the consolidated financial statements on going concern assumption basis without carrying out any adjustments, in our opinion, the consolidated financial statements may not give a true and fair view. (Refer to note 13 of the Statement)

- 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 of the Group, 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 year.
- c) The Group has accounted Principal of Rs. 61,655 Lakhs, Accrued Interest of Rs. 25,751 Lakhs and Disputed Liability of Rs. 40,641 Lakhs in its books of account as total outstanding to banks and financial institution as on September 30, 2022. All the banks and financial institutions have declared the outstanding loan accounts of the company as Non-Performing Accounts (NPA) in the earlier years. Pending confirmations



and correspondence, the outstanding balance and status of demand raised by the respective banks and financial institutions has not been verified by us. Further, penal interest on default on a payment to banks and financial institution has neither been ascertained nor provided for in the books of account of the Group. (Refer to note 7 of the Statement)

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 Group has not provided any interest on this loan since March 31, 2020. Further, the Group has classified interest of Rs.1,443 Lakhs as Disputed Liability without any confirmation from the Bank in this regard.

The Group has not provided interest for the loan outstanding from Yes Bank against the Plaza Project. Further, the Group has classified outstanding interest as on March 31, 2022 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 were not made available for our verification. (Refer to note 11 of the Statement)

- d) The Group has sold/disposed three projects viz, Knightsbridge and 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 borrowing from HDFC Limited has been reversed and classified as Disputed Liability. (Refer to note 11 of the Statement)
- e) The Group has exited 'Nitesh Melbourne Park', during the previous year on an ongoing basis through Memorandum of Understanding. As explained to us, the sale consideration of the project has been fixed by the Group on the basis of market realizable value. However, no document could be provided to us in this respect. Further, the Company is still under the process for execution of certain documents for disposal of the project.

During the previous quarter, charge created for the project 'Nitesh Melbourne Park' was released by YES Bank Limited on a condition that the same shall not be construed as settlement of any kind. The Group has accounted for Rs. 6,500 Lakhs and Rs. 5,147 Lakhs respectively as



disputed liability, being the estimated carrying value of borrowings and interest accrued thereon. (Refer to note 11 of the Statement)

Further, the Group has filed a defense appeal before the Debt Recovery Tribunal on 23.08.2021 against which the final order has not yet been received by the Group.

- f) The Group has transferred the project “Nitesh Cape Cod”, on an ongoing basis during the previous year through an unregistered Business Transfer Agreement. In this respect, the Group 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 the 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 the charge against such transfer has expired.

Further, it is noted that such third party has challenged the RERA order approving the such transfer and has appealed to the appellate tribunal for modification of certain clauses in the above-mentioned order. No documentation pertaining to such an appeal has been made available for our verification.

- g) Inventories amounting to Rs 22,915 Lakhs (Net of “Payable to land owner for land under JDA”) has not been tested impairment for ascertaining the realizable value as on 30th September, 2022. To the extent of any possible diminution of value not accounted for, the unaudited standalone financial results may not give a true and fair view as per the requirement of Ind AS 2.
- h) Confirmation of balances in respect of trade receivables, trade payables, vendor advances, advance from customers and other advances have not been provided for our verification and record. In absence of adequate audit evidence, we are unable to ascertain as to whether any further provision may be necessary with respect to the carrying amounts of these balances as on the reporting date.
- i) According to 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, duty of custom, duty of excise, value added tax, Goods and Services



tax, cess etc. as applicable. The GST department has suo moto cancelled the GST registration of the Company on October 31, 2020. The Group also has a receivable balance of Rs.1,754 Lakhs and payable balance of Rs. 12,967 Lakhs (excluding interest) from various government authorities. Due to such statutory non compliances, we are unable to comment on the actual recoverability and payment dues against such balances.

j) The subsidiary company, Lob Property Management Private Limited has been reviewed by other auditor. The auditor has reported the following in their review report:

(i) The Company has incurred losses over the years resulting in negative net worth. Such losses, negative net worth and other indicators such as delays and defaults in statutory dues and payables individually and collectively may cast significant doubt about company ability to continue as a going concern.

(ii) As per the records of the company and information and explanation provided to us, the company has been irregular in depositing provident Fund, employee's state insurance, income tax, sales- tax, service tax, value added tax, Goods and Service tax, cess.

(iii) As per the records of the company and information and explanation provided to us, during the year, the company has recognized revenue on receipt basis with respect to one of their projects Nitesh Long Island and revenue related to other projects which pertains to prior year, In the absence of adequate audit evidence, we are unable to determine completeness of revenue with respect to this project.

(iv) The company has written back the following amounts as these amounts are considered as no longer payable.

(In thousands)

Sl. No.	Particulars	Amount
1	Advance from customers	11,326.12
2	Sinking Fund	7,387.24
	Total	18,713.36

In the absence of adequate audit evidence, we are unable to comment on the correctness of this write back of liability.



- (v) We have not received confirmation of balances with respect to Trade Payables, advance from customers or other balances received from Customers towards sinking fund, most of which has been outstanding from prior years. In the absence of adequate audit evidence, we are unable to determine the adequacy or inadequacy of such liabilities.
- (vi) The Company has accrued a provision of Rs. 14,033 thousands towards doubtful trade receivables, on the basis of its estimates as at 31st March 2022. As per para 5 of INDAS 109, such provision for the doubtful trade receivables balances is required to be provided for under the Expected Credit Loss (ECL) Method. In the absence of estimates under ECL method, we are unable to comment on the adequacy or otherwise, of such provision in the books of account towards Trade Receivables.
- (vii) We draw attention to other financial liabilities of the Financial Statements which includes the advance received from customers which includes Rs.34,501 thousands which pertains to maintenance charges collected in advance for first year of maintenance as a part of the maintenance agreement. These amounts are to be recognised as revenue on the completion of such year period as per the maintenance agreements. Based on the information reviewed by us, all the projects for which such advances have been received have been completed and hence the entire amount may be required to be recognised as income in the previous years. In the absence of supporting evidence, we are unable to comment on the amount that needs to be recognized as income and therefore the balance that needs to be carried as liability.
- (viii) We draw attention to other financial liabilities of the financial statements wherein it is stated that the Company has amounts received from customers for approved capital expenditures for projects under maintenance and accounted as sinking fund balance of Rs.27,486 thousands. Over the years, the company has been utilizing this balance towards miscellaneous expenses pertaining to such projects, without adequate approvals and authorizations from customers. The Company does not have details of how much of this sinking fund balance is payable to customers



or to be maintained towards future capital expenses. Hence the adequacy of this liability cannot be ascertained.

- (ix) According to the information and explanations given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.
6. We did not review the financial statements and financial information of LOB Property Management Private Limited, a subsidiary included in the consolidated financial results, whose financial statements and financial information reflect total assets of Rs. 570 Lakhs as at September 30, 2022, total revenues of Rs. 260 Lakhs, total net profit after tax of Rs. 179 Lakhs and total comprehensive income of Rs. 181 Lakhs for the quarter and half year ended on that date, as considered in the consolidated financial results. That financial statements and financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph 3 above.

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

7. Attention is drawn of the following matters disclosed in the Notes of the statement as Emphasis Matters:
- a. During the previous year, 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. (Refer to note 12 of the Statement)
- b. As reported earlier:
- (i) Against the unsecured advance of Rs. 5,903 Lakhs the Company has not yet been obtained JDA rights in the project at Commissariat Road, Bengaluru from WLM Logistics Parks Private Limited (WLM).



- (ii) Against the advance of Rs. 4,436 Lakhs taken over by the WLM from Boulevard Developers Private Limited (Boulevard), the Company has entered into an MOU for adjusting Rs. 3,000 Lakhs towards interest-free refundable deposit towards the development of residential layout to be developed on the property owned by WLM. However, no document for ownership of such property could be provided to us.
- (iii) The ownership documents of the Villa in project "True Blue Napa Valley" assigned against the advance of Rs. 728 lakhs (net of realization of Rs. 500 lakhs) which has been transferred from Somerset Infra Projects Private Limited (Somerset) to WLM has not been provided to us to establish the right of ownership.

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.

- c. The outstanding balance of advances collected from customers in earlier years pertaining to closed/suspended residential projects, amount to Rs. 186 Lakhs as on September 30, 2022. Out of the above balance, Rs. 160 lakhs pertain to British Columbia Project, for which, Company has signed MOU with a new developer to exit the project. (Refer to note no. 8 of the Statement). Such advances are in the nature of deemed deposits under Rule 2(c) (xii) (b) of the Companies Acceptance of Deposit (Rules) 2014 and are within the purview of the provisions of sections 73 to 76 of the Companies Act, 2013 as on 30th September, 2022. However, in the process of customer settlement, the company through Landowner has already arranged Rs. 81 Lakhs towards refund of such deposits out of which 21 lacs has already been settled. with the customers. as on our reporting date. The Company through its landowner is in the process of settlement of all deposits of customers to comply with the provision of the Companies Act at the earliest.
- d. The Group has impaired entire amount of CWIP by providing further provision of Rs. 8,835 Lakhs towards development cost of the projects namely Plaza, Soho and Chelsea during the quarter on the basis of expected unrealizable amount from the land owner on final settlement of



their dues on exit and cancellation of the JDA agreement or on handover to incoming developer. However, cancellation agreement and release of charge etc. are yet to be executed by the Company.

- e. The Group has not renewed the registration of project “Rio”, “Hyde Park” and “Columbus Square” 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 Company is in process of reconciling “Billing in excess of revenue” to the extent of Rs. 11,100 Lakhs.
- g. According to the information and explanation provided to us, Gratuity plan of the Group is unfunded and the Group has made provision for the entire Gratuity Liability. Employee Gratuity Liability is being met as and when they fall due. As no assets are maintained by the Group, there is a liquidity risk that may run out of cash resources which may further affect the financial position of the Group.
- h. Certain Managerial personnel duly appointed by members have intimated the Board that they would be foregoing their remuneration 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. Accordingly, no managerial remuneration has been accounted for in the books of account in respect of those personnel. The Board has noted the “Letter of Undertaking” received from the personnel for non-acceptance of salary and other remuneration. Moreover, necessary resolution /approval of Board are yet to be obtained in this regard.
- i. The Group has written back certain long outstanding liabilities and written of some advances in its books of accounts. Same is subject to ratification by the board.
- j. The Group has an outstanding liability of Rs. 203 Lakhs towards employec payable as on September 30, 2022. Due to the 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 not complied with Ind AS 109 for accounting of interest-free refundable security deposit.
- l. Deferred Tax for the quarter and half year has neither been ascertained nor accounted for due to the uncertainty of the taxable profit as estimated by the management of the Group against which the deferred tax assets can be adjusted /utilized in near future. (Refer to note no. 9 of the Statement)

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

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



Shipra Gupta

(Shipra Gupta)
Partner

Membership No. 436857
UDIN: 22436857BCCHQA1202

Place: Bengaluru
Date: 04.11.2022

Statement of Consolidated unaudited financial results for quarter and six month ended September 30, 2022

(Rs in lakh except EPS)

No	Particulars	Quarter ended			Period ended		Previous year ended 31-03-2022
		3 months ended 30-09-2022	Preceding 3 months ended 30-06-2022	Corresponding 3 months ended 30-09-2021	Year to date figures for current period ended 30-09-2022	Year to date figures for current period ended 30-09-2021	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Income						
	(a) Revenue from operations	915	969	4,037	1,884	5,551	9,430
	(b) Other Income	13	392	18,364	404	18,465	18,760
	Total Income	928	1,361	22,401	2,288	24,017	28,190
2	Expenses						
	(a) Land and construction cost	938	759	1,245	1,698	2,749	(16,219)
	(b) Changes in Inventories of Finished goods, work in progress & Stock in Trade	-	-	-	-	-	22,430
	(c) Employee benefits expense	182	182	182	364	354	575
	(d) Finance costs	1,707	1,664	2,435	3,371	4,523	9,168
	(e) Depreciation and amortization expense	3	2	2	5	5	14
	(f) Other Expenses	8,967	1,888	204	10,854	343	3,803
	Total Expenses	11,797	4,495	4,067	16,292	7,974	19,771
3	Profit/(Loss) before exceptional items and tax (1-2)	(10,869)	(3,134)	18,333	(14,004)	16,043	8,419
4	Exceptional items	0	(0)	(18,272)	-	10,757	(14,611)
5	Profit/(Loss) before tax (3+4)	(10,869)	(3,134)	61	(14,004)	26,800	(6,192)
6	Tax expenses						
	i) Current Tax	36	38	29	74	37	220
	ii) Deferred tax	-	-	(24)	-	(6)	118
7	Profit/(Loss) after tax for the period (3-6)	(10,905)	(3,172)	56	(14,078)	26,769	(6,530)
8	Profit/(Loss) after taxes Attributable to: (7+8)	(10,905)	(3,172)	56	(14,078)	26,769	(6,530)
	(i) owners of the parent Group	(10,905)	(3,172)	56	(14,078)	26,769	(6,530)
	(ii) non-controlling interests	-	-	-	-	-	-
9	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit & Loss						
	(iI) Remeasurement of Defined Benefit Plan	21	21	20	42	92	(78)
	(ii) FVOCI - equity investments	-	-	-	-	-	-
	(iv) Tax on above items that will not be reclassified to profit or loss	-	-	(9)	-	(25)	-
	Total Other Comprehensive Income	21	21	11	42	67	(78)
10	Total Comprehensive Income for the period [Comprising profit/(loss) and Other Comprehensive Income for the period (9+10)]	(10,884)	(3,151)	67	(14,036)	26,702	(6,608)
	Attributable to:						
	(i) owners of the parent Group	(10,884)	(3,151)	67	(14,036)	26,702	(6,608)
	(ii) non-controlling interests	-	-	-	-	-	-
11	Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.) (not annualised)						
	(a) Basic	(7.48)	(2.17)	0.04	(9.65)	18.36	(4.48)
	(b) Diluted	(7.48)	(2.17)	0.04	(9.65)	18.36	(4.48)
12	Paid up equity share capital (Face Value of 10/-each)	14,583	14,583	14,583	14,583	14,583	14,583



Statement of Assets & Liabilities

(Rs in lakh)



Particulars	As on	As on
	30-Sep-22 Unaudited	31-Mar-22 audited
ASSETS		
(1) Non-current assets		
a) Property, Plant and Equipment	66	75
b) Other Intangible assets	1	1
c) Capital work in progress	(0)	8,835
	67	8,910
d) Other non-current assets	81	127
	81	127
(2) Current assets		
a) Inventories	63,311	64,946
b) Financials Assets		
Trade receivables	97	1,953
Cash and cash equivalents	15	81
Bank balance other than above	69	-
Loans	9,728	-
Other current assets	17,691	27,899
	90,911	94,879
Total Assets	91,059	103,917
	(0)	(0)
EQUITY AND LIABILITIES		
(1) Equity		
Equity Share capital	14,583	14,583
Other Equity	(131,194)	(117,161)
	(116,611)	(102,578)
(2) Non-current liabilities		
Provisions	142	116
Other long-term liabilities	-	29
	142	145
(3) Current liabilities		
Financial Liabilities		
Borrowings	61,656	61,696
Trade payables	17,049	14,826
Other current financial liabilities	42,907	47,204
Other current liabilities	85,394	81,882
Provisions	54	16
Current Tax Liabilities, net	468	726
	207,528	206,349
Total Equity & Liabilities	91,059	103,917
	(0)	(0)

Notes to the financial results:

- The above Consolidated unaudited financial results have been reviewed by the Audit committee and approved by the Board of Directors of the Company at its meeting held on 4th November, 2022. The statutory auditors have conducted a limited review of the Consolidated Financial Results of the Company for the period ended 30th September, 2022.
- These Consolidated unaudited 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 , NUDPL Ventures Private Limited , LOB Facilities Management Private Limited (Formerly known as Lob Property Management Private Limited)
- The operating segment of the Group has extended from "Residential projects" & "Facility Management" to complete incomplete residential projects and to the "Service business of facilities / manpower / catering / restaurants activities", "Trading in land and plotted development", "Proptech and related Internet Technology Services", "Long term investment and trading in equities".
All operations are in India and hence there is no geographical segment.
- Statement of unaudited Standalone financial results for quarter ended September 30, 2022 disclose the following.

No	Particulars	Quarter ended			Period ended	Previous year ended 31-03-2022
		3 months ended 30-09-2022	Preceding 3 months ended 30-06-2022	Corresponding 3 months ended 30-09-2021	Year to date figures for current period ended 30-09-2022	
		Unaudited	Unaudited	Unaudited	Unaudited	
a	Total Revenue	827	1,113	18,653	1,939	20,325
b	Profit/(Loss) before tax	(9,666)	(2,094)	1,417	(11,762)	(988)
c	Profit/(Loss) after tax	(9,685)	(2,112)	1,388	(11,799)	(1,044)

- IndAS 16 for "Property, Plant and Equipment" has gone in to some modification which will be reviewed by company and same will be incorporated where ever applicable.
IndAS 37 for "Provision, Contingent Liabilities and Contingent Assets" is reviewed by the company and will be incorporated if applicable.
IndAS 103 for "Financial Instruments" is reviewed by the company and will be incorporated if applicable.

Ind AS 101 for Subsidiary "First time adoption of Indian Accounting Standards" effective from 1st April, 2022 as notified by the Ministry of Corporate Affairs (MCA) vide notification no. G.S.R. 255 (E) dated 23rd March 2022. The Company and its subsidiaries are following the IndAS Accounting Standards which are in place as on 30th September 2022. Hence, this standard is not applicable to companies.

IndAS 41 for "Agriculture" is not applicable as the Company is not involved in any of the agricultural process.
IndAS 109 for "Business Combinations" is not applicable as the Company does not control one or more business.
- The Holding Company alongwith its two subsidiaries viz. NHDPL South Private Limited and NUDPL Ventures Private Limited has defaulted on payment to two lenders, Principal (Rs 61,655 lakhs) as on 30th September, 2022 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 signed the MOU to exit from British Columbia project as on 7th July 2022 with a new developer and land owners. The Company is in the process of settling all customer refunds and transfer of project to the new developer post signing of MOU.
- 9 Deferred Tax has not been accounted for due to the uncertainty of taxable profit as estimated by the management against which the Deferred tax assets can be adjusted / utilised in near future.
- 10 The Company has provided for Expected credit loss amount of Rs. 16.30 crores during the half year ended 30th September 2022 towards old outstanding sundry debtors.
- 11 The group has exited Knightsbridge, Virgin Island, Napa Valley and Melbourne Park projects and entered in to one time settlement with the lenders against loan outstanding for said projects. Accordingly the company has classified Rs. 406.41 crores as disputed liability as the bank has released its charge on such projects but the lender has not provided any confirmation to the effect. The group 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 crores. In view of this, Company had written back the interest amount and same is classified the interest as disputed liability of Rs. 14.43 crores in the previous year. In respect of Plaza project, the group has classified the outstanding interest amount of Rs. 37.28 crores as disputed liability in the previous year.
- 12 The Company has divested two subsidiaries in the last financial year and hence those subsidiaries have not been considered for consolidation in current half year ended 30th September 2022.
- 13 **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.
- 14 The figures in respect of previous period have been regrouped/recast wherever necessary.

For and on behalf of the Board of Directors of
NFL Holdings South Limited


Rajeev Khanna
DIN : 07143405
Director Finance & Chief Financial Officer

Place: Bengaluru, India
Date : 4th November 2022



NEL Holdings South Limited

Regd. Office: No. 110, Level 1 Andrews Building, M.G.Road Bangalore KA 560001 IN

CIN: L93000KA2004PLC033412, website - www.nelholdings.in

Phone Number: +91 80 2227 2220



Holdings South Limited

Consolidated Segment wise revenue, results for the period ended September 30, 2022

(Rs in lakh except EPS)

No	Particulars	Quarter ended			Period ended		Previous year ended 31-03-2022
		3 months ended 30-09-2022	Preceding 3 months ended 30-06-2022	Corresponding 3 months ended 30-09-2021	Year to date figures for current period ended 30-09-2022	Year to date figures for current period ended 30-09-2021	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Segment revenue						
	(a) Residential	872	940	4,037	1,812	5,551	9,430
	(b) Facility Management	44	29	-	72	-	-
	Total	916	969	4,037	1,884	5,551	9,430
	Less: Inter-segment revenue	-	-	-	-	-	-
	Net income from operations	916	969	4,037	1,884	5,551	9,430
2	Segment results						
	Profit/(loss) before tax and interest						
	(a) Residential	(9,182)	(1,856)	2,406	(11,038)	2,099	(15,784)
	(b) Facility Management	6	(6)	-	(0)	-	-
	Total	(9,176)	(1,862)	2,406	(11,038)	2,099	(15,784)
	Add: Other income	13	392	18,365	404	18,465	18,760
	Less: Interest	1,707	1,664	2,435	3,371	4,523	9,168
	Total profit/(loss) before tax	(10,870)	(3,134)	18,336	(14,006)	16,042	(6,192)
3	Segment Assets						
	(a) Residential	60,804	77,167	(17,248)	60,804	101,663	73,515
	(b) Facility Management	570	645	(2,858)	570	1	610
	(c) Unallocated	29,684	29,791	(22,331)	29,684	29,784	29,792
	Total	91,058	107,603	(42,437)	91,058	131,448	103,917
4	Segment Liabilities						
	(a) Residential	151,826	158,129	(17,856)	151,826	150,307	152,825
	(b) Facility Management	1,551	1,627	(6,050)	1,551	-	1,560
	(c) Unallocated	54,292	53,572	(21,775)	54,292	50,578	52,110
	Total	207,669	213,328	(45,681)	207,669	200,886	206,495



NEL Holding South Limited
CASH FLOW STATEMENT - CONSOLIDATED

(₹ in Lakh)
Consolidated
Period ended
30.09.2022

Particulars	
Cash flows from operating activities	
Profit before tax	-14,000.93
Adjustments for :	
Depreciation, amortisation and impairment of Fixed Assets	5.14
Interest income	-0.35
Fair Value Change-OCI	41.96
Sundry Balance Write/Rounding Off	-1.00
(Profit)/ Loss on sale of Assets	-13.38
Liability/Provision written back	-384.15
Provision for Capital Work in Progress	8,835.13
Allowance for trade Receivables and Advances	1,630.04
Operating Profit before Current/Non Current Assets and Liabilities	-3,887.55
Adjustment for :	
Trade Receivables	224.15
Inventories	1,635.58
Other Assets	-79.97
Other Liabilities	-404.35
Trade Payables	2,565.00
Provisions	-12.46
Cash Generated from Operation	40.40
Income Tax Paid/Refund (NET)	-13.88
Net Cash Flow from Operating Activities	A 26.52
CASH FLOW FROM INVESTING ACTIVITIES	
Proceeds from Sale of Property Plant and Equipment	16.31
Other Bank Balances	-43.01
Net Cash from Investing Activities	B -26.70
CASH FLOW FROM FINANCING ACTIVITIES	
Repayment/Increase in Borrowings	-40.45
Interest & Finance cost pertaining to Financing Activities	-
Net Cash used in Financing Activities	C -40.45
Net Increase / (Decrease) in Cash & Cash equivalent (A+B+C)	-40.63
Cash & Cash equivalent as at the beginning of the period (Refer Note 9 for components of cash & cash equivalents)	55.52
Cash & Cash equivalent as at the end of the period (Refer Note 9 for components of cash & cash equivalents)	14.90

(All figures in bracket represent outflow.)

