



Statement of unaudited Consolidated financial results for period ended December 31, 2020

(Rs in lakh except EPS)

No	Particulars	Quarter ended			Period ended		Previous year ended 31-03-2020
		3 months ended 31-12-2020	Preceding 3 months ended 30- 09-2020	Corresponding 3 months ended 31-12-2019	Year to date figures for current period ended 31.12.2020	Year to date figures for period ended 31.12.2019	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Income						
	(a) Revenue from operations	5,945	736	2,353	7,025	3,792	4,165
	(b) Other Income	5	22,680	332	22,685	941	1,072
	Total Income	5,950	23,416	2,685	29,710	4,733	5,237
2	Expenses						
	(a) Land and construction cost	(16,808)	58	1,598	(16,327)	9,777	6,904
	(b) Changes in Inventories of Finished goods, work in progress & Stock in Trade	19,690	392	412	19,761	(6,760)	(4,554)
	(c) Employee benefits expense	185	179	186	575	1,005	1,230
	(d) Finance costs	2,913	3,733	2,377	11,678	7,300	9,640
	(e) Depreciation and amortization expense	7	5	28	17	121	193
	(f) Other Expenses	3,727	24,141	1,196	28,027	6,401	6,592
	Total Expenses	9,715	28,508	5,797	43,731	17,844	20,005
3	Profit/(Loss) before exceptional items and tax (1-2)	(3,764)	(5,091)	(3,112)	(14,021)	(13,111)	(14,768)
4	Exceptional items	(290)	6,162	-	5,872	-	62,824
5	Profit/(Loss) before tax (3+4)	(4,054)	1,071	(3,112)	(8,149)	(13,111)	(77,592)
6	Tax expenses						
	i) Current Tax				82	-	175
	ii) Deferred tax	(73)	7,965	(292)	7,872	(1,834)	(5,869)
7	Profit/(Loss) after tax for the period (3-6)	(4,063)	(6,894)	(2,820)	(16,103)	(11,277)	(71,898)
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)	(4,063)	(6,894)	(2,820)	(16,103)	(11,277)	(71,898)
	Attributable to:						
	(i) owners of the parent Group	(4,063)	(6,894)	(2,820)	(16,103)	(11,277)	(71,898)
	(ii) non-controlling interests	-	-	-	-	-	-
10	Other Comprehensive Income						
	(i) Items that will not be reclassified to profit & Loss						
	(ii) Remeasurement of Defined Benefit Plan	(27)	(28)	-	(83)	-	111
	(iii) FVOCI - equity investments	-	-	(859)	-	(5,405)	5,405
	(iv) Tax on above items that will not be reclassified to profit or loss	5	4	292	13	1,838	(1,855)
	Total Other Comprehensive Income	(24)	(22)	(567)	(70)	(3,567)	3,661
11	Total Comprehensive Income for the period [Comprising profit/(loss) and Other Comprehensive Income for the period (9+10)]	(4,039)	(6,872)	(2,253)	(16,033)	(7,710)	(68,237)
	Attributable to:						
	(i) owners of the parent Group	(4,039)	(6,872)	(2,253)	(16,033)	(7,710)	(68,237)
	(ii) non-controlling interests	-	-	-	-	-	-
12	Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.) (not annualised)						
	(a) Basic	(2.79)	(4.73)	(1.93)	(11.04)	(7.73)	(49.30)
	(b) Diluted	(2.79)	(4.73)	(1.93)	(11.04)	(7.73)	(49.30)
13	Paid up equity share capital (Face Value of 10/-each)	14,583	14,583	14,583	14,583	14,583	14,583



Notes to the financial results:

¹ The above consolidated financial results of NEL Holdings South Limited (Formerly known as NEL Holdings Limited), ('the Group'), and its subsidiaries (together referred to as 'the Group') has been reviewed by the Audit committee and approved by the Board of Directors at their meeting held on 15th september 2020. The statutory auditors of the Group have conducted a limited review of the consolidated Financial Results of the Group for the quarter ended 31st December 2020.

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), NIRPL Ventures Pvt Ltd (formerly known as Nitesh Indiranagar Retail Private Limited), LOB Properties Private Limited, & Courtyard Hospitality Private Limited (Formerly known as Courtyard Constructions 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 December 31, 2020

No	Particulars	Quarter ended			Period ended		Previous year ended 31-03-2020
		3 months ended 31-12-2020	Preceeding 3 months ended 30-09-2020	Corresponding 3 months ended 31-12-2019	Year to date figures for current period ended 31.12.2020	Year to date figures for period ended 31.12.2019	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
a	Revenue from Operations	1,906	481	1,126	2,707	1,775	1,920
b	Profit/(Loss) before tax	(5,976)	4,629	(2,602)	(4,635)	(10,748)	(102,355)
c	Profit/(Loss) after tax	(6,000)	3,916	(2,326)	(5,366)	(8,964)	(100,521)

4 (i) The Company has exited Knightsbridge Residential project, via BTA that has been executed and transferred the assets and liabilities of the projects to Garden City. The proposal was approved by the share holders in the Annual General Meeting held on 30th September, 2020 for an all inclusive value of not less than Rs. 8 Cr. RERA approval for this transfer has been obtained.

(ii) The Company has transferred Virgin Island Residential project along with Debentures outstanding against the project to land owners by way of settlement executed. The proposal was approved by shareholders in the Annual General Meeting held on 30th September,2020 for an all inclusive value of not less than Rs. 2 Cr.

(iii) The Subsidiary Company, viz NHDPL South Private Limited (Formerly NHDPL Properties Private Limited) has exited Napa Valley Project via BTA that has been executed and transferred the assets and liabilities of the projects to True Blue Reality. The proposal was approved by the share holders in the Annual General Meeting held on 30th September, 2020 for an all inclusive value of not less than Rs. 36 Cr. RERA approval for this project has been obtained.

5 As per note no. 4 (i) to (iii) provided above, the Company has exited Knightsbridge, Virgin Island and Napa Valley projects and entered in to one time settlement with the lenders against loan outstanding for said projects. Accordingly the company has classified Rs. 238.22 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.

6 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, both Principal (Rs 75,936 lakhs) as well as Interest (Rs. 25,604 lakhs) as on 30th December,2020 as the facilities have been called off by the banks & financial institutions and entire facility has become due for payment. The penal interest amounting to Rs. 20,297 lakhs 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.



7 The outbreak of COVID-19 pandemic has significantly impacted global businesses environment. The restriction of human movement through nationwide lockdown during the period from 25th April, 2020 to 8th June, 2020 imposed by the Government of India to prevent community spread of the disease has resulted significant reduction in economic activities with respect to the operations of the Company, The business of the Company has gone down drastically and the construction activities of the Company has been stopped due to non-availability of resources during lock down period. The Company has taken necessary steps to overcome the present situation by analysing various internal and external information inter-alia the assumptions relating to economic forecasts and future cash flows for assessing the recoverability of various assets and receivables viz, investments, contract and non-contract assets, trade and non-trade receivables, inventories, advances and contract costs as on the date of approval of these financial statements. The assumptions used by the company are being tested through sensitivity analysis and the company expects to recover the carrying amount of these assets and receivables based on the current indicators of future economic benefits. As the management is still assessing the impact of COVID-19 pandemic on the future period, the impact may be different from that estimated as at the date of approval of these financial statements and the company will continue to closely monitor the material changes if any, to the future economic conditions. Same situation is continuing in Q1, Q2 and Q3 of 2020-21 due to pandemic outbreak.

8 **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.

9 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.

10 The figures for the quarter ended 31st December, 2020 are the derived balancing figures between the unaudited figures in respect of nine months ended 31st December 2020.

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)



L.S. Vaidyanathan
DIN: 00304652
Executive Director



Place: Bengaluru, India
Date : 12th February 2021

NEL Holdings South Limited
(Formerly Known as NEL Holdings Limited)
Regd. Office: Nitesh Timesquare , 7th Floor , No. 8, M.G Road, Bengaluru 560 001
CIN: L07010KA2004PLC033412, website - www.nelholdings.in
Phone Number: +91 80 4017 4000



Consolidated Segment wise revenue, results

(Rs in lakh except EPS)

No	Particulars	Quarter ended			Period ended		Previous year ended 31-03-2020
		3 months ended 31-12-2020	Preceeding 3 months ended 30-09-2020	Corresponding 3 months ended 31-12-2019	Year to date figures for current period ended 31.12.2020	Year to date figures for period ended 31.12.2019	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	
1	Segment revenue						
	(a) Residential	5,945	736	2,353	7,025	3,792	4,165
	(b) Retail	-	-	-	-	-	-
	Total	5,945	736	2,353	7,025	3,792	4,165
	Less: Inter-segment revenue	-	-	-	-	-	-
	Net income from operations	5,945	736	2,353	7,025	3,792	4,165
2	Segment results						
	Profit/(loss) before tax and interest						
	(a) Residential	(854)	(24,038)	(1,067)	(25,026)	(6,752)	(69,024)
	(b) Retail	-	-	-	-	-	-
	Total	(854)	(24,038)	(1,067)	(25,026)	(6,752)	(69,024)
	Add: Other income	5	22,680	332	22,685	941	1,072
	Less: Interest	2,913	3,733	2,377	11,678	7,300	9,640
	Total profit/(loss) before tax	(3,762)	(5,091)	(3,112)	(14,019)	(13,110)	(77,592)
3	Segment Assets						
	(a) Residential	(25,621)	10,294	195,345	147,363	195,345	170,775
	(b) Retail	(4)	(5,042)	31,584	2,858	31,584	7,918
	(c) Unallocated	(896)	(2,095)	64,394	52,226	64,394	54,755
	Total	(26,520)	3,157	291,324	202,447	291,324	225,530
4	Segment Liabilities						
	(a) Residential	(250,168)	235,613	238,003	215,967	238,003	225,356
	(b) Retail	(6,027)	5,980	10,044	5,983	10,044	6,039
	(c) Unallocated	(69,037)	70,292	77,447	70,976	77,447	68,695
	Total	(325,232)	311,885	325,494	292,926	325,494	300,090



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

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 Consolidated Financial Results

1. We have reviewed the accompanying statement of Unaudited Consolidated Financial Results of **NEL HOLDINGS SOUTH LIMITED** ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") for the quarter and nine month ended December 31, 2020 ("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 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
 - NIRPL Ventures Private Limited (formerly known as Nitesh Indiranagar Retail Private Limited)
 - Courtyard Hospitality Private Limited (formerly known as Courtyard Constructions Private Limited)
5. Attention is drawn to the following Notes of the Statement which are subject matter of adverse conclusion as given in Para 5 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 consolidated financial statements do not adequately disclose this fact. During the quarter, the Group has sold three projects through a Business Transfer Agreements and repaid some portion of the Bank Loan. (refer to note no 2 of unaudited consolidated financial results) Though this has reduced the liability of the Group to banks, the ability of the Group to continue as a going concern continues to remain uncertain in view of what is stated above.

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

- b) The Group has given unsecured advance amounting to Rs 3,515 Lakhs to Boulevard Developers Pvt. Ltd (Boulevard) for acquiring various immovable properties on behalf of the Group for which no Joint Development Agreements could be produced to us. We have been informed that the Boulevard is not in a position to honor its commitment and repay the advance. Considering these factors, we are concerned about the manner in which the funds were given without obtaining any security. The Group has made full provision in the books during the quarter. However, the Group has communicated to its intention to initiate legal proceedings for recovery to the said party.
- c) Reference is made to clause (c) of our last quarter review report on unsecured advances of Rs. 23,887 Lakhs to Somerset Infra Projects Private Limited which was provided for in earlier year and written off as bad debts to the extent of Rs. 22,660 Lakhs in two of its subsidiary companies without taking proper legal recourse.



- d) On default in repayment of principal amount of Rs. 50,000 Lakhs and interest of Rs. 3,283 Lakhs for the credit facilities availed by two subsidiaries, the YES Bank Ltd. has invoked the guarantees furnished by the Holding Company on behalf of its subsidiaries and has demanded payment of the outstanding dues.
- e) Further, The Bank has also recalled the entire outstanding loan amount of Rs. 58,810 lakhs along with unpaid Interest and other charges. The Bank also have imposed penal interest of Rs 11,367 Lakhs, for defaults in repayment of principal and interest against the loan availed from the bank. Independent Balance Confirmation as on date could not be obtained from the Bank in response to our query on the same.
- f) The Group has not accounted for the demand of penal interest amounting to Rs. 21,354 Lakhs by banks and financial institutions on credit facilities availed, resulting in the understatement of loss and overstatement of net worth by the said amount.
- g) The Group has sold the project's "Nitesh Knight's Bridge", "Nitesh Virgin Island" and "Nitesh Napa Valley", on an ongoing basis, in the current quarter through Business Transfer Agreements.

The Group has borrowed Rs 23,256 Lakhs from HDFC Limited and Rs. 31,500 Lakhs from Yes Bank for various projects including Nitesh Knights Bridge and Nitesh Napa Valley. As per the terms of business transfer agreement with the third party, an amount of Rs. 800 Lakhs have been paid to HDFC Limited for release of charge on Nitesh Knights Bridge and an amount of Rs. 3,600 Lakhs have been paid to Yes Bank for release of charge on Nitesh Napa Valley. Basis the same the Group has classified the remaining outstanding liability, to the extent allocated to the projects, as disputed liability.

During the previous quarter, on release of charge/mortgage of the project 'Nitesh Virgin Island' by the HDFC Limited, though such release was conditional that the same shall not be construed as settlement of any kind, the Group had recognized Rs 8,146 Lakhs as income being the estimated carrying value of loan. Further the Group had recognized Rs 3000 Lakhs as income being waiver of interest component on the loan. In the absence of the confirmation from HDFC Bank with respect to reduction in loan liability, the Group has now restated the said liability in the books as disputed liability.

- h) The Holding Company had collected customer advances in earlier years against some residential projects which has been closed/suspended subsequently and abandoned now, out of which Rs. 176/- Lakhs has been paid during the quarter. An aggregate amount of Rs. 523/- Lakhs are outstanding as on date. The above unadjusted refundable amount is in the nature of deemed deposits under rule 2(c) (xii) (b) of the Companies Acceptance of deposit (Rules) 2014 and also within the preview of sections 73 to 76 of the Companies Act, 2013 in respect of which proper disclosures have not been made in the financial statements of the Group.



- i) The Group has not tested impairment of its project's CWIP and inventories amounting Rs 8,835 Lakhs and Rs 63,987 Lakhs [Net "Payable to land owner for land under Joint Development Agreement, JDA) respectively as on 31st December, 2020. Any adjustment in the books of accounts resulting from the actual sale/transfer and settlement thereof will be accounted for in due course which results in Non-compliance of Inventory Valuation as per Ind AS 2. [Refer Note No 2 of financial results]
 - j) In accordance with requirements of Ind AS 109, the Group is required to create an impairment allowance of its financial assets using expected credit loss method. Trade receivables of the one of the subsidiaries as on December 31, 2020 is Rs 366 Lakhs towards which no impairment allowance has been created.
 - k) 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, value added tax, Goods and Services tax, cess.
 - l) The Group has neither ascertained nor accounted for Deferred Tax and Minimum Alternate Tax for the Nine month ended December 31, 2020.
6. Based on our review conducted as above, we report that because of the significance of the matters stated in Para 4 above and its consequential impact on the financial results for the quarter and nine month ended December 31, 2020, we have come to the conclusion 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, 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) The Group has given unsecured advance amounting to Rs. 5,928 Lakhs to Winter Lands Pvt. Ltd. (Winter Lands) for acquiring various immovable properties on behalf of the Group for which no Joint Development Agreement could be produced to us. We have been informed that Winter Lands 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, during the quarter, Winter Lands has sought to transfer its JDA rights in Project at Commissariat road to the extent of 30000 Sq feet to the Group by way of Memorandum of Understanding (MOU). The enforceability of this MOU, NOC from Land Owner and the basis of the valuation has not been satisfactorily explained to us. The position will be reviewed subsequently.
- b) We draw attention to Note 6 of the unaudited standalone financial results, which states the economic and social consequences/disruption that the entity is encountering as a result of COVID-19 pandemic which is impacting supply chains, consumer demand and personnel availability. The situation is still evolving and the



RAY & RAY

CHARTERED ACCOUNTANTS

management's assessment of the impact on the subsequent period is dependent on the circumstances as they evolve. This may further affect the Group's ability to carry out the business.

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

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

Shipra

(Shipra Gupta)
Partner

Membership No. 436857
UDIN: 21436857AAAAAL6030

Place: Bangalore
Date: February 12, 2021

