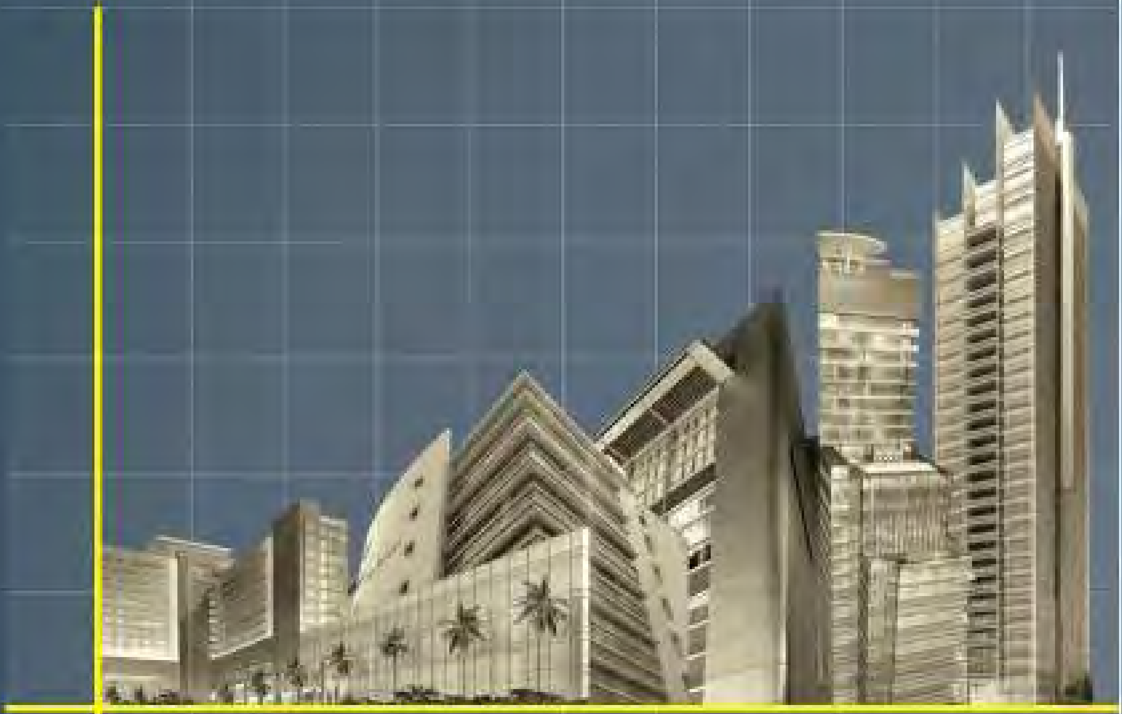
NEL

Holdings South Limited

17th annual report 2020-21



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CORPORATE INFORMATION

BOARD OF DIRECTORS/KMP

MR. NITESH SHETTY
Chairman & Managing Director

MR. L. S. VAIDYANATHAN
Executive Director

MR. RAJEEV KHANNA *(joined on Jun, 2021)*
Executive Director & Chief Financial Officer

MR. KAMAL DALUKA *(upto Nov, 2020)*
Director Finance & Chief Financial Officer

MR. PRASANT KUMAR
Company Secretary & Chief Compliance Officer

MRS. DIPALI KHANNA *(upto Sept, 2020)*
Independent Director

MR. S ANANTHANARAYANAN
Independent Director

MR. MAHESH BHUPATHI
Independent Director

MR. KUMAR NELLORE GOPALAKRISHNA
Independent Director

MRS. GAYATHRI MN
Independent Director

COMMITTEES OF THE BOARD

Audit Committee

Mr. S. Ananthanarayanan - Chairperson

Mr. Mahesh Bhupathi - Member

Mr. L. S. Vaidyanathan - Member

Nomination & Remuneration Committee

Mr. S. Ananthanarayanan - Chairperson

Mr. Krishna Kumar N G - Member

Mr. Mahesh Bhupathi - Member

Stakeholders Relationship Committee

Mr. S. Ananthanarayanan – Chairperson

Mr. Mahesh Bhupathi – Member

Mr. Nitesh Shetty - Member

Mr. L. S. Vaidyanathan - Member

STATUTORY AUDITORS INCLUDING SUBSIDIARIES

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

SECRETARIAL AUDITORS INCLUDING SUBSIDIARIES

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

REGISTRAR & SHARE TRANSFER AGENT

KFin Technologies Private Limited
Selenium Tower B, Plot No 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032
Toll Free no.: 1800-309-4001
Email: einward.ris@kfintech.com

EQUITY SHARES LISTED AT

BSE Limited (BSE)

PRINCIPAL BANKERS

HDFC Limited
Yes Bank Limited

SOLICITORS

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

REGISTERED OFFICE
110, Andrews Building, Level 1,
M.G.Road, Bangalore - 560001
Tel: +91 80 4017 4000;
email ID: investor@nelholdings.in Website: www.nelholdings.in

SUBSIDIARY COMPANIES

NHDPL SOUTH PRIVATE LIMITED
(formerly *NHDPL Properties Private Limited*)
Registered Office: No 110, 7, Level 1
Andrews Building, M. G. Road, Bengaluru-560 001

Board of Directors

MR. L. S. VAIDYANATHAN	Director
MR. RAJEEV KHANNA	Director
MR. S. ANANTHANARAYNAN	Independent Director
MR. KRISHNA KUMAR N G	Independent Director

NUDPL VENTURES PRIVATE LIMITED
(formerly NUDPL Enterprises Private Limited)
Registered Office: No 110 A, 7, Level 1
Andrews Building, M. G. Road, Bengaluru-560 001

Board of Directors

MR. L. S. VAIDYANATHAN	Director
MR. RAJEEV KHANNA	Director
MR. S. ANANTHANARAYNAN	Independent Director
MR. KRISHNA KUMAR N G	Independent Director
MR. PRADEEP NARAYAN	Director

NIRPL VENTURES PRIVATE LIMITED
(formerly Nitesh Indiranagar Retail Private Limited)
Registered Office: Level 7, Nitesh Timesquare
#8, M.G. Road, Bengaluru-560 001

Board of Directors

MR. NITESH SHETTY	Director
MR. L. S. VAIDYANATHAN	Director
MR. S. ANANTHANARAYNAN	Independent Director

LOB PROPERTY MANAGEMENT PRIVATE LIMITED
Registered Office: No. 76-8, Unit no. 3, Commissariat Road
Ashok Nagar Bangalore-560025

Board of Directors

MR. RAJEEV KHANNA	Director
MR. P. C. ASHOK	Director
MR. PRADEEP NARAYAN	Director
MRS. GAYATHRI MN	Director

COURTYARD HOSPITALITY PRIVATE LIMITED
(formerly Courtyard Constructions Private Limited)
Registered Office: No. 76-7, Unit no. 2, Commissariat Road
Ashok Nagar Bangalore-560025

Board of Directors

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

NEL HOLDINGS SOUTH LIMITED

(Formerly known as NEL Holdings Limited)
CIN: L07010KA2004PLC033412
Regd. Office : 110, Andrews Building, Level 1, M. G. Road, Bengaluru-560 001
Ph. +91-80-4017 4000 Website: www.nelholdings.in; email: investor@nelholdings.in, cs@nelholdings.in

Notice

NOTICE is hereby given that the Seventeenth Annual General Meeting ("AGM") of the Members of NEL HOLDINGS SOUTH LIMITED ("the Company") will be held on Tuesday, 28th September 2021 at 9:00 a.m. through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") facility to transact the following business:

ORDINARY BUSINESS:

1. **To consider and adopt the Audited Standalone and Consolidated Financial Statements of the Company for the financial year ended 31st March 2021, together with the Reports of the Board of Directors and Auditor's thereon**

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

   *"**RESOLVED THAT** the Audited Annual Financial Statements (including the balance sheet of the Company as at March 31, 2021 and the statement of profit and loss together with the notes on accounts, schedules, statement of cash flow, etc.), in the prescribed format, annexed to and forming part of the accounts for the year ended March 31, 2021, including the consolidated financial statements for the year ended as on that date, together with the report of the Director' and Auditors' thereon as presented to the meeting, be and are hereby approved and adopted."*

SPECIAL BUSINESS:

2. **To appoint Mr. Kumar Nellore Gopalakrishna (DIN: 07197031) a Director (Independent Director) of the Company:**

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

   "RESOLVED THAT *pursuant to the Articles of Association of the Company and the provisions of Section 161 of the Companies Act, 2013 read with Rules made there under (including any statutory modification(s) or re-enactment thereof),* ***Mr. Kumar Nellore Gopalakrishna*** **(DIN: 07197031),** *who was appointed as an Additional Director of the Company by the Board of Directors and who holds the office up to the date of this Annual General Meeting, be and is hereby appointed as a Director (Independent) of the Company.*

   RESOLVED FURTHER THAT *pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and provisions of Listing Regulations, Mr. Krishna Kumar N G, be and is hereby appointed as Independent Director of the Company to hold office for a period of 5 (Five) consecutive years i.e., up to 12.11.2025 and his office shall not be liable to retire by rotation.*

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

3. **To appoint Ms. Gayathri MN (DIN: 06742638), a Director (Independent Director) of the Company:**

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

   "RESOLVED THAT *pursuant to the Articles of Association of the Company and the provisions of Section 161 of the Companies Act, 2013 read with Rules made there under (including any statutory modification(s) or re-enactment thereof),* ***Ms. Gayathri MN (DIN: 06742638)****, who was appointed as an Additional Director of the Company by the Board of Directors and who holds the office up to the date of this Annual General Meeting, be and is hereby appointed as a Director (Independent) of the Company.*

   RESOLVED FURTHER THAT *pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and provisions of Listing Regulations, Ms. Gayathri MN, be and is hereby appointed as Non-Executive Director of the Company to hold office for a period of 5 (Five) consecutive years i.e., starting from January 08, 2021 to January 07, 2026 and shall not be liable to retire by rotation.*

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

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

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

"RESOLVED THAT *pursuant to the provisions of Sections 196 and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modification or re-enactment thereof ("the Act"), read with Schedule V to the Act, and subject to 'No Objections' received from the Secured creditors approval of the Shareholders be and is hereby accorded to the re-appointment of* ***Mr. L. S. Vaidyanathan (DIN: 00304652)****, as a Whole-time Director of the Company for a period of fourteen month from 1st April, 2021 to 31st May, 2022 (both days inclusive).*

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

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

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

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

5. To appoint Mr. Rajeev Khanna (DIN: 07143405), as Whole-time Director designated as Executive Director – Finance cum Chief Financial Officer of the Company

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

"RESOLVED THAT *pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force),* ***Mr. Rajeev Khanna (DIN: 07143405)****, who was appointed as an Additional Director of the Company with effect from June 21, 2021 and who holds office up to the date of this Annual General Meeting in terms of Section 161 of the Act and Articles of Association of the Company and who is eligible for appointment as a Director of the Company and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation;*

RESOLVED FURTHER THAT *subject to and in accordance with the provisions of Sections 196, 197, 203 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the approval of the Members be and is hereby accorded for the appointment of* ***Mr. Rajeev Khanna (DIN: 07143405)****, as a Whole-Time Director, designated as 'Executive Director - Finance' of the Company, liable to retire by rotation, for a term of three years effective from June 21, 2021 upon the terms and conditions as set out in the explanatory statement annexed to the Notice, which have been approved and recommended by the Nomination and Remuneration Committee and the Board of Directors, with liberty and power to the Board of Directors ('the Board' which term shall include its* *duly empowered Committee(s) constituted/to be constituted by it to exercise its powers including the powers conferred by this resolution) to alter and vary the terms and conditions of the said appointment as it may deem fit;*

RESOLVED FURTHER THAT *Mr. Rajeev Khanna shall not be paid remuneration by virtue of him being appointed as Executive Director until otherwise decided so long as he functions as the Executive Director of the Company;*

RESOLVED FURTHER THAT *the Board of Directors or the Company Secretary of the Company be and is hereby severally/jointly authorized to do all such acts, deeds, matters and things as may be necessary or expedient to give full effect to this resolution resolution and to settle any question or difficulty that may arise in this regard in the best interest of the Company."*

Registered Office:
110, Andrews Building, Level 1,
M.G.Road, Bangalore - 560001

BY ORDER OF THE BOARD
For NEL Holdings South Limited

Prasant Kumar
Company Secretary &
Chief Compliance Officer

Place: Bengaluru
Date: June 29, 2021

Notes:

General instructions for accessing and participating in the 17th AGM through VC/OAVM Facility and voting through electronic means including remote e-Voting

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has allowed the Company to conduct Annual General Meeting through video conferencing ("VC") or other audio-visual means ("OAVM"). In this regard, MCA issued Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No.20/2020 dated May 5, 2020 and Circular No.02/2021 dated January 13, 2021 ("MCA Circulars"), prescribing the procedure and manner of conducting the Annual General Meeting through VC/ OAVM. Further, the Securities and Exchange Board of India ("SEBI") also vide its Circular No. SEBI/ HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 ("SEBI Circulars") has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") due to the COVID-19 pandemic. In compliance with the applicable provisions of the Companies Act 2013 ("Act"), MCA Circulars and SEBI Circulars / Listing Regulations and keeping in view with Government advisories on COVID-19, the Board of Directors has approved conducting of the 17th Annual General Meeting (AGM) of the Company through VC / OAVM, without physical presence of the Members at a common venue.

2. In compliance with applicable provisions of the Companies Act, 2013 ("the Act") read with the MCA Circulars and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 17th Annual General Meeting of the Company is being conducted through Video Conferencing ("VC") (hereinafter referred to as "AGM' or "e-AGM"). In accordance with the Secretarial Standard -2 on General Meeting issued by the Institute of Company Secretaries of India (ICSI) read with Guidance/Clarification dated April, 15, 2020 issued by ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed Venue of the e-AGM. Since the AGM will be held through VC/OAVM means, the Route Map is not annexed in this Notice.

3. An Explanatory Statement pursuant to Section 102 of the Act setting out material facts relating to business under item numbers 2 to 5 to be transacted at the meeting, is annexed hereto and forms part of this Notice.

4. Information with regard to Mr. Krishnakumar N G, Ms. Gayathri MN, Mr. L S Vaidyanathan and Mr. Rajeev Khanna as stipulated under the Listing Regulations and the applicable Secretarial Standard(s), is annexed hereto. Requisite declarations have been received from the Directors seeking their appointment/ re-appointment.

5. In terms of provisions of Section 107 of the Act, the resolutions as set out in the notice are being conducted through e-voting, and therefore the said resolutions will not be decided on a show of hands at the AGM.

6. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum of the meeting under Section 103 of the Act.

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

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

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

10. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is KFin Technologies Private Limited, (KFin) having office at Selenium Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032, Toll Free No.: 1800-309-4001, E-mail: einward.ris@kfintech.com, Website: https://www.kfintech.com or https://ris.kfintech.com/ (email einward.ris@kfintech.com).

    Members are requested to note that, KFintech has launched a mobile application - KPRISM and a website https://kprism.kfintech.com/ for our members. Now, Members can download the mobile app and see portfolios serviced by KFintech, check dividend status, request for annual reports, change of address, change/ update Bank mandate and download standard forms. The android mobile application can be downloaded from Play Store by searching for "KPRISM".

11. Pursuant to the provisions of the Listing Regulations, the Company is maintaining an E-mail ID, investor@nelholdings.in exclusively for prompt redressal of members/ investors grievances.

12. **Attending e-AGM:** Members will be provided with a facility to attend the e-AGM through video conferencing platform provided by KFin. Members may access the same at https://emeetings.kfintech.com/ by clicking on "Video Conference" and access the shareholders'/ members' login by using the remote e-voting credentials which shall be provided as per Note No. 22 below. Kindly refer Note no. 22 below for detailed instruction for participating in e-AGM through Video Conferencing.

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

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

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

16. **Remote e-Voting**: Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations, and the MCA Circulars, the Company is providing facility of remote e-voting to its Members through Company's Registrar and Transfer Agent KFin. Kindly refer Note no. 22 below for detailed instruction for remote e-voting.

17. **Voting during the AGM:** Members who are present at the e-AGM through VC and have not cast their vote on resolutions through remote e-voting may cast their vote during the e-AGM through the e-voting system provided by KFin in the Video Conferencing platform during the e-AGM. Kindly refer Note No. 22 below for instruction for e-voting during the AGM.

18. The Company has fixed September 21, 2021 as the cut-off date for identifying the Members who shall be eligible to vote through remote e-voting facility or for participation and voting in the e-AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote in the e-AGM.

19. The Register of Members and Transfer Book of the Company will be closed from September 21, 2021 (Tuesday) to September 28, 2021 (Tuesday) (both days inclusive).

20. In compliance with the aforesaid MCA Circulars and the SEBI Circular dated 12th May, 2020, Notice of the e-AGM along with the Annual Report for the financial year ended on 31st March, 2021 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories as on September 03, 2021. The Notice calling the AGM and the Annual Report has been uploaded on the website of the Company at www.nelholdings.in . The Notice can also be accessed from the websites of the Stock Exchange i.e. BSE Limited at www.bseindia.com. The same is also available on the website of KFin website address https://evoting.kfintech.com/.

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

    i. Those members who have not yet registered their email addresses are requested to get their email addresses registered by following the procedure given below:
        a. Members holding shares in DEMAT form can get their e-mail ID registered by contacting their respective Depository Participant.

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

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

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

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

    iv. In terms of the Circular No. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018 issued by SEBI and as amended, the Members are requested to update their PAN and bank account details with KFintech (in case of physical holding) and with the DP (in case of dematerialised holding).

22. **Instructions for E-voting and joining AGM through VC / OAVM:**

    Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and the provisions of Regulation 44 of the Listing Regulations, the Company is pleased to provide the e-voting facility to its Members to cast their vote electronically through the e-voting services provided by KFintech on all resolutions set forth in this Notice.

The remote e-voting period will commence at 9.00 a.m. on Saturday, September 25, 2021 and will end at 5.00 p.m. on Monday, September 27, 2021. The Company has appointed Mr. Sudhindra K. S., Practicing Company Secretary (FCS 7909, CP No. 8190) to act as the Scrutiniser, to scrutinize the entire e-voting process at the AGM and remote e-voting in a fair and transparent manner.

The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

PROCEDURE FOR REMOTE E-VOTING

i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility Provided by Listed Entities, the Members are provided with the facility to cast their vote electronically, through the e-Voting services provided by KFintech , on all the resolutions set forth in this Notice. The instructions for e-Voting are given herein below.

ii. However, in pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on “e-Voting facility provided by Listed Companies”, e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.

iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Shareholders are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

iv. The remote e-Voting period commences on Saturday, September 25, 2021.

v. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vi. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vii. In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.”

viii. The details of the process and manner for remote e-Voting and e-AGM are explained herein below:

Step 1: Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2: Access to KFintech e-Voting system in case of shareholders holding shares in physical and non-individual shareholders in demat mode.

Step 3: Access to join virtual meetings (e-AGM) of the Company on KFin system to participate e-AGM and vote at the AGM.

Details on Step 1 are mentioned below:

I) Login method for remote e-Voting for Individual shareholders holding securities in demat mode.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. **User already registered for IDeAS facility:** I. Visit URL: https://eservices.nsdl.com II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. 2. **User not registered for IDeAS e-Services** I. To register click on link : https://eservices.nsdl.com II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp III. Proceed with completing the required fields. IV. Follow steps given in points 1 3. **Alternatively by directly accessing the e-Voting website of NSDL** I. Open URL: https://www.evoting.nsdl.com/ II. Click on the icon "Login" which is available under 'Shareholder/Member' section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e.KFintech. V. On successful selection, you will be redirected to KFintech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	**1. Existing user who have opted for Easi / Easiest** I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with your registered user id and password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. 2. **User not registered for Easi/Easiest** I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields. III. Follow the steps given in point 1 3. **Alternatively, by directly accessing the e-Voting website of CDSL** I. Visit URL: www.cdslindia.com II. Provide your demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile &

	Email as recorded in the demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e **KFintech** where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – **Kfintech** and you will be redirected to e-Voting website of **KFintech** for casting your vote during the remote e-Voting period without any further authentication.

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	**Helpdesk details**
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: **1800 1020 990** and **1800 22 44 30**
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at **022- 23058738** or **022-23058542-43**

Details on Step 2 are mentioned below:

II) Login method for e-Voting for shareholders other than Individual's shareholders holding securities in demat mode and shareholders holding securities in physical mode.

(A) Members whose email IDs are registered with the Company/ Depository Participants (s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://emeetings.kfintech.com/

ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

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

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'NEL HOLDINGS SOUTH LIMITED - AGM" and click on "Submit"

vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat accounts.

ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

x. You may then cast your vote by selecting an appropriate option and click on "Submit".

xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to cast its vote through remote e-voting. together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email id sudhindraksfcs@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above-mentioned documents should be in the naming format "Corporate Name_Even No."

(B) Members whose email IDs are not registered with the Company/Depository Participants(s), and consequently the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, will have to follow the following process:

i. Members who have not registered their email address and in consequence the Annual Report, Notice of AGM and e-voting instructions cannot be serviced, may temporarily get their email address and mobile number provided with KFintech, by accessing the link: https://ris.kfintech.com/clientservices/mobilereg/mobileemailreg.aspx. Members are requested to follow the process as guided to capture the email address and mobile number for sending the soft copy of the notice and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.

ii Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed copy of the request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual report, Notice of AGM and the e-voting instructions.

iii. After receiving the e-voting instructions, please follow all steps above to cast your vote by electronic means.

Details on Step 3 are mentioned below:

III) Instructions for all the shareholders, including Individual, other than Individual and Physical, for attending the AGM of the Company through VC/OAVM and e-Voting during the meeting.

i. Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open atleast 30 minutes before the commencement of the Meeting.

iii. Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. As the AGM is being conducted through VC / OAVM, for the smooth conduct of proceedings of the AGM, Members are encouraged to express their views / send their queries in advance mentioning their name, demat account number / folio number, email id, mobile number at investor@nelholdings.in. Questions /queries received by the Company till September 25, 2021 shall only be considered and responded during the AGM.

vi. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vii. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

viii. Facility of joining the AGM through VC / OAVM shall be available for atleast 1000 members on first come first served basis.

ix. Institutional Members are encouraged to attend and vote at the AGM through VC / OAVM.

OTHER INSTRUCTIONS

I. **Speaker Registration:** The Members who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Speaker Registration' which will opened during the e-voting period. Members shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Members who have registered themselves, depending on the availability of time for the AGM.

II. **Post your Question:** The Members who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from Kfintech. On successful login, select 'Post Your Question' option which will opened from September 22, 2021 9.00 AM to September 25, 2021 6.00 PM.

III. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech Website) or contact Ms. Krishna Priya M, Manager - Corporate Registry, at evoting@kfintech.com or call KFintech's toll free No. 1800-3409-001 for any further clarifications.

IV. The Members, whose names appear in the Register of Members / list of Beneficial Owners as on Tuesday, September 21, 2021, being the cut-off date, are entitled to vote on the Resolutions set forth in this Notice. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only. Once the vote on a resolution(s) is cast by the Member, the Member shall not be allowed to change it subsequently.

V. In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:

   i. If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

      1. Example for NSDL:
      2. MYEPWD <SPACE> IN12345612345678

3. Example for CDSL:
4. MYEPWD <SPACE> 1402345612345678
5. Example for Physical:
6. MYEPWD <SPACE> XXXX1234567890

ii. If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com/ , the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

iii. Members who may require any technical assistance or support before or during the AGM are requested to contact KFintech at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com .

The results of the electronic voting shall be declared to the Stock Exchanges after the AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company.

By order of the Board of Directors of
NEL Holdings South Limited

Prasant Kumar
Company Secretary &
Chief Compliance Officer

Place: Bengaluru
Date: June 29, 2021

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 2:

The Board of Directors of your Company vide circular resolution passed on November 09, 2020 have appointed Mr. Kumar Nellore Gopalakrishna (DIN: 07197031), as the Additional Director (Independent) of the Company. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") he will hold office up to the date of this Annual General Meeting.

The profile and other details of Mr. Kumar Nellore Gopalakrishna are set out in the Annexure to the Notice. The Board of Directors also considers that based on his varied experience, his association would be of immense benefit to the Company. He shall not be liable to retire by rotation.

The Company has received from Mr. Kumar Nellore Gopalakrishna (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 pursuant to the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act. The Company has also ensured that he is not debarred from holding the office of a director by virtue of any SEBI order or any such other authority.

Further, pursuant to the provisions of Sections 149, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations, 2015, it is proposed to ratify Mr. Kumar Nellore Gopalakrishna's appointment as an Independent Director of the Company to hold office for 5 (Five) consecutive years i.e., up to November 12.2025. Accordingly, the resolution set in Item No. 2 is submitted before the Shareholders for the appointment of Mr. Kumar Nellore Gopalakrishna as a Director and Independent Director for a term of 5 years.

Except Mr. Kumar Nellore Gopalakrishna, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 3:

Pursuant to the provisions of Section 161 of the Companies Act, 2013 (the Act) and the Articles of the Association of the Company, the Board of Directors of the Company, on the recommendation of the Nomination & Remuneration Committee has vide circular resolution passed on January 08, 2021 have appointed Ms. Gayathri Muttur Nagaraj (DIN: 06742638), as the Additional Director (Independent) of the Company. Pursuant to Section 161 of the Companies Act, 2013 ("the Act") she will hold office up to the date of this Annual General Meeting.

The profile and other details of Ms. Gayathri Muttur Nagaraj are set out in the Annexure to the Notice. The Board of Directors also considers that based on her varied experience, her association would be of immense benefit to the Company. She shall not be liable to retire by rotation.

The Company has received from Ms. Gayathri Muttur Nagaraj (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 pursuant to the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act. The Company has also ensured that he is not debarred from holding the office of a director by virtue of any SEBI order or any such other authority.

Further, pursuant to the provisions of Sections 149, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations, 2015, it is proposed to ratify Ms. Gayathri Muttur Nagaraj's appointment as an Independent Director of the Company to hold office for a period of 5 (Five) consecutive years from January 08, 2021 to January 07, 2026. Accordingly, the resolution set in Item No.34 is submitted before the Shareholders for the appointment of Ms. Gayathri Muttur Nagaraj as a Director and Independent Director for a term of 5 year.

Except Ms. Gayathri Muttur Nagaraj, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution.

Item No. 4:

Mr. L S Vaidyanathan, Whole-time Director designated as Executive Director-Business Development was earlier appointed for a period of three years from April 1, 2014 to March 31, 2017 and was re-appointed for another three years from April 1, 2017 to March 31, 2020 and further re-appointed for one year from April 1, 20120 to March 31, 2021.

In view of the aforesaid approval expired on March 31, 2021, the Board of Directors has re-appointed Mr. L S Vaidyanathan as Whole-time Director for a period of 14 months from 1st April 2021 to 31st May 2022 (both days inclusive).

The profile and other details of Mr. L S Vaidyanathan are set out in the Annexure to the Notice. The Board of Directors also considers that apart from performing the executive functions of the Company he is also currently involved in regular negotiations and closing of various exits deals for turnaround of the Company. Hence the Board based on his varied experience considered his association Executive Director-Business Development would be of immense requirement to the Company. He shall not be liable to retire by rotation.

The Company has received from Mr. L S Vaidyanathan (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 pursuant to the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act. The Company has also ensured that he is not debarred from holding the office of a director by virtue of any SEBI order or any such other authority.

The remuneration for Mr. L S Vaidyanathan as Whole-time Director has been approved by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee at their meetings held on February 12, 2021. His appointment and remuneration has been fixed in accordance with Sections 196, 197 and Schedule V to the Companies Act, 2013 ("the Act").

It was further informed that the remuneration payable to the Executive Director shall be subject to the approval of Shareholders and upon receipt of NOC from various financial institutions including banks. Also the remuneration proposed is lower than the normal industry standard.

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

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

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

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

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

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

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

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

Accordingly, the resolution set in Item No. 4 is submitted before the Shareholders for the reappointment of Mr. L S Vaidyanathan as a Whole Time Director for a period of 14 months effective from 1st April 2021 to 31st May 2022 (both days inclusive).

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

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

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

I. General Information

Nature of industry	Construction, Development of Projects including Real Estate, Housing, Commercia premises, hospitality etc.			
Date or expected date of commencement of commercial production	2004 (Date of Incorporation : 20th February 2004)			
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable			
Financial performance based on given indicators Rs. Cr.	**Details**	**2018-19**	**2019-20**	**2020-21**
	Paid Up Capital	14,583	14,583	14,583
	Reserves & Surplus	(1713)	(96,375)	(104,387)
	Turnover	8617	2532	7615
	Profit/(Loss) Before Tax	(14,463)	(1,02,355)	(7465)
	Profit/(Loss) After Tax	(14,550)	(1,00,521)	(8127)
Export performance and net foreign exchange collaborations	No foreign exchange earnings on account of Export			
Foreign Investment or Collaboration	FDI 2006-07 : Rs. 32.85 Cr. 2007-08 : Rs. 3.65 Cr. **Total Rs. 36.50 Cr.** During the IPO in April 2010, total amount in foreign currency collected from FII /QIB RS.208.86 Cr., towards Equity and Share Premium.			

II. Information about the appointee:

(1) Background details	Mr. L S Vaidyanathan holds a Bachelor of science degree from Madras University. He is also a Chartered Accountant from the Institute of Chartered Accountants of India. Before joining the Company in the year 2005, Mr. Vaidyanathan was a Practising Chartered Accountant. Mr. Vaidyanathan has over 35 years of experience in auditing, consulting, and in real estate industry. He was also a partner in Janardhan & Associates, K S Sanghavi & Company, Chartered Accountants, Bengaluru. Mr Vaidyanathan has been associated with the real estate industry for the last 30+ years. As a Director of the Company, Mr Vaidyanathan is responsible for all strategic matters relating to business including business development, transaction strategy, Resources mobilisation and Direct Taxation.
(2) Past 3 (Three) Financial years remuneration	For FY 2017-18 – Rs 95,85,000/- For FY 2018-19 – Rs 95,85,000/- For FY 2019-20 – Rs 95,85,000/- For FY 2020-21 – NIL

(3) Recognition or awards	NA
(4) Job profile and his suitability	Mr. L.S. Vaidyanathan is holding the position of Whole-time Director designated as Executive Director – Business Development. He is responsible for Business Development, identification of new projects and acquisition of land / land rights through Joint Development / JV as the case may be. As a qualified Chartered Accountant Mr. L. S. Vaidyanathan is adept in financial dealings and is capable of evaluating the potential opportunities and assessing the risk in the business. His 30+ years of previous experience as Practicing Chartered Accountant his exposure to various Real Estate firms / business is an asset to the Company. He is an acknowledged leader in the Real Estate market.
(5) Remuneration proposed (Subject to 'No Objections' from the Secured Creditors)	**Proposal:** i. Basic salary of Rs 95,85,000/- (Rupees Ninety Five Lakh Eighty Five Thousand Only) per annum. ii. Performance linked pay not exceeding Rs 32,85,000/- (Rupees Thirty Two Lakh Eighty Five Thousand Only) which will be approved by the Nomination and Remuneration Committee, at the end of each year iii. Use of telephone(s) in Mr. Vaidyanathan's residence; mobile phone and blackberry phone, the rent, call charges for the Company's business and other outgoings in respect thereof being paid by the Company; iv. A chauffeur driven motor car, all expenses for the running, maintenance and upkeep of such motor car as also the salary of the chauffeur being borne and paid by the Company; v. Reimbursement of medical expenses reasonably incurred by Mr. Vaidyanathan and his family and approved by the Chairman and/or the Board; vi. Reimbursement of entertainment expenses reasonably incurred by Mr. Vaidyanathan wholly and exclusively for the purpose of the business of the Company and approved by the Chairman and/or the Board; vii. Eligible for Employee Group medical insurance and benefit of personal accident insurance policy, the premium of which shall be borne by the Company. viii. Benefit of the Company's Provident Fund Scheme in accordance with the rules of the Scheme in force for the time being provided that the Company's contribution thereto shall not exceed 12% (twelve per cent) of Mr. Vaidyanathan's salary as laid down in the Income-tax Rules, 1962 in force for the time being and from time to time; ix. Leave on full remuneration in accordance with the rules of the Company in force for the time being and amended from time to time; x. He is also eligible to participate in the Company's Employee Stock Option Plan/ Scheme, if announced; and xi. Two club membership, the annual fee will be payable by the Company. The expression "family" used in above shall mean Mr. Vaidyanathan's spouse and dependent children. Income-tax, if any, on or in respect of the remuneration stated above shall be borne and paid by Mr. Vaidyanathan. Save as aforesaid, Mr. Vaidyanathan shall not be entitled to any other payment, benefit or perquisite, whether by way of remuneration, compensation or otherwise, for or in respect or by virtue of his employment with the Company as a whole-time Director designated as Executive Director – Business Development.

<table>
<tr>
<td>(6)Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)</td>
<td>Mr. L.S. Vaidyanathan, being a Chartered Accountant with 35 years will receive a higher remuneration in any sector. With his 30+ years of experience in this Real Estate Business the proposed remuneration is much lower compared to other in similar Board level position.
<table>
<tr><th>Name of the employee and Employer</th><th>Position, Qualification, Experience</th><th>Remuneration as disclosed in Annual Report for F.Y. 2020-21 (Rs. in Crs.)</th></tr>
<tr><td>Mr. Rajesh Laddha,
Piramal Enterprises Ltd</td><td>Executive Director & Group Chief Financial Officer, MBA, CA, CPA & CPA,
30+ Yrs</td><td>4.57</td></tr>
<tr><td>Mr. Nani R Choksey
Puravankara Limited</td><td>Whole time Director, Rich experience in the real estate development, construction and finance sectors,
40+ yrs</td><td>2.20</td></tr>
<tr><td>Mr. K C Sharma,
Sobha Limited</td><td>Vice Chairman & Managing Director
B.Com, ACA, ACS,
39+ Yrs</td><td>2.01</td></tr>
</table>
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</tr>
<tr>
<td>(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.</td>
<td>There is no pecuniary relationship direct or indirect with the Company and Mr. L.S. Vaidyanathan is also not related to any of the Directors of the Company.</td>
</tr>
</table>

III. Other information:

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

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

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

d. The Company also had a Negative Cash Flow, which has further impacted the business.</td>
</tr>
<tr>
<td>(2) Steps taken or proposed to be taken for improvement:</td>
<td>The Company's Ongoing projects
There are various residential projects which are still at different stages of construction. The Company has also planned to exit from its residential real estate business and enter into Commercial real estate business including facility management and warehousing businesses.</td>
</tr>
</table>

	Significant and Material Orders Passed The Company is currently planning to diversify its business and scouting for a partner for raising funds thought its subsidiary as Special Purpose Vehicle. The Company has also implemented SAP system for efficient planning of material and business activities so as to bring down the cost. The Company is selectivity looking at opportunities into new geographies and businesses for a sustainable growth
(3) Expected increase in productivity and profits in measurable terms	NA

Item No. 5:

Pursuant to the provisions of Sections 161 of the Companies Act, 2013 (the Act) and the Articles of the Association of the Company, the Board of Directors of the Company, on the recommendation of the Nomination & Remuneration Committee has vide circular resolution passed on June 21, 2021 have appointed Mr. Rajeev Khanna (DIN: 07143405), as the Additional Executive Director Finance of the Company. Pursuant to Section 161 of the Companies Act, 2013 (“the Act”) he will hold office up to the date of this Annual General Meeting.

The profile and other details of Mr. Rajeev Khanna are set out in the Annexure to the Notice. The Board of Directors also considers that based on his varied experience in the field of Finance, his association as Director Finance would be of immense benefit to the Company. He shall be liable to retire by rotation.

The Company has received from Mr. Rajeev Khanna (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and (ii) intimation in Form DIR-8 pursuant to the Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act. The Company has also ensured that he is not debarred from holding the office of a director by virtue of any SEBI order or any such other authority.

Further, pursuant to the provisions of Sections 149 & 152 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and Listing Regulations, 2015, it is proposed to ratify Mr. Rajeev Khanna’s appointment as an Additional Executive Director Finance of the Company to hold office for a period of 3 (Three) consecutive years from June 21, 2021. Accordingly, the resolution set in Item No. 5 is submitted before the Shareholders for the appointment of Mr. Rajeev Khanna as Executive Director Finance for a term of 3 year.

The terms and conditions of his appointment of Mr. Rajeev Khanna had been approved and recommended by the Nomination & Remuneration Committee of the Company. His appointment and remuneration was fixed in accordance with Sections 196, 197 and Schedule V to the Companies Act, 2013 (“the Act”).

It is further informed that Mr. Rajeev Khanna, shall neither draw nor entitled for any remuneration as Director Finance of the Company during his tenure. However, being also appointed as Chief Financial Officer of the Company, Mr. Rajeev Khanna shall be eligible to draw his remuneration as Chief Finance Officer of the Company as per his terms of employment as agreed at the time of joining.

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

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

Name of Directors	**Mr. Kumar Nellore Gopalakrishna**	**Ms. Gayathri MN**
Age	61	37
Qualification(s)	Mr. Kumar Nellore Gopalakrishna has a Ph. D degree in Strategic Management and a B.E degree in Mechanical from Andhra University. He has a rich experience of 38 years in the field of Strategic Development and Planning, Project Management Consultancy and is currently a Business Coach and Mentor in various Industries. He is also an excellent Speaker and has been invited by various industry associations and in various forums from time to time.	Ms. Gayathri MN is a qualified member of Institute of Company Secretaries of India (ICSI) with enriching 15 plus years of experience in Business Development, technology collaboration and Product promotions.
Date of first Appointment	09.11.2020	08.01.2021
Expertise in specific Functional areas	Mr. Kumar Nellore Gopalakrishna, has a good experience in planning and executing business turnaround. He has developed clear realistic strategic business plans, re-organized the organization to be in line with the strategic plans. Aligned the office team to believe in new development plans and work on a shared vision. He has also hired right members and let go un-suitable team members, aligned HR team to be in line with the organization development & growth and developed deliveries in line with the clients' needs and expectations. He has been earlier associated as Managing Director in PM Group (Irish MNC), CEO & Regional Director in Firepro Systems International LLC – Dubai, Business Head in ABB India and National Head – Projects in Tyco Fire and Security, Bangalore.	Ms. Gayathri MN has earlier held leadership positions at ICICI Prudential Life Insurance, MetLife Insurance, Samasta Microfinance and Snowman Logistics Limited. She has also won "Dr D Veerendra Hegde Pattabhisheka" award for academic excellence and has secured 2nd rank in her Masters (MBA). She has also successfully qualified the Online Proficiency Test for Independent Directors conducted by IICA under the aegis of Ministry of Corporate Affairs (MCA)
Name of listed entities in which the person also holds the directorship	NA	NA
Membership of Committees in Listed Companies	NEL Holdings South Limited 1. Nomination and Remuneration Committee - Member	Nil
No. of shares held in the Company as on the date of the notice	NA	NA

Name of Directors	Mr. L. S. Vaidyanathan	Mr. Rajeev Khanna
Age	59	56
Qualification(s)	Mr. L S Vaidyanathan holds a degree of Bachelor of Science from Madras University. He is a fellow member of the Institute of Chartered Accountants of India	Mr. Rajeev Khanna is a qualified Chartered Accountant and a qualified Company Secretary having more than 30 years of professional experience. He has earlier worked in various industries including Manufacturing Industry, Hybrid Seeds and Infrastructure Space.
Date of first Appointment	30.06.2005	21.06.2021
Expertise in specific Functional areas	Mr. L S Vaidyanathan holds a Bachelor of science degree from Madras University. He is also a Chartered Accountant from the Institute of Chartered Accountants of India. Before joining the Company in the year 2005, Mr. Vaidyanathan was a Practising Chartered Accountant. Mr. Vaidyanathan has over 35 years of experience in auditing, consulting, and in real estate industry. He was also a partner in Janardhan & Associates, K S Sanghavi & Company, Chartered Accountants, Bengaluru. Mr Vaidyanathan has been associated with the real estate industry for the last 30+ years. As a Director of the Company, Mr Vaidyanathan is responsible for all strategic matters relating to business including business development, transaction strategy, Resources mobilisation and Direct Taxation.	Mr. Rajeev Khanna has been associated as an integral member of Senior Management Team with responsibility to plan, direct, control and implementing the effective financial management of internal operations in order to support the business goals of the Companies. He has been associated with MNCs and big Corporates and Infrastructure giants since 2005 and has earlier worked with GMR, IL&FS and last stint with VA Tech Wabag in Chennai. Mr. Khanna has led Finance and Accounts department and has been responsible for Taxation (Direct & Indirect) with additional responsibility of Banking and Treasury Activities.
Name of listed entities in which the person also holds the directorship	NA	NA
Membership of Committees in Listed Companies	NEL Holdings South Limited 2. Audit Committee - Member 3. Stakeholders' Relationship Committee-Member	Nil
No. of shares held in the Company as on the date of the notice	139501	NA

By order of the Board of Directors of
NEL Holdings South Limited

Prasant Kumar
Company Secretary &
Chief Compliance Officer

Place: Bengaluru
Date: June 29, 2021

Board's Report

Dear Members,

Your Directors present their Seventeenth Annual Report with the standalone and consolidated annual audited accounts of the Company for the year ended March 31, 2021.

1. Financial Results:

(Rupees in Lakh)

Particulars	**STANDALONE**		**CONSOLIDATED**	
	2020-21	**2019-20**	**2020-21**	**2019-20**
Revenue from operations	7,372	1,920	12,482	4,165
Other Income	243	612	22,708	1,072
Total Income	**7,615**	**2,532**	**35,190**	**5,237**
Total Expenses	21,157	12,426	53,463	20,005
Profit/(loss) before Exceptional Items and Tax	(13,542)	(9,894)	(18,273)	(14,768)
Exceptional Items	6,077	(92,461)	5,601	(62,824)
Profit/(Loss) before Tax	(7,465)	(1,02,355)	(12,672)	(77,592)
Less : Tax	(662)	(1,834)	(7,842)	(5,696)
Net Profit / (Loss) after tax	**(8,127)**	**(1,00,521)**	**(20,514)**	**(71,898)**

2. State of Company's Affairs:

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

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

The audited consolidated Balance Sheet as at 31st March, 2021, consolidated statement of Profit and Loss for the year ended as on that date together with the Notes and Reports of Auditors along with the Statement on Impact of Audit Qualifications as stipulated in regulation 33(3)(d), Cash flow Statements , Management Discussion and Analysis Report forms part of the Annual Report. The financial figures have been regrouped, wherever required, in line with Schedule III of the Act disclosure requirements.

a. Standalone:

During the year under review the Company has earned a total income of Rs. 7615 Lakhs as against Rs. 2532 Lakh in the previous year. The Company has incurred total expenses of Rs. 21157 Lakh as compared to previous year's expenses of Rs. 12426 Lakhs. The Company has incurred net loss of Rs. 8127 Lakhs for the year 2020-2021 as against a loss of Rs. 100521 Lakhs in the previous year.

b. *Consolidated*:

During the year under review the Company has earned a total income of Rs. 35190 Lakhs as against Rs. 5237 Lakh in the previous year. The Company has incurred total expenses of Rs. 53463 Lakh as compared to previous year's expenses of Rs. 20005 Lakhs. The Company has incurred net loss of Rs. 20514 Lakhs for the year 2020-2021 as against a loss of Rs. 71898 Lakhs in the previous year.

II. <u>Exit from various Residential Projects</u>

In accordance with the Company business policy and decisions, during the year the Company has exited from the various residential projects namely, Napa Valley, Virgin Island, Park Avenue and Knights Bridge. The Company further has entered into a Business Transfer Agreement/Settlement Agreement and is the process of exit from few other projects namely Caesar's Palace, and Cape Cod.

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

3. Dividend:

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

4. Deposits

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

5. Transfer to Reserves

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

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

There were no such material changes and commitments, affecting the financial position of the Company occurred between the end of the financial year and the date of this Report. However, The Company has incurred losses over the years resulting in negative net worth, negative working capital and negative cash flows. The default in payment of dues to banks and financial institution and creditors etc are the identified events that, individually or collectively, still cast significant doubt on the Company's ability to continue as a going concern. The Company is in the process reduction of substantial project debt by exiting from the Projects which will ease its financial burden in the coming years.

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

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals against the Company, impacting the Company's operations in future. There have been up to 28 NCLT matters filed against the Company till the end of last financial year and out of which Company has effectively settled 9 cases and all in its favour of which 17 matters have been dismissed by NCLT and 2 matters are pending.

The Company has however received various notices from different statutory authorities from time to time during the year.

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

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

a. The name of the Company was changed from NEL Holdings Limited to NEL Holdings South Limited during the year.
b. The Company has exited from various residential projects namely, Napa Valley, Virgin Island, Park Avenue and Knights Bridge. The Company further has entered into a Business Transfer Agreement and is in the process of exit from few other projects namely Caesar's Palace and Cape Cod.
c. There are pending cases filed under Section 138 of the Negotiable Instruments Act in respect of Cheque bounces for which Summons were received by the Company.

9. The Board of Directors and the composition thereof

I. Composition of the Board

The Board of the Company currently comprises of 6 (Six) Directors of which three are Independent Directors and one is Non-Executive Independent Woman Director. The Composition of the Board of Directors is in compliance with the applicable provisions of the Companies Act, 2013 and the Listing Regulations.

Declaration by Independent Directors

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

II. Change in the Board

During the period under review, Mrs. Dipali Khanna retired from the Board as Independent Directors with effect from September 27, 2020. Your Board places its deep appreciation for the services rendered by them during her association with the Company.

Reasons for resignation:

Name of the Director	Reason for Cessation
Mrs. Dipali Khanna, Independent Director (DIN: 003395440)	Retirement after completion of 5 year term period

Two New Directors were inducted on the Board during the year.

Name of the Director	Date of Appointment
Mr. KUMAR NELLORE GOPALAKRISHNA, Non-Executive Independent Director (DIN: 07197031)	November 09, 2020
Mrs. GAYATHRI MUTTUR NAGARAJ, Non-Executive Independent Director (DIN: 06742638)	January 08, 2021

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

III. Meetings of the Board

The Board of Directors met 4 (Four) times during the year on July 31, 2020, September 15, 2020, November 11, 2020 and February 12, 2021.

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors was held on February 12, 2021.

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

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

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

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

V. Familiarization programme for Independent Directors

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

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

10. Directors' Responsibility Statement

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

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

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

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

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

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

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

11. Nomination and Remuneration Policy

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

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

Non-Executive Directors are remunerated by way of sitting fees for attending the meetings of the Board and the Committees thereof. During the year the sitting fees paid for Board Meetings and Audit Committee meetings is Rs. 50,000/- per meeting, the Nomination & Remuneration Committee is Rs 25,000/- per meeting and the Stakeholders Relationship Committee, other Committees including for a separate meeting of Independent Directors is Rs. 20,000/- per meeting. The Board however in its meeting held on February 12, 2021 has approved the proposed for reduction on sitting fees effective from April 01, 2021.

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

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

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

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

12. Vigil Mechanism / Whistle Blower Policy

The Company has a vigil mechanism policy for its Directors and Employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct/business ethics that provides for adequate safeguards against victimization of the director(s) and employee(s) who avail of the mechanism. None of the Directors/Employees of the Company have been denied access to the Chairman of the Audit Committee. No complaint has been received during the financial year 2020-21.

Corporate Social Responsibility

In view of continues losses, the Company was not required to contribute towards CSR activities and has also not contributed towards any CSR activities during the year 2020-21. The Company was also not required to constitute a separate Corporate Social Responsibility Committee under the provisions of Companies Act 2013.

13. Political Contribution

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

14. Internal Financial Controls

The Board of the Company is of the opinion that the Company's Internal Financial Controls were adequate and effective during the period ended as on 31st March, 2021, based on the framework of Internal Financial Controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants specially appointed for this purpose, including audit of Internal Financial Controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board committees, including the Audit Committee.

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

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

15. Statutory Auditors

M/s Ray & Ray Chartered Accountants (Firm Registration Number: 301072E), Statutory Auditors of the Company have expressed a modified opinion in their Audit Report for the financial year ended 31st March, 2021.

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

Audit Qualification (each Audit Qualification separately)

Audit Qualification:

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

During the year Company has sold two projects through a Business Transfer Agreement and repaid some portion of the bank loan. Further the Company has cancelled the development right of the project 'Nitesh Virgin Island' and handed over the rights to original land owner.

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 statements 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.

b. Type of Audit Qualification: Qualified Opinion
c. Frequency of Qualification: Second Time Qualification

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

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

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

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

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

*2. **a. Detail of Audit Qualification:** The Company has given unsecured advance amounting to Rs 3,515 Lakh to Boulevard Developers Pvt. Ltd (Boulevard) for acquiring various immovable properties on behalf of the Company for which no Joint Development Agreements could be produced to us. We have been informed that 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. Company has made full provision in the books during the year which in our opinion is a matter of concern.*

b. Type of Audit Qualification: Qualified Opinion
c. Frequency of Qualification: Second Time Qualification
d. For Audit qualification where the impact is quantified by the Auditor
The Auditor has quantified the amount of Rs. 3515 lakhs and is provided in the books.
e. For Audit qualification where the impact is not quantified by the Auditor

i. Not Applicable as impact is quantified.

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

iii. Auditor's comment on (i) or (ii) above: Company will suffer substantial loss because of uncertainties of recovery without taking any legal course of action.

*3. **a. Detail of Audit Qualification:** The Company had advanced Rs. 1227.98 Lakhs to Somerset Infra Projects Private Limited (Somerset) for acquiring immovable properties on behalf of the Company. Somerset has neither delivered any property to the Company as per the agreement nor refunded the money. The Company has made full provision for the said advance in the previous years. In our opinion, such injudicious advances are a matter of concern and may be prejudicial to the interest of the Company.*
b. Type of Audit Qualification: Qualified Opinion
c. Frequency of Qualification: Second Time Qualification
d. For Audit qualification where the impact is quantified by the Auditor
The Auditor has quantified the amount of Rs. 1227.98 lakhs for which provision has already been made in the year ended 31st March, 2018. Hence, no further impact has been considered.
e. For Audit qualification where the impact is not quantified by the Auditor
i. Not Applicable as impact is quantified.

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

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

*4. **a. Detail of Audit Qualification:** The Company has accounted, Principal of Rs.35,586/- Lakhs, Accrued Interest of Rs.16,752/- Lakhs and Disputed Liability of Rs.14,933/- in its books of account as total outstanding to banks and financial institution as on 31st March, 2021. Pending confirmation 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 payment to banks and financial institution has neither been ascertained nor provided for in the books of account of the Company.*
b. Type of Audit Qualification: Qualified Opinion
c. Frequency of Qualification: Second Time Qualification
d. For Audit qualification where the impact is quantified by the Auditor
No impact

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

i. Not Applicable as impact is quantified.

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

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

*5. **a. Detail of Audit Qualification:** The Company has sold the projects "Nitesh Knightsbridge" and "Park Avenue", during the year on an ongoing basis, through Business Transfer Agreements. Further the Company has cancelled the development right for the development of the project 'Nitesh Virgin Island' and handed over the rights to the original land owners.*

(i) The Company has borrowed Rs 28,497 Lakhs from HDFC Limited for various projects including Nitesh Knightsbridge and British Columbia, Virgin Island. As per the terms of business transfer agreement with the third party, an amount of Rs. 800 Lakhs and 3,500 Lakhs have been paid to HDFC Limited for release of charge on Nitesh Knightsbridge and Park Avenue respectively. Basis the same the Company has classified the remaining outstanding liability, to the extent allocated to the project, as disputed liability.

(ii) During the financial year, charge / mortgage of the project 'Nitesh Virgin Island' was released by HDFC Limited. Such release was conditional that the same shall not be construed as settlement of any kind. Consequently, the Company has accounted for Rs 8,146 Lakhs being the estimated carrying value of loan and Rs 3,000 Lakhs being the interest component as a disputed liability in the standalone financial statements.

b. Type of Audit Qualification: Qualified Opinion
c. Frequency of Qualification: First Time Qualification
d. For Audit qualification where the impact is quantified by the Auditor
e. For Audit qualification where the impact is not quantified by the Auditor

i. Not Applicable as impact is quantified.

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

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

*6. **a. Detail of Audit Qualification:** As stated in the standalone financial statements, the Company has collected Rs 452 Lakhs as advance from customers from closed/suspended residential projects in the earlier years which have now been abandoned. 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 sections 73 to 76 of the Companies Act, 2013. Proper disclosure has not been made in the standalone financial statements in this respect.*

b. Type of Audit Qualification: Qualified Opinion
c. Frequency of Qualification: Second Time Qualification
d. For Audit qualification where the impact is quantified by the Auditor

The Auditor has quantified the amount of Rs. 452 lakhs for which Liability is already appearing and no further impact has been considered.

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

i. Not Applicable as impact is quantified.

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

iii. Auditor's comment on (i) or (ii) above: It is a violation of Companies Act.

*7. **a. Detail of Audit Qualification:** In spite of the negative net worth of the subsidiaries, the Company has not accounted for impairment loss of Rs 9,224 Lakhs (after providing for Rs. 4,546 Lakhs out of the total receivable) against advance given to them, resulting in the understatement of loss and overstatement of net worth by the said amount. Even after making the above noted provision, the Company has disbursed fresh advance amounting Rs 360 Lakhs during the year which in our opinion may be a matter of concern.*

b. Type of Audit Qualification: Qualified Opinion
c. Frequency of Qualification: Second Time Qualification
d. For Audit qualification where the impact is quantified by the Auditor
The Auditor has quantified the amount of Rs. 9224 lakhs for which impact has been considered in above table.
e. For Audit qualification where the impact is not quantified by the Auditor
i. Not Applicable as impact is quantified.

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

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

*8. **a. Detail of Audit Qualification:** The Company has not tested impairment of its projects' CWIP and Inventories amounting to Rs 8,835/- Lakhs and Rs 12,466/- Lakhs (Net of "Payable to land owner for land under Joint Development Agreement, JDA") respectively as on 31st March, 2021.*

b. Type of Audit Qualification: Qualified Opinion
c. Frequency of Qualification: Second Time Qualification
d. For Audit qualification where the impact is quantified by the Auditor
The Auditor has not quantified the amount mentioning that no impairment test has been done to ascertain the realisable value.
e. For Audit qualification where the impact is not quantified by the Auditor
i. Not Applicable as impact is quantified.

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

iii. Auditor's comment on (i) or (ii) above: In our opinion, in the current scenario recovery is uncertain.

*9. **a. Detail of Audit Qualification:** Year-end balance confirmation certificates in respect of trade payables, vendor and other advances have not been provided for our verification and record. In absence of adequate audit evidence, we are unable to ascertain as to whether any provision is required with respect to the carrying amounts of these balances as at reporting date. Further, Trade Receivable amounting to Rs.753/- Lakhs receivable from customer as on 31st March, 2021 has not been considered for impairment loss based on expected credit loss method as per requirement of Ind AS 109.*

b. Type of Audit Qualification: Qualified Opinion
c. Frequency of Qualification: First Time Qualification
d. For Audit qualification where the impact is quantified by the Auditor
i. The Company could not obtain balance confirmation due to Covid-19 post year-end and reduced resources to undertake such tasks. However, Management is of the view that it will not have any additional impact on realisable value more than what has already been impaired under various heads.

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

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

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

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

i. Not Applicable as impact is quantified.

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

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

*10. **a. Detail of Audit Qualification:** As per the records of the group 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.*

b. Type of Audit Qualification: Qualified Opinion
c. Frequency of Qualification: First Time Qualification

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

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

i. Not applicable as impact has not been quantified

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

i. Auditor's comment on (i) or (ii) above: It is violation of IT act.

*11. **a. Detail of Audit Qualification:** The Company has neither ascertained nor accounted for component wise Deferred Tax Assets/ Liabilities as on balance sheet date and its adjustment in the Statement of Profit & Loss during the year.*

b. Type of Audit Qualification: Qualified Opinion
c. Frequency of Qualification: Second Time Qualification
d. For Audit qualification where the impact is quantified by the Auditor
Not applicable as impact is not quantified.

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

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

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

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

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

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

b. Type of Audit Qualification: Qualified Opinion
c. Frequency of Qualification: Second Time Qualification
d. For Audit qualification where the impact is quantified by the Auditor
Not applicable as impact is not quantified.

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

i. The Company has provided the workings of billing in excess of revenue However, impact cannot be quantified nor the management is not expecting any impact because of such reconciliation.

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

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

iv. Auditor's comment on (i) or (ii) above: No Comments

16. Secretarial Auditor

Mr. Kedarnath, Practicing Company Secretary was appointed as the Secretarial Auditors of the Company for the financial year 2020-21 by the Board of Directors of the Company. The Secretarial Audit Report for the year ended 31st March, 2021 issued by the Secretarial Auditor in accordance with the provisions of Section 204 of the Companies Act, 2013 and the rules made thereunder is annexed to this report separately as **Annexure - A.**

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

1. *There are Advances outstanding which are collected from customers towards proposed projects which are delayed and being outstanding in the books for more than one year, attract Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014.*

   Management Response: Due to inadequacy of funds the Company was unable to pay off the advances collected from its Customers and its making its sincere efforts to repay the same.

2. *The Company has not complied the provisions of Section 152(6) of the Companies Act, 2013 in relation to Rotation of Directors.*

   Management Response: The Company has all its Directors as whole-time, non-retiring and non-rotational Directors on Board.

3. *The Company has defaulted compliance of the following:*
   a. *Applicable General Laws, such as ESI and PF requirements and MSME Act.2006*
   b. *Income Tax Act, 1961 and Goods and Services Tax Act, 2017*

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

4. *The Company has not appointed Women Director in the Board as required under the regulation 17(1) of LODR (Regulation) 2015 and Section 149 of the Companies Act, 2013.*

   Management Response: Post retirement of Woman Director on Board of the Company, the Company has been looking for the Woman Director to be appointed as Director on Board of the Company. However, the Company was unable to comply with the regulation 17 of SEBI (LODR) Regulations, 2015 and Section 149 of Companies Act 149 due to COVID related restrictions and prevailing COVID cases in the Company and also due to yearend holidays.

   SEBI further levied the penalty for non-compliance of regulation 17 of SEBI (LODR) Regulations, 2015 and the Company paid the same.

   The Company has appointed Woman Director on Board of the Company on Jan 08, 2021.

17. Particulars of employees

The details of remuneration to Directors, Key Managerial Personnel and the statement of employees in receipt of remuneration exceeding the limits prescribed under Section 134 of the Companies Act, 2013 read with rules made thereunder has been provided in **Annexure B** to this report. There were a total of 63 employees during the end of the financial year and the Company has failed to pay the Salary dues to its few employees on time.

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

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

19. Corporate Governance

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

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

20. Secretarial Standards

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

21. Cost Audit and Cost Records

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

22. Code of Conduct

In terms of Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, a declaration signed by Mr. Nitesh Shetty, the Chairman & Managing Director of the Company affirming compliance with the Code of Conduct by the Directors and Senior Management Personnel of the Company for the financial year 2020-21 forms part of the Corporate Governance Report.

23. Management Discussion and Analysis Report

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

24. Extract of the Annual Return

In accordance with the provisions of Section 134 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, rule 12, sub rule (1) as amended, the extract of the Annual Return (MGT-9) is no longer required to be attached along with Board Report. The copy of the Annual Return for the year 2020-21 can be accessed on the Company's website at the link: https://nelholdings.in/Annual Return/

25. Particulars of Loans, Guarantees and Investments

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

26. Related Party Transactions

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

The Related Party Transactions under IND-AS 24 undertaken during the financial year 2020-21 are detailed in the Notes to Accounts section of the Annual Financial Statements.

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

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

28. Risk Management Policy

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

29. Review of Subsidiaries and Associates

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

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

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

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

- the name of NHDPL Properties Private Limited was changed to NHDPL South Private Limited on April 22, 2020.
- the name of Nitesh Indiranagar Retail Private Limited was changed to NIRPL Ventures Private Limited on December 29, 2020.

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

30. Additional Information to shareholders

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

31. Acknowledgement:

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

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

For and on behalf of the Board of Directors

Place: Bengaluru
Date: June 29, 2021

Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

Annexure A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2021

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

To,

The Members
NEL HOLDINGS SOUTH LIMITED
(Formerly, NEL Holdings Limited)
Bengaluru-560001

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion the Company has, during the audit period covering the Financial Year ended on 31st March 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on 31st March 2021, according to the provisions of:

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

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

   f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended till date;
   g) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014, as amended till date;

h) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended till date;

i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended till date;

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

1. Industry Specific Laws

a. Real Estate (Regulation and Development) Act, 2016 and the rules made there under as applicable in Karnataka.

b. The Urban Land (Ceiling & Regulation) Act, 1976 ("Urban Land Ceiling Act") and the rules made there under.

c. Transfer of Property Act, 1882 ("T.P. Act") and the rules made there under.

d. Registration Act, 1908 ("Registration Act") and the rules made there under.

e. The Indian Stamp Act, 1899 ("Stamp Act") and the rules made there under.

f. Easements Act, 1882 ("Easements Act") and the rules made there under.

g. The Land Acquisition Act, 1894 and the rules made there under.

h. Karnataka Apartment Ownership Act, 1972 ("KAO Act") and the rules made there under.

i. Karnataka Ownership Flats (Regulation of the Promotion of Construction, Sale, Management and Transfer) Act, 1972 and the rules made there under.

j. Karnataka Stamp Act, 1957 ("KSA") and the rules made there under.

k. Bangalore Water Supply and Sewage Act, 1964 and the rules made there under.

l. Karnataka Town and Country Planning Act, 1961 ("KTCP Act") and the rules made there under.

m. Karnataka Municipal Corporation Act, 1976 ("KMC Act") and the rules made there under.

n. Bangalore Mahanagara Palike Building Bye Laws - 2003 ("BMP Bye Laws") and the Rules made there under.

o. Bangalore Development Authority Act, 1976 ("BDA Act") and the rules made there under.

p. Bangalore Metropolitan Region Development Authority Act, 1985 ("BMRDA Act") and the rules made there under.

q. The Building and Other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996 ("Constructions Workers") and the rules made there under.

2. General Laws (Subject to Para VIII)

a) Industrial and Labour laws as applicable to the Company

b) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

c) Laws relating to Trademark.

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

VII. We have also examined compliance with respect to:

a. The Secretarial Standards SS-1 and SS-2 issued by the ICSI and as notified by the Ministry of Corporate Affairs and report that the Company has generally complied with the said Standards, subject to para VIII hereof.

b. The Listing Agreement/s entered into by the Company with the BSE Limited and report that the Company has complied with the same.

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

1. *There are Advances outstanding which are collected from customers towards proposed projects which are delayed and being outstanding in the books for more than one year, attract Section 73 of the Act read with Companies (Acceptance of Deposits) Rules, 2014.*

2. *The Company has not complied the provisions of Section 152(6) of the Companies Act, 2013 in relation to Rotation of Directors.*

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

   a. *Applicable General Laws, such as ESI and PF requirements and MSME Act.2006*
   b. *Income Tax Act, 1961 and Goods and Services Tax Act, 2017*

4. *The Company has not appointed Women Director in the Board as required under the regulation 17(1) of LODR (Regulation) 2015 and Section 149 of the Companies Act, 2013.*

IX. We further report that:

The Board of Directors of the Company is duly constituted with Executive Directors, Non-Executive Directors and Independent Directors.

However, during the period from 27th Septembers, 2020 to 13th November, 2020 due to resignation of one Audit Committee Member who was also a member of Nomination and Remuneration Committee, there was a gap and the same was duly filled at the next Audit Committee meeting on 13th November, 2020 and also the next meeting of Nomination and Remuneration Committee held on the same date. The changes in the Composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

The company needs to improve the processes needing to be strengthened by adequate procedures in place for minimizing exposure to risks which may threaten the very existence of the Company. The Company has constituted Corporate Social Responsibility Committee with required composition.

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

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

1. The name of the Company was changed from NEL Holdings Limited to NEL Holdings South Limited.
2. The Company has sold the following construction projects during the Financial Year under review.
   a. Nitesh Park Avenue
   b. Napa Valley and
   c. Knightsbridge Residential project.

3. There are cases pending which were filed under Section 138 of the Negotiable Instruments Act, in respect of Cheque bounces involving substantial amounts (in Rs. Crores) and for which Summons/Notices were received by the Company, the Directors and the Key Managerial Persons. The Company has also received default Notice from Yes Bank.

4. Some of the Shareholders have sent a joint request to the Registrar of Companies and the Securities and Exchange Board of India, requesting for Investigation into the affairs of Company under the Act. The Registrar of Companies sought explanation from the company with regard to the matters referred to in the joint request letter of the Shareholders.

For **S. KEDARNATH & ASSOCIATES**

S.Kedarnath

Place: Bengaluru **COMPANY SECRETARY**

UDIN No. F0030313000651681 **FCS3010 / CP 4422**

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

'ANNEXURE-A'

To,
The Members,
NEL HOLDINGS LIMITED,
Formerly, NEL Holdings Limited
Bengaluru-560001

Our report (2020-21) of even date is to be read along with this letter.

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

2. Maintenance of secretarial record is the responsibility of the Management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit. The presence / absence of the directors at Board Meetings were verified as stated in Minutes Book.

3. We have followed the Audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on random test basis to ensure that correct facts are reflected in the secretarial records. We believe that the processes and practices, followed by us provide a reasonable basis for our opinion.

4. We have not verified the correctness and appropriateness of any of the financial records and books of accounts of the Company including the records pertaining to Goods and Service Taxes, Income Tax, Customs and other related enactments applicable to the Company. Hence nothing has been reported regarding these or any connected enactments.

5. Wherever required, we have obtained Management Representation about the compliance of laws, rules and regulations and happening of events etc.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company. The Report is purely made representing the transactions / events during the financial year 2020-21.

For **S. KEDARNATH & ASSOCIATES**

S.Kedarnath

Place: Bengaluru **COMPANY SECRETARY**

UDIN No. F0030313000651681 **FCS3010 / CP 4422**

Annexure-B

DISCLOSURE ON MANAGERIAL REMUNERATION

(i) Details of remuneration as required under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided below:

Ratio of remuneration of each director to the median employees' remuneration for FY 2020-21

Name	Designation	Ratio of remuneration to the median employees' remuneration
Mr. Nitesh Shetty	Chairman and Managing Director	0
Mr. L. S. Vaidyanathan	Executive Director	0
Mr. S. Ananthanarayanan	Non-Executive-Independent Director	0
Mrs. Dipali Khanna *	Non-Executive-Independent Director	0
Mr. Mahesh Bhupathi	Non-Executive-Independent Director	0
Mr. Kumar Nellore Gopalakrishna**	Non-Executive-Independent Director	0
Ms. Gayathri MN ***	Non-Executive-Independent Director	0

Note:

Mr. Nitesh Shetty, Chairman and Managing Director of the Company has not received any remuneration during the year 2020-21 due to non-receipt of "No Objections' from the Secured Creditors of the Company.

** Director up to September 27, 2020, ** Director since November 09, 2020 , ***Director since January 08, 2021*

(ii) Percentage increase in the remuneration of each director and key managerial personnel in FY 2020-21:

Key Managerial Personnel

There has been no increase in any remuneration of any of the Key Managerial Personnel in the year 2020-21.

Further there is also no increase in sitting fees for any of the Non-Executive Independent Directors of the Company during the year 2020-21

Further details on remuneration for all the directors are provided in Corporate Governance Report which forms part of this Annual Report.

Percentage increase in the median remuneration of employees in FY 2020-21.

The percentage increase in the median remuneration of employees in FY 2020-21 was Nil.

Number of permanent employees on the rolls of the Company - 63 permanent employees as of March 31, 2021.

Average percentile increase already made in salaries of employees other than managerial personnel in last financial year and its comparison with the percentile increase in managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration - NA

The Company reiterates that there were no exceptional circumstances which warranted an increase in managerial remuneration which was not justified by the overall performance of the Company.

Affirmation that the remuneration is as per the remuneration policy of the Company - Yes

For and on behalf of Board of Directors

Nitesh Shetty

Date: June 29, 2021 **Chairman & Managing Director**

Place: Bengaluru **DIN: 00304555**

Annexure C

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

I. Conservation of Energy

a. Energy conservation measure taken:

The Company has taken energy savings measures, viz.,

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

b. Additional investment and proposal:

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

c. Impact of measure taken:

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

II. TECHNOLOGY ABSORPTION

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

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

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

The benefits can be listed as follows:

i. The functions and efficiency has improved with more transparency in the system.

ii. The designs brought into our projects have been praised by the customer.
iii. Savings in construction cost and time.
iv. The new technology in STP saves space and energy.
v. Lesser project related Customer Complaints
vi. Better quality of end products .

III. RESEARCH AND DEVELOPMENT

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

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

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

The benefits are in the long run by delivering the quality product to the customer which conforms to latest standards.

c. Future Plan of Action

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

d. Expenditure on R & D

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

IV. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

Expenditure in foreign currency (on accrual basis)

Amount in Rupees

Particulars	**Year ended 31.03.2021**	**Year ended 31.03.2020**
Inflow	Nil	Nil
Outflow (Architect & other related fees)	Nil	Nil

For and on behalf of Board of Directors

Date: June 29, 2021
Place: Bengaluru

Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Code of Governance

Your Company believes that Corporate Governance is a key element in improving efficiency and growth, as well as enhancing investor confidence. It further believed in upholding the highest standards of corporate governance as a fundamental for ensuring the long-term success of the business. Responsible business conduct is ingrained in your Company's values and principles, which are reinforced at all levels of the organisation.

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

The Corporate Governance framework of your Company is based on an effective Board with majority being Non-Executive Directors, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law. Our Board is active, well-informed and independent, with clearly defined roles and responsibilities. It ensures that it is aligned with the best governance and sustainability practices. The Board also plays a pivotal role in guiding the evolution of culture and values in line with the changing times and the external environment. Your Company's Board has the right balance and breadth of backgrounds, business experience, skills and expertise in areas vital to its success, given the markets served and the stage of development.

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

1. Board of Directors

a. Composition

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

The Board of Directors of the Company consists of 6 Directors, including the Chairman & Managing Director, 1 Whole Time Director, 1 Non-Executive Woman Director and 3 Independent Directors.

	As on March 32, 2021				
			Number of Committees		Listed Entities
Name	**Category**	**No. of Directorship in Listed Entities other than this Company**	**Member**	**Chairman**	**Name of the Company**
Mr. Nitesh Shetty	Chairman and Managing Director	0	0	0	
Mr. L. S. Vaidyanathan	Executive Director	0	0	0	
Mr. S. Ananthanarayanan	Non-Executive-Independent Director	0	0	0	
Mrs. Dipali Khanna *	Non-Executive-Independent Director	3	0	0	
Mr. Mahesh Bhupathi	Non-Executive-Independent Director	0	0	0	
Mr. Kumar Nellore Gopalakrishna**	Non-Executive-Independent Director	0	0	0	
Ms. Gayathri MN ***	Non-Executive-Independent Director	2	1	0	Aadi Industries Limited; Switching Technologies Gunther Limited

** Director up to September 27, 2020*
*** Director since November 09, 2020*
****Director since January 08, 2021*

During the period under review, Mrs. Dipali Khanna, Independent Director retired from the Board after completion of her term of five years on September 27, 2020.

Reasons for resignation:

Name of the Director	Reason for Cessation
Mrs. Dipali Khanna, Independent Director (DIN: 003395440)	Retirement after completion of 5 year term period

Two New Directors were inducted on the Board during the year.

Name of the Director	Date of Appointment
Mr. KUMAR NELLORE GOPALAKRISHNA, Non-Executive Independent Director (DIN: 07197031)	November 09, 2020
Mrs. GAYATHRI MUTTUR NAGARAJ, Non-Executive Independent Director (DIN: 06742638)	January 08, 2021

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

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

Name of Directors	Category of Directors	*Inter-se* relationship	No. of Meetings entitled to attend	No. of meetings attended	Attendance at the AGM held during the year
Mr. Nitesh Shetty	Promoter-Executive	NA	4	4	Yes
Mr. L. S. Vaidyanathan	Executive-Non-Independent	NA	4	4	Yes
Mrs. Dipali Khanna*	Non-Executive-Independent	NA	3	3	No
Mr. Mahesh Bhupathi	Non-Executive- Independent	NA	4	1	No
Mr. Ananthanarayanan S	Non-Executive-Independent	NA	4	4	Yes
Mr. Krishna Kumar NG**	Non-Executive- Independent	NA	2	2	No
Mrs. Gayathri MN***	Non-Executive- Independent	NA	1	1	NA

* *Director up to* September 27, 2020
** *Director since* November 09, 2020
****Director since* January 08, 2021

b. Board Meetings

The Board met 4 (Four) times on the following dates:

1. July 31, 2020	2. September 15, 2020
3. November 13, 2020	4. February 12, 2021

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

Name of the Directors	No of Listed Entity excluding NEL	Name of the Listed Entity and category	Other Directorships in unlisted Public Companies	Chairman / Member held in the Committees of other Companies excluding NEL*
Mr. Nitesh Shetty	-	NA	-	-
Mr. L. S. Vaidyanathan	-	NA	-	-
Mr. Mahesh Bhupathi	-	NA	-	-
Mr.Ananthanarayanan S	-	NA	-	-
Mr. Krishna Kumar NG	-	NA	-	-
Mrs. Gayathri MN	1	1. Switching Technologies Gunther Limited	-	-

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

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

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

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

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

e. Shares held by Non-Executive Directors:

Name of the Directors	No. of Shares held
Mr. Ananthanarayanan S	Nil
Mr. Mahesh Bhupathi	Nil
Mr. Krishna Kumar NG	Nil
Mrs. Gayathri MN	Nil

f. Code of Conduct

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

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

g. Familiarization Programme for Independent Directors:

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

2. Audit Committee

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

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

a. Powers & Roles of the Audit Committee:

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

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

Powers

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
   b. Changes, if any, in accounting policies and practices and reasons for the same
   c. Major accounting entries involving estimates based on the exercise of judgment by management
   d. Significant adjustments made in the financial statements arising out of audit finding
   e. Compliance with listing and other legal requirements relating to financial statements
   f. Disclosure of any related party transactions
   g. Qualifications in the draft Audit Report

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

b. Composition and Attendance of the Meetings:

Name of the Members	Position	No. of Meetings entitled to attend	No. of meetings attended
Mrs. Dipali Khanna* Independent Director	Chairman *(Up to* Nov 06*, 2020)*	2	2
Mr. S. Ananthanarayanan Independent Director	Chairperson *(from Nov 06, 2020)*	4	4
Mr. Mahesh Bhupathi Independent Director	Member *(from Nov 06, 2020)*	2	1
Mr. L. S. Vaidyanathan Executive Director	Member	4	4

c. Audit Committee Meetings:

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

1. July 31, 2020	2. September 15, 2020
3. November 13, 2020	4. February 12, 2021

3. The Nomination and Remuneration Committee

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

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

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

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

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

3. Devising a policy on Board diversity;

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

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

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

b. Composition and Attendance of the Meetings:

Name	Position	No. of Meetings entitled to attend	No. of meetings attended
Mrs. Dipali Khanna Independent Director	Chairperson *(from Nov 06, 2020)*	1	0
Mr. S. Ananthanarayanan Independent Director	Chairperson *(from Nov 06, 2020)*	3	3
Mr. Krishna Kumar NG Independent Director	Member *(from Nov 10, 2020)*	2	2
Mr. Mahesh Bhupathi Independent Director	Member	3	2

c. The Nomination & Remuneration Committee Meetings:

The Nomination & Remuneration Committee met 3 (three) times during the year on following dates:

1. July 31, 2020	2. November 13, 2020
3. February 12, 2021	

d. Performance evaluation criteria for Independent Directors

The Nomination & Remuneration Committee has laid down the Performance Evaluation criteria of Independent Directors in terms of Regulation 19 read with Part D of the Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015. The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

e. Remuneration Policy:

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

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

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

Remuneration paid to the Directors during the financial year 2020-21:

(In Rs)

Names of the Directors	Salary	Sitting Fees	Commission	Bonus	Share based payment
Mr. Nitesh Shetty* Chairman and Managing Director	-	-	-	-	-
Mr. L.S. Vaidyanathan Executive-Non-Independent	-	-	-	-	-
Mrs. Dipali Khanna Independent Director	-	226,250	-	-	-
Mr. S. Ananthanarayanan Independent Director	-	345,000	-	-	-
Mr. Mahesh Bhupathi Independent Director	-	175,000	-	-	-
Mr. Krishna Kumar NG Independent Director	-	95,000	-	-	-
Mrs. Gayathri MN Non-Executive Director	-	30,000	-	-	-

Note:
Mr. Nitesh Shetty, Chairman and Managing Director and Mr. L S Vaidyanathan, Executive Director of the Company have not received any remuneration during the year 2020-21 due to non-receipt of “No Objections’ from the Secured Creditors of the Company.

Meeting of the Independent Directors

Pursuant to the provisions of the Act read with the Rules made thereunder and the Listing Regulations, the Independent Directors of the Company have met on February 12, 2021.

4. Stakeholders’ Relationship Committee:

In compliance with the provisions of the Act and the Listing Regulations, the Board has constituted the “Stakeholders’ Relationship Committee”.

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

a. Composition and Attendance of the Meetings

Name	Position	Meetings held during the year	Attendance
Mr. S. Ananthanarayanan	Chairperson *(from Nov 06, 2020)*	1	0
Mr. Mahesh Bhupathi	Member *(from Nov 06, 2020)*	1	0
Mr. Nitesh Shetty	Member	1	1
Mr. L. S. Vaidyanathan	Member	1	1

The Stakeholders' Relationship Committee met once in year on November 12, 2020 during the year.

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

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

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

5. General Meetings

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

Year	Date	Time	Location
2020	September 30, 2020	9. 00 AM	Through Video Conferencing/Other Audio Visual Means at Registered office of the Company : Level 7, Nitesh Timesquare, # 8, M. G. Road, Bengaluru-560 001
2019	September 27, 2019	9. 00 AM	Dr. B. R. Ambedkar Memorial Trust (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bengaluru – 560 052
2018	September 28, 2018	9.00 AM	Dr. B. R. Ambedkar Memorial Trust (Ambedkar Bhavana), Miller's Road, Vasanthnagar, Bengaluru – 560 052

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

Year	Date	Time	Special Resolutions
2020	September 30, 2020	9. 00 AM	1. To re-appoint and approve the remuneration payable to Mr. L. S. Vaidyanathan (DIN: 00304652), as Whole-time Director designated as Executive Director – Business Development of the Company 2. To re-appoint Mrs. Dipali Khanna (DIN: 03395440) as an Independent Director of the Company for the second term 3. To approve formal exit from residential/housing real estate business and venturing into new diversified business due to change in current business scenario and new business prospects 4. To approve disinvestment in Courtyard Hospitality Private Limited, a Wholly Owned Subsidiary 5. To approve the sale of Knights Bridge residential project (Undertaking) to Garden City Builder 6. To approve the sale of Park Avenue residential project (Undertaking) to Garden City Builders

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

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

7. **Postal Ballot conducted during the financial year 2020-21:**

During the year 2020-21, two Postal Ballots were conducted by the Company.

Date	Special Resolutions	Result
August 10, 2020	1. To approve the change of name of the Company to "NEL Holdings South Limited" 2. Alteration of the Name Clause in the Memorandum of Association and to substitute name in the Articles of Association of the Company	Approved by the shareholders with requisite majority
December 23, 2020	1. To approve the re-appointment and the remuneration payable to Mr. Nitesh Shetty (DIN:00304555), as Managing Director designated as Chairman and Managing Director of the Company	Approved by the shareholders with requisite majority

Further, there is no other proposal of passing any Resolution through Postal Ballot during the financial year 2021-22.

8. **Means of Communication**

a. The quarterly unaudited results and Audited Annual Financial Results, in the SEBI prescribed format are normally published in the following Newspapers within 48 hours of the approval by the Board and also been submitted to the Stock Exchanges:
   i. Financial Express (English Daily); and
   ii. Hosa Digantha (Kannada Daily)

b. The financial results are also available on the Company's website at www.nelholdings.in

c. The news releases, if any are posted on the Company's website and submitted to the Exchanges.

d. There were no presentations made to Institutional investors/ Analysts during the year.

9. **General Shareholder Information**

a. Annual General Meeting

Date	September 28, 2021
Time	9.00 A.M.
Venue	NA (Through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") Facility)

b. Financial Calendar

Financial Year	:	April 1, 2021 to March 31, 2022
First Quarter Results	:	In August, 2021
Half Yearly Results	:	In November, 2021
Third Quarter Results	:	In February, 2022
Results for the year ended 31st March	:	By May, 2022

10. Listing Information

The Company's shares are currently listed on BSE Limited.

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

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

11. Stock Data

a. Monthly High & Low prices at BSE during the Financial Year 2020-21

Month	BSE	
	High	Low
Apr-20	0.99	0.63
May-20	0.9	0.74
Jun-20	1.94	0.77
Jul-20	1.74	1.25
Aug-20	1.57	1.31
Sep-20	1.62	1.35
Oct-20	1.58	1.26
Nov-20	1.97	1.4
Dec-20	2.2	1.63
Jan-21	2.16	1.71
Feb-21	1.9	1.4
Mar-21	1.75	1.44

b. Distribution of shareholding as on March 31, 2021

Category (Shares)	No. of Shareholders	% of Shareholders	Total Shares	% Holdings
1 - 5000	16524	92.36	12874308	8.83
5001 - 10000	643	3.59	5124328	3.51
10001 - 20000	330	1.84	4819051	3.30
20001 - 30000	134	0.75	3399503	2.33
30001 - 40000	62	0.35	2201220	1.51
40001 - 50000	46	0.26	2106551	1.44
50001 - 100000	73	0.41	5316584	3.65
100001 and above	78	0.44	109990555	75.42
TOTAL:	**17890**	**100.00**	**145832100**	**100.00**

c. Shareholding pattern as on March 31, 2021

Sl. No	Description	Shareholders	Shares	% Equity
1	FOREIGN PORTFOLIO - CORP	1	8993338	6.17
2	TRUSTS	2	1910	0.00
3	RESIDENT INDIVIDUALS	17030	50819878	34.85
4	EMPLOYEES	5	44576	0.03
5	NON RESIDENT INDIANS	115	798194	0.55
6	CLEARING MEMBERS	30	110594	0.08
7	INDIAN FINANCIAL INSTITUTIONS	1	159	0.00
8	PROMOTER INDIVIDUALS	1	65340228	44.81
9	BANKS	3	4701241	3.22
10	DIRECTORS	2	139501	0.10
11	Qualified Institutional Buyer	1	6208422	4.26
12	NON RESIDENT INDIAN NON REPATRIABLE	54	240161	0.16
13	BODIES CORPORATES	121	4931671	3.38
14	I E P F	1	70771	0.05
15	H U F	523	3431456	2.35
	Total:	**17890**	**145832100**	**100.00**

d. Shares held in physical and dematerialized form as on March 31, 2021

Category	No. of Holders	Total Shares	% to Equity
Physical	5	1008	0.00
NSDL	10076	123423618	84.63
CDSL	7809	22407474	15.37
Total	**17890**	**145832100**	**100.00**

e. Share Transfer

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

f. Registrar and Transfer Agents:

KFin Technologies Private Limited
Selenium Tower B, Plot No 31 & 32,
Financial District, Nanakramguda, Serilingampally Mandal,
Hyderabad – 500 032
Toll Free no.: 1800-309-4001
Email: einward.ris@kfintech.com
Website: https://www.kfintech.com

g. Compliance Officer details:

Mr. Prasant Kumar
Company Secretary & Chief Compliance Officer
110, Andrews Building, Level 1, M G Road, Bengaluru-560 001
Tel: +91 80 4017 4000
Email: investor@nelholdings.in, cs@nelholdings.in

12. Disclosures

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

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

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

The Related Party Transactions under IND-AS 24 undertaken during the financial year 2020-21 are detailed in the Notes to Accounts section of the Annual Financial Statements.

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

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

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

The Company has complied with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 as well as regulations and guidelines of the SEBI and other Statutory Authorities on all matters relating to the capital markets.

The Company however was unable to comply with the regulation 17 of SEBI (LODR) Regulations, 2015 and Section 149 of Companies Act 149 as the intermittent vacancy for appointing a woman director on Board of the Company was not filled within three months from the date of such vacancy and there was a delay of 12 days in closure process due to COVID related restrictions and prevailing COVID cases in the Company and also due to yearend holidays.

The Company has not paid any fines/penalty during the last three financial years.

c. Whistle Blower Policy and Vigil Mechanism

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

None of the Directors/employees of the Company have been denied access to the Chairman of the Audit Committee and no complaints have been received during the financial year 2020-21.

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

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

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

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

During the year the Company has paid Rs. 54.72 Lakhs as total audit fees for all the services to its Company and the Subsidiary Companies and all other entities in the network, on a consolidated basis to M/s. Ray and Ray, Chartered Accountants.

Particulars (for NEL Holding)	**2020-21 (in Lakhs)**
Statutory Audit Fees	36.67
For Taxation Matter	0.55
For Management Services	0.41
Reimbursement of Expenses	-
Total payments during FY 2020-21	**37.64**

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

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

g. Compliance Certificates

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

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

c. A Certificate from S. Kedarnath & Associates, Practicing Company Secretary in pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of this Annual Report.

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

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

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

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

Date: June 29, 2021
Place: Bengaluru

Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

CONFIRMATION OF CODE OF CONDUCT

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

I hereby confirm that the Company has received the declarations for the financial year ended March 31, 2021 in confirmation of the compliance with the Code of Conduct by the members of the Board of Directors and the Senior Management Personnel of the Company as required under the provisions of Regulation 34 read with Schedule of V of the Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015,

Date: June 29, 2021
Place: Bengaluru

Nitesh Shetty
Chairman & Managing Director
DIN: 00304555

CEO/CFO CERTIFICATION PURSUANT TO REGULATION 17 (8) READ WITH SCHEDULE II OF THE SECURITIES EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To

The Board of Directors
NEL Holdings South Limited
Bengaluru 560 001

Dear Sirs,

We, Nitesh Shetty, Chairman and Managing Director and Rajeev Khanna, Chief Financial Officer of the Company certify to the Board that:

a. We have reviewed financial statements and the Cash Flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief :

   i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the auditors and the Audit Committee

   i. Significant changes in internal control over financial reporting during the year;

   ii. Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii. There is no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Nitesh Shetty
Chairman & Managing Director

Rajeev Khanna
Executive Director Finance and Chief Financial Officer

Place: Bengaluru
Date: June 29, 2021

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To

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

I have examined the compliance of conditions of Corporate Governance by the NEL HOLDINGS SOUTH LIMITED ("the Company") for the year ended March 31, 2021 as stipulated under regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C , D and E of Schedule V of securities Exchange Board of India (LODR) Regulations ,2015.

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

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

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

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

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

Place: Bengaluru
Date: June 29, 2021

CERTIFICATE

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

ln pursuance of sub clause (i) of clause 10 of Part C of Schedule V of the Securities and Exchange Board of lndia (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015; (LODR) on the basis of the written representation/declaration received from the Directors and taken on record by the Board of Directors of NEL Holdings South Limited (ClN: LO701OKA2OO4PLCO33412) ('the Company') for the financial year 2020-21, I hereby certify that as on date of this Certificate, none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as Director of companies by the SEBI / Ministry of Corporate Affairs or any such Statutory Authority.

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

Place: Bengaluru
Date: June 29, 2021

FY2020-21: Management Discussion and Analysis

Socio Economic Environment

Covid 19 has significantly affected the global Economy leading to the disruption in operations and supply chains across the world. Although vaccination has raised hopes of a turnaround in this pandemic, renewed waves and new variants of the virus pose concerns for the outlook. As per IMF (International Monetary Fund), amidst exceptional uncertainty the global economy is projected to grow at 5.5% in 2021 and 4.2% in 2022. RBI considers the Indian economy to be fragile- a weaker state takes longer to recover from shocks and catch-up to where it was before the pandemic.

Real Estate Market

Indian Real Estate Market

Real Estate sector in India is expected to reach a market size of US$ 1 trillion by 2030 from US$ 120 Billion in 2017. Retail, Hospitality and commercial sector are also growing significantly providing the much-needed infrastructure for India's growing needs. In India, Real Estate Sector is the second highest employment generator, after the agricultural sector

With series of reforms, such Real Estate Regulation & Development Act (RERA), FDI relaxations, there has increased transparency in real estate transactions thereby attracting foreign investments in the sector. Driven by increasing transparency and returns, there is surge in private investment in this sector. Indian real estate attracted US$ 5 billion institutional investments in 2020, equivalent to 93% of the transactions recorded in previous year.

With increasing focussed demand of data centres, Real Estate Sector is expected to have increased potential of 15-18 million square feet by 2025.

Government of India along with Government of respective states has taken several initiatives to encourage development in the sector. The Smart City project, with a plan to build 100 smart cities, is a prime opportunity for real estate companies.

Bengaluru Real Estate Market

Bangalore has been one of the better performing residential real estate markets in India and having said this, Bangalore too has not been able to escape the bearishness in real estate market over the last few years with the prices being range bound and not increasing significantly year-on-year. The investor interest has been limited due to lack of capital appreciation and end use preferences also being more towards apartments nearing completion has been a challenge for many developers more so in launching and getting the new projects running. The affordable and mid-segment offerings have been doing relatively better than luxury sales However, the New Sales in Bangalore have improved over Q3 and Q4 of FY20-21 as compared to Q1 and Q2 of FY 20-21 but are still to match the Pre-Covid levels. The arrival on second wave in Q1 FY21-22 has also affected the performance and slowed down the impetus.

A significant amount of buyers in Bangalore were from IT background and companies extending Work From Home indefinitely without hampering productivity have allowed a lot of people to return to their hometowns and this movement has put pressure on real estate demand for buying as well as for rentals. People spending more time at home and saving has slightly helped in improving budget of people for buying and preference in terms of buying larger units to allow and facilitate Work from Home for the working class.

While the inventory hangover in Bangalore is significant, it is still less compared to many other Metro Cities / Tier 1 Cities. Top listed developers have also been launching new offerings in the recent quarters although with caution and conservatively when to the historical trends and they have seen good response from the market, which has added some positive sentiment for the market revival. However, the sales velocity has been slow because of which new inventory adding up to existing unsold inventory has resulted in an inventory overhang of around 3-4 years, even with limited new launches, which is significant. This is expected to put pressure on developers in terms of pricing in coming quarters more so in want of liquidity and funds to move the projects. New launches are further expected to pick up on H2 of FY21-22 after assessing possibility of Third Wave of Covid and its possible impact.
While worries of inflation / recession / economic downturn may have made people be cautious in terms of their planning and budgeting for buying a house, the increased hiring and increments being rolled out to the employees by the IT companies may help in driving the sales in future along with hope of IT companies resuming work from office soon leading to all the outstation employees to

return back to the city. The insufficient infrastructure of the city to support the growing demand and development remains a concern with troubles like traffic and water supply looming over and initiatives of government are expected to assuage these concerns.

Coming to office and commercial spaces, Bengaluru has been one of the best performing office real estate market in India in recent years but it has been under strain since the pandemic started. While there was some momentum seen in the first quarter of 2021, the second covid-19 wave in the April-June quarter saw much of it eroded. For now, most IT/ITES companies have extended the WFH option for now and are waiting for things to change in favour of the previous status quo. With significant dependency on IT and ITES for commercial occupancy and with several leases coming for renewal in 2021-22, the year would be challenging and defining for commercial real estate market in Bangalore depending on decisions of the companies who operate their office spaces on lease rental model and the course of COVID pandemic. However, Bangalore hopes to ride this challenge given active hiring by companies and expected gradual return of employees to office spaces, which will give way to renewal of leases, new demand and continued growth.

The allied upcoming real estate sectors of Warehousing and Data Centres are promising categories with High Growth projected for the coming decade given India's Growth and Consumption Story and Bangalore being the Silicon Capital of India. Warehousing industry in major cities is expected to grow at a healthy rate of 20-25% CAGR over the next 5 years subject to certainty and resolution of COVID pandemic with outskirt corridors of Bangalore offering great opportunities for this asset class

The Company

Company Overview and Market Positioning

NEL Holdings South Limited ("NEL" or "Company") is an integrated property developer with presence in multiple asset classes: Residential and Commercial. The Company has a very strong brand equity, business processes and partnerships to attain the next stage of growth. Since inception, the Company has completed many projects across residential, commercial and hospitality segments.

The Company is working towards reducing our exposure in residential market and so there are not any residential new launches planned. The Company is working on exiting of several of our existing residential projects with aim of monetising and deleveraging our books. There are a few residential projects / plotted developments, which the Company, aim to complete given its obligation towards the existing buyers in those projects

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

Operational Performance

During the year, the business was significantly impacted due to Covid 19 The Company is planning to diversify its business and expand its business opportunities in new areas of business like providing manpower for facilities management business, securities business and other service oriented businesses in the future.

Financial Performance in IND-AS (Figures)

NEL generated revenue of Rs. 3519 Million, compared with FY 2020 revenue of Rs. 523.70 Million. The Earnings before interest, tax, depreciation and amortization (EBITDA) was Rs. 4.09 Million As compared to Rs. (-) 6776 Million in the previous year. The Profit / (Loss) after taxes during the year was Rs. (20382) Million.

During the year, Company has exited 4 projects and corresponding revenue has been recognized.

Revenue Breakup: - IND-AS (Figures)

Rupees in lakhs	**FY2021**	**% share**	**FY2020**	**% share**
Property Development	3,495	28.00	4,069	97.70
Contractual Activities / Other Operating Income	0	0	0	0
Income from Sale of Projects	8,895	71.26	0	0
Maintenance Income	92	0.74	96	2.30
Lease Rent	0	0	0	0
Misc. - Other Income	0	0	0	0
Total	12,482		4,165	

Financial Condition IND- AS (Figures)

(Rs. in Lakhs)

Particulars	**March 31, 2021**	**March 31, 2020**
Sources of funds		
a. Shareholders' funds	(99,234)	(74,559)
b. Minority Interest	-	-
c. Loan funds	72,587	1,01,678
Total	(26,647)	27,119
Application of funds		
a. Fixed assets (net)	8,903	13,905
b. Investments	1,008	1,008
c. Net current assets	(36,677)	4,215
d. Deferred tax/ miscellaneous expense, among others	119	7,991
Total	(26,647)	27,119

Particulars	**12 months ended March 31, 2021**	**12 months ended March 31, 2020**
Profit before tax	(12,671)	(77,592)
Add: Adjustments	23,164	73551
Add: Net working capital	33,189	9,401
Less: Income Tax paid	(1569)	(73)
Net cash flow from operating activities	42,113	5,287
Net cash flow from investing activities	(1)	4,103
Cash flow from financing activities	(42,130)	(9,564)
Net cash inflow / (outflow)	(18)	(174)

Liquidity

As of March 31, 2021, the Company had cash and cash equivalents of Rs. 1,22,12,000/-. On a standalone basis, the Company had a total debt of Rs. 355,86,00,000/- and the net worth was at Rs. (-) 898,05,06,342/-. The Company is closely monitoring the debt levels and plans to reduce the high cost debt from the cash generated from on-going projects and exiting some non-core assets in the portfolio from time to time.

Business Strategy

Complying with Real Estate Regulation and Development Act

With introduction of RERA, the Company has geared up its internal processes for becoming compliant with the requirements of RERA.

Revenue diversification and expansion of rental income

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

Exploring new opportunities

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

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

Selective geographic expansion

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

Managing and promoting talent

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

Investment in systems and technologies

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

Opportunities and Threats

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

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

- Environmental risks such as depletion of water table
- Potential impact of Covid-19 resulting in delay of construction activities and negatively influencing market sentiments

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

Risk management

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

There are several areas of risk related with:

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

Internal Control Systems

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

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

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

Outlook

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

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

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

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

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

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

Human Resources Development

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

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

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

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

Cautionary Statement

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

For and on behalf of the Board of Directors

Place: Bengaluru
Date: June 29, 2021

Nitesh Shetty
Chairman & Managing Director
DIN:00304555

Standalone Accounts

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Financial Statements

Adverse Opinion

We have audited the standalone financial statements of **NEL Holdings South Limited** (Formerly known as NEL Holdings Limited and herein after referred as "the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss, Statement of changes in Equity and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Adverse Opinion paragraph below, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and due to the significance of matter described in the Basis for Adverse Opinion paragraph given below, the accompanying standalone financial results do not give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss, changes in equity and its cash flows for the year ended on that date.

Basis for Adverse Opinion

1. The Company incurred a net loss of Rs 8,041 lakhs for the year ended 31st March, 2021 and the Company`s current liabilities exceeded its current assets by Rs 99,529 lakhs as on that date. The Company has incurred losses over the years resulting in negative net worth, negative working capital and negative cash flows.

   During the year Company has sold two projects through a Business Transfer Agreement to repay some portion of the bank loan. The Company has cancelled the development right of the project 'Virgin Island' and handed over the rights to the original land owner. 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. 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.

   As the Company has not recognized this fact and has prepared the standalone financial statements 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.

2. 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. Considering the above, we are concerned about the manner in which the funds were given without obtaining any security. The Company has made full provision for the said advance in the current financial year which in our opinion is a matter of concern.

3. 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. These advances were made without obtaining any security and without assessing the financial position and

repayment capacity of the party. In our opinion, such injudicious advances are a matter of concern and may be prejudicial to the interest of the Company. The Company had made full provision for the said advance over the last three years without taking any legal action for recovery. (refer note no 12(i) of the standalone financial statements)

4. The Company has accounted for Principal amount of Rs. 35,586 lakhs, Accrued Interest of Rs.16,752 lakhs and Disputed Liability of Rs.14,933 lakhs (which include Rs. 14,881 lakhs in respect of loans from banks and financial institutions and Rs. 52 lakhs in respect of salaries – refer note no. 16 of the standalone financial statements) in its books of account as total outstanding to banks and financial institution as on 31st March, 2021. Pending confirmation 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 payment to banks and financial institution has not been provided for in the books of account of the Company.

   Included in the above figures, with respect to other borrowings from Yes Bank Ltd, the bank has called upon the entire loan amount of Rs. 22,611 lakhs. (refer note no.15(i)(b) of the standalone financial statements).

   In relation to a loan taken from Yes Bank for the 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 (refer note no. 15 (i)(b) of the standalone financial statements).

5. During the financial year, as per the information and explanations given to us and from the perusal of the documents provided to us, the Company has disposed/ sold off the projects viz “Knightsbridge” and “Park Avenue” on an ongoing basis through Business Transfer Agreements (BTA). Further, the Company has cancelled the development right for the development of the project “Virgin Island” and has handed over the rights to the original land owners. In this respect;

   (i) The Company has borrowed Rs. 26,067 lakhs (previous year Rs 28,497 lakhs) from HDFC Limited for various projects including Knightsbridge, Park Avenue and Virgin Island. As per the terms of BTA with the third party, an amount of Rs. 800 lakhs and 3,500 lakhs have been paid to HDFC Limited for release of charge on the Knightsbridge and Park Avenue projects respectively together with an amount of Rs. 200 lakhs paid for Knightsbridge project as a part of a supplementary agreement. Basis the same the Company has classified the remaining outstanding liability, to the extent allocated to these two projects, as disputed liability.

   (ii) During the financial year, charge/mortgage of the project Virgin Island was released by HDFC Limited. Such release was upon the condition that the same shall not be construed as settlement of any kind. Consequently, the Company has accounted for Rs 8,146 lakhs being the estimated carrying value of loan liability and Rs 3,000 lakhs being the interest component as a disputed liability in the standalone financial statements.

   (iii) The Company has now considered the remaining balance of the term loan, for these three projects viz, Knightsbridge, Park Avenue and Virgin Island amounting Rs 14,881 lakhs taken from HDFC Bank, as a “Disputed liability” instead of “Borrowings” without adequate documentation as per the requirements of Schedule III to the Companies Act, without any correspondence from the bank (refer note no 16(i) and 16(ii)), as represented below;

(Rs. In lakhs)

Project Name	Principal	Interest	Total
Knightsbridge	-	256	256
Park Avenue	2,422	1,057	3,479
Virgin Island	8,146	3,000	11,146
Total	**10,568**	**4,313**	**14,881**

6. As stated in the standalone financial statements, 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. 452 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. Proper disclosure has not been made in the standalone financial statements in this respect.

7. The Company has advanced Rs. 9,224 lakhs to its various subsidiaries which have all reported negative net worth. The Company has only provided for impairment loss of Rs. 4,547 lakhs against such above advances, resulting in the understatement of loss and overstatement of net worth by the said amount. Even after making the above noted provision, the Company has disbursed fresh advance amounting Rs. 360 lakhs during the 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.

8. The Company has not tested impairment of its projects' CWIP and Inventories amounting to Rs 8,835 lakhs and Rs 12,466 lakhs (Net of "Payable to land owner for land under JDA" and other reclassification) respectively, for ascertaining the realizable value as on 31st March, 2021. To the extent of any possible diminution of value not accounted for, the standalone financial statements may not give a true and fair view as per the requirement of Ind AS 2.

9. Year-end balance confirmation certificates 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. Further, Trade Receivable amounting to Rs. 753 lakhs as on 31st March, 2021 has not been considered for impairment loss based on expected credit loss method as per requirement of Ind AS 109. It may be noted that the details in respect of most of such outstanding has not been produced to us for our verification.

10. 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. In this respect;
    - The Company has disclosed figures of employee liability referred to in note 16(ii) and note 19 of the standalone financial statements. 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.
    - The Company has a receivable balance amounting to Rs. 1,195 lakhs with government authorities. During the year, the Company has been irregular in depositing and filing returns under certain statutory requirements. Due to non-availability of information on such statutory non compliances against such balances, we are unable to comment on the actual recoverability of such credit balances.
    - During the year, the Company has over provided for gratuity and leave encashment amounting to Rs. 38 lakhs and Rs. 46 lakhs respectively and has under provided for corresponding other comprehensive income pertaining to gratuity expenses and leave encashment by Rs. 52 lakhs and Rs. 49 lakhs respectively. This has resulted in a net overstatement of total comprehensive income by Rs. 17 lakhs in the Statement of Profit and Loss with consequent effect on the net worth

11. The Company has neither ascertained nor accounted for component wise Deferred Tax Assets/ Liabilities as on balance sheet date and its adjustment in the Statement of Profit & Loss during the year.

12. The Company has not provided customer wise reconciled figures for some outstanding balances disclosed under "Billing in excess of revenue" (Net of debit balance). Due to non-availability of such details, we are unable to verify the correctness of the same.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our Adverse opinion on the standalone financial statements.

Emphasis of Matter

a. The Company has given unsecured advance amounting to Rs. 1887 lakhs to Winter Lands Pvt. Ltd. (Winter Lands) 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 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, Winter Lands 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). The enforceability of this MOU, No Objection Certificate (NOC) from Land owners and the basis of the valuation has not been satisfactorily explained to us.

b. The Company has granted fresh loans or advances amounting to Rs. 20 lakhs to a certain related party viz. Nitlogis Private Limited during the current financial year in line with the provisions of section 185 and 186 of the Act. In this respect, it may be noted that the management has not provided us with the necessary copies of the board approvals and contract agreements in respect of such fresh loans or advances granted to the related parties.

c. We draw attention to the note no. 30 of the standalone financial statements which states that the Gratuity plan of the Company is unfunded as at 31st March, 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 no assets are maintained by the Company, there is liquidity risk that the Company may run out of cash resources which may further affect the financial position of the Company.

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

Key Audit Matters

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

Key Audit Matter	Response to Key Audit Matter
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind-AS 115 "Revenue from contracts with Customers". The revenue recognition by the Company in a particular contract is dependent on certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation and disclosures including presentations of balances in the standalone financial statements. (Refer notes 21 and 40 to the standalone financial statements.)	***Principal Audit Procedure:*** Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: a) We have assessed the application of the provisions of the Ind AS 115 in respect of the Company's revenue recognition and appropriateness of the estimated adjustments in the process. b) Selected a sample of existing continuing contracts and new contracts and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. c) Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. d) Performed analytical procedures and test of details for reasonableness and other related material items.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board`s Report including Annexures to Board`s Report, Management Discussion and Analysis and Corporate Governance, but does not include the standalone financial statements and our auditor`s report thereon.

We have not been provided with such other information and our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. The Company has an investment in Whitefield Housing Enterprises (Whitefield) amounting Rs 1,008 lakhs on the balance sheet date. Due to non-availability of financial statements of Whitefield, we are unable to comment on the status of the same.

b. 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

c. Disclosures regarding related party transactions in the standalone financial statements is not in compliance with the applicable accounting standards.

d. Contingent Liability of Rs. 15,857 lakhs as disclosed in the standalone financial statements is based on management certification (Refer note no. 32). We have not been provided with any other independent legal opinion in relation to any other litigation, demand or claim by or against the Company which may be contingent in nature.

e. The Company has transferred the debenture outstanding liability of Rs. 5,500 lakhs to land owners of Virgin Island Project during the year for settlement of the dues of the debenture holder 'Investcorp Real Estate Fund (erstwhile IDFC Real Estate Yield Fund)' on cancellation of the Joint Development agreement (JDA) and has handed over the title documents of the said composite property to the respective land owners in terms of the mutual agreement which the land owners and 'Investcorp Real Estate Yield Fund (erstwhile IDFC Real Estate Yield Fund)' may have entered into, however, such documents have not been provided to us for verification. As such, the net of surplus arising on settlement of debenture liability and consideration for handing over the title documents to land owners amounting to Rs. 5,268 lakhs with accrued debenture interest of Rs. 5,356 lakhs has been disclosed as exceptional income to the Statement of Profit & Loss of the Company on the date of said transfer. The same has been approved by the Board of Directors. The management has not properly disclosed the required details in note no. 15(iii) and 26A of the standalone financial statements.

f. We draw attention to note no. 43 of the standalone financial statements, wherein the Company has indicated some figures in respect of the exit from two of the projects "Knights Bridge" and "Park Avenue" via Business Transfer Agreement (BTA) with Garden City Private Limited. The details of such transfer are given below:

Rs/lakhs

Particulars	Knights Bridge	Park Avenue	Total	Note No.
Sales:				
Term Loan from Banks and Financial Institutions	1,000	3,500	4,500	15 – Borrowings
Amount received in Current Bank Accounts	150	595	745	10 - Cash and Cash equivalent
Advance received from customers for sale of properties	-	50	50	18 - Other liabilities
Revenue on sale of projects (A)	**1,150**	**4,145**	**5,295**	21 - Revenue from operations
Cost of Sales:				
<u>Assets transferred</u>				
Refundable deposit towards joint development agreement	400	402	802	7 - Loans (Unsecured, considered good unless otherwise stated)
Land held under joint development arrangements	3,015	12,647	15,663	8 - Inventories
Properties under development	1,602	7,525	9,127	8 - Inventories
Trade receivables considered good - secured	-	498	498	9 - Trade receivables
Advances paid towards Joint Development	157	-	157	12 - Other assets
Total of Assets transferred	**5,174**	**21,071**	**26,246**	
<u>Liabilities transferred</u>				
Total outstanding dues of creditors other than micro enterprises and small enterprises to other than related parties	73	846	919	19 - Trade payables
Liability under joint development arrangement	3,015	12,647	15,663	18 - Other liabilities
Contract Liability-Billing in excess of revenue (Net of debit balance)	806	839	1,645	18 - Other liabilities
Total of Liabilities transferred	**3,894**	**14,333**	**18,227**	
Net Cost of Sales (B)	**6,738**	**1,280**	**8,018**	23 - Land & construction cost
Net Loss (A) - (B)	**-2,593**	**-130**	**-2,723**	

As explained to us, the fixation of sale consideration by the Company has been made on the basis of realisable value. However, no confirmation could be provided to us in this respect. Further, the Company is still under process for execution of Memorandum of Settlement between its existing vendors and Garden City Private Limited as per the BTA related to above project.

g. Effect of COVID-19: We draw attention to note no. 3(b)(vi) of the standalone financial statements, 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 report is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure – A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

   a) *Except for the effects of the matters described in the Basis for Adverse Opinion paragraph above read with the Emphasis of Matter and Other Matters paragraphs,* we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) *Except for the effects of the matters described in the Basis for Adverse Opinion paragraph above read with the Emphasis of Matter and Other Matters paragraphs,* in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   ~~c)~~ The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, statement of changes in equity and statement of cash flows dealt with by this Report are in agreement with the books of account apart from the disclosure of Net loss in the Statement of Profit and Loss which is overstated to the extent of Rs. 29 lakhs due to non-consideration of the effect of deferred tax with corresponding effect on Other Equity (note no. 14A(b)) and Deferred Tax liability (note no. 17).

   d) *Except for the effects of the matters described in the Basis for Adverse Opinion paragraph above read with the Emphasis of Matter paragraph,* the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. However, the presentation of the Cash Flow Statement in the standalone financial statements is not as per the disclosure requirement of Ind AS 7.

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

   f) On the basis of written representations received from the directors as on 31^{st} March, 2021 taken on record by the Board of Directors, none of the directors is disqualified from being appointed as director in terms of Section 164(2) of the 'Act' as on 31^{st} March, 2021.

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

h) According to the information and explanation given to us by the management, no managerial remuneration has been paid/ provided during the year. Accordingly, the provisions of section 197(16) of the Companies Act, 2013 are not applicable.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. Subject to our comment in point 'd' in the 'Other Matters' paragraph in our audit report, the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer note no. 32;

ii. According to the information and explanation given by the management, the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

(Shipra Gupta)
Partner
Membership No 436857
UDIN: 21436857AAAAAZ5891

Place: Bengaluru
Date: 29.06.2021

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

"Annexure A" referred to in our report to the members of **NEL Holdings South Limited** (Formerly known as NEL Holdings Limited) under the heading 'Report on Other Legal and Regulatory Requirements' of our report at even date.

We report that:

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

b) According to the information and explanation given to us, the Company follows a policy of physical verification of the fixed assets in a phased manner over the years. Some of the fixed assets have been physically verified by the management during the year and no material discrepancies was noticed. In our opinion, the frequency if such verification is reasonable having regard to the size of the Company and the nature of its assets.

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

ii. The Company is engaged in the business of real estate development and related services and holds inventories in the form of land, developed properties and properties under development. Having regard to the nature of inventory, the management has conducted physical verification of inventory by way of verification of title deeds, site visits conducted and certification of extent of work completion by competent persons, at reasonable intervals during the year. However, in respect of certain completed projects, certificate of the competent authority has not been provided to us. Accordingly, we are unable to comment on whether material discrepancies, if any, have been properly dealt with in the books of accounts in such cases.

iii. According to the information and explanation given to us, the Company has granted unsecured loans or advances to companies, firms, or other parties as listed in the register maintained under section 189 of the Companies Act, 2013. The Company has not provided the details with respect to fresh loans and advances given to certain related companies. Again, in some cases, fresh advances have been given to the same related companies/ parties during the current financial year without realisation of the previous loans or advances. Hence, in our opinion, such further loans or advances granted are prejudicial to the interest of the Company.

iv. According to the information and explanation given to us, the Company has granted fresh loans or advances amounting to Rs. 309 Lakhs to certain related parties (both wholly owned subsidiaries and other related parties other than subsidiaries) during the current financial year in line with the provisions of section 185 and 186 of the Act. However, in this respect, it may also be noted that the management has not provided us with the necessary copies of the board approvals and contract agreements in respect of such fresh loans or advances granted to the related parties.

v. As stated in the standalone financial statements, the outstanding balance of the advances collected from customers pertaining to closed/suspended residential projects in the earlier years which have now been abandoned amounts to Rs. 452 Lakhs as on the reporting date. Such receipts are now in the nature of deemed deposits under rule 2(c) (xii) (b) Companies Acceptance of deposit (Rules) 2014 and are also within the purview of sections 73 to 76 of the Companies Act, 2013. The amount and disclosure requirement of such deemed deposits which are required by the relevant act and directives issued by the Reserve Bank of India have not yet been ascertained. (Refer note no. 41 to the standalone financial statements).

vi. To the best of our knowledge and according to the information and explanations given to us, the Central Government has prescribed for the maintenance of the cost records under section 148(1) of the Companies Act, 2013 in respect of the products of the Company. However, since the Company's net revenue falls below the threshold, no Cost Auditor was appointed during the year ended on 31st March, 2021.

vii. (a) As per the records of the Company and information and explanations provided to us, the Company is 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 and other applicable statutory dues.

The following amounts were outstanding as at 31st March 2021 for a period of more than six months from the date they became payable.

Name of the statute	Nature of the dues	Amount (Rs in Lakhs)	Period to which the amount relates	Due date	Date of payment
KVAT Act	VAT	1,268.37	2010-11	-	Not paid
Income Tax Act, 1961	TDS	9.54	April 2020 – September 2020	Various due dates	Not paid
Income Tax Act, 1961	TDS	31.73	Previous Years	-	Not paid
CGST Act, SGST Act & IGST Act, 2017	GST	2.83	April 2020 – September 2020	Various due dates	Not paid
CGST Act, SGST Act & IGST Act, 2017	GST	173.26	Previous Years	-	Not paid
Provident Fund & Misc. Provisions Act, 1952	Provident Fund	11.58	April 2020– September 2020	Various due dates	Not paid
Provident Fund & Misc. Provisions Act, 1952	Provident Fund	9.87	Previous Years	-	Not paid
KTPTCE Act, 1976	Profession Tax	0.44	April 2020 – September 2020	Various due dates	Not paid
KTPTCE Act, 1976	Profession Tax	0.38	Previous Years	-	Not paid
ESI Act, 1948	ESI	0.61	April 2020 – September 2020	Various due dates	Not paid
ESI Act, 1948	ESI	0.18	Previous Years	-	Not paid

(b) According to the information and explanations given to us, the following are the disputed statutory dues which have not been deposited by the Company as on 31st March, 2021.

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

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

Nature of Borrowings, including debt securities	Name of Lender	Amount of default (Rs./Lakh)	Whether Principal or Interest	Period of default
Term Loan	Yes Bank Limited	27,864	Principal Rs. 21,210 and Interest Rs. 6,654	More than 180 days
Loan	HDFC Ltd.	43,305	Principal Rs. 24,015, Interest Rs. 19,290	More than 180 days
Loan	Sriram City Union Finance Ltd.	1,225	Principal Rs. 929, Interest Rs. 296	More than 180 days

As mentioned in note no.15(i) of the standalone financial statements, these borrowings from the banks and financial institutions have become Non-Performing Assets (NPA's) as on the balance sheet date and the banks and financial institutions have called upon the debt. The Company has not taken any loans or borrowings from the government.

ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and as per the information and explanations provided to us by the management, these term loans were applied for the purposes for which these were raised. However, the necessary certification in respect of the end use of such loans or advance has not been provided to us by the management and hence we cannot comment on the same.

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

xi. According to the information and explanations give to us and based on our examination of the books of the Company and as reported by the Company in its standalone financial statements, no managerial remuneration has been paid by the Company for the current financial year and hence the provisions of section 197 read with Schedule V to the Act is not applicable to the Company.

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

xiii. According to the information and explanations given to us by the management, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the standalone financial statements etc., as required by the applicable accounting standards. The management has provided us with extracts of the board notings in respect of these transactions with related parties, however, details and nature of such transactions have not been shared with us.

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

xv. To the extent of verification of the records produced to us and from the information and explanations received from the management, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provision of clause 3(xv) of the Order is not applicable.

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

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

(Shipra Gupta)
Partner
Membership No 436857
UDIN: 21436857AAAAAZ5891

Place: Bangalore
Date: 29.06.2021

"Annexure-B" to the Independent Auditors' Report

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **NEL Holdings South Limited** (formerly known as NEL Holdings Limited and herein after referred as "the Company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the effects/possible effects of the material weaknesses described in 'Basis for Qualified Opinion' paragraph below on the achievement of the objectives of the control criteria over financial reporting, there is an urgent requirement for the management to design control procedures for recording and documentation of transactions and financial approvals of the Company and also for complying with the various provisions of the applicable acts which as a whole are directly related to the effectiveness of the Internal Control Functions over Financial Reporting of the Company, considering the essential component of internal control as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Basis for Qualified Opinion

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

According to the information and explanations given to us and based on our audit procedures, the following material weaknesses have been identified in the Company`s internal financial controls over financial reporting as at 31st March, 2021.

a) The Company did not have an appropriate internal control system relating to granting of unsecured advances for acquiring various immovable properties. The credit worthiness of the parties, exposure and experience in handling land procurement by third parties, asset base for providing security and guarantee, establishing segregation of duties, determining credentials of the counterparties and sufficient documentation regarding such transactions etc. should be verified at the time of authorization and disbursement of said advances.

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

c) The Company did not have complete system of obtaining year-end balance confirmation certificates in respect of trade receivables, trade payables, vendor advances, advance from customers and other advances.

d) The Company did not have an adequate internal control system to manage the utilisation of loans and facilities obtained from the banks and other financial institutions as per the terms governing such loans and facilities and also the disclosure requirements against such loans and advances received from the banks and the financial institutions.

e) The Company did not have an appropriate internal control system to ascertain the realizable value of Inventory and also does not have a documented system of regular inventory verification.

f) The Company did not have adequate internal control for ascertaining tax assets/liabilities and payments of statutory dues including Income Tax and Goods and Service Tax and other relevant Taxes.

g) The Company did not have appropriate internal control system to ascertain the net realizable value of financial assets and the system for conducting impairment testing to ascertain the actual value of the asset to be carried in the books of accounts.

h) The Company did not have an adequate internal control system to maintain the details of pending litigations and to ascertain corresponding financial impact to report on the contingent liability of the Company.

i) The Company did not have an appropriate internal control system to ascertain and maintain employee wise ageing details of the salary payable and other employee benefit expenses like gratuity payable.

j) The Company should introduce appropriate internal controls system to ascertain the customer wise balance for billing in excess of revenue, unbilled revenue.

k) The Company did not have adequate internal control system to relating to the preparation and presentation of financial statements.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2021 standalone financial statements of the Company, and these material weaknesses have affected our opinion on the standalone financial statements of the Company and we have issued an adverse opinion on the standalone financial statements.

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

(Shipra Gupta)
Partner
Membership No 436857
UDIN: 21436857AAAAAZ5891

Place: Bengaluru
Date: 29.06.2021

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Balance sheet as at March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	as at 31 March 2021	as at 31 March 2020
Assets			
Non- current assets			
Property, plant and equipment	4.1	41	47
Capital work-in-progress	4.2	8,835	8,835
Intangible assets	5	5	9
Financial assets			
Investments	6	1,008	1,008
Loans	7	47	47
Deferred tax Asset (Net)	17	-	499
Other non-current assets	12	39	39
		9,975	**10,483**
Current assets			
Inventories	8	31,650	58,227
Financial assets			
Trade receivables	9	753	753
Cash and cash equivalents	10	48	50
Loans	7	1,587	2,389
Other current financials assets	11	-	3
Other current assets	12	23,972	31,476
		58,010	**92,898**
Total assets		**67,985**	**103,382**
Equity and liabilities			
Equity			
Equity share capital	13	14,583	14,583
Other equity	14	(104,387)	(96,375)
Total equity		**(89,805)**	**(81,792)**
Liabilities			
Non-current liabilities			
Provisions	16A	88	147
Deferred tax Liability (Net)	17	163	-
		251	**147**
Current liabilities			
Financial liabilities			
Borrowings	15	35,586	52,475
Trade payables	19		
Total outstanding dues of micro and small enterprises		58	58
Total outstanding dues of creditors other than micro enterprises and small enterprises		19,265	23,867
Other financial liabilities	16	68,216	53,283
Other current liabilities	18	33,961	55,009
Provisions	16A	34	12
Current tax liabilities (net)	20	419	324
		157,539	**185,027**
Total liabilities		**157,790**	**185,174**
Total equity and liabilities		**67,985**	**103,382**

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

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

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

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Shipra Gupta
Partner
Membership No. 436857
UDIN : 21436857AAAAAZ5891

Rajeev Khanna
Director Finance &

Prasant Kumar
Company Secretary

Date : 29th June, 2021

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Statement of Profit and Loss for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	for the year ended 31 March 2021	for the year ended 31 March 2020
Revenue from operations	21	7,372	1,920
Other income	22	243	612
Total income		**7,615**	**2,532**
Expenses			
Land and construction cost	23	9,710	1,705
Changes in Inventories of Finished goods, work in progress & Stock in Trade	23a	-	-
Employee benefits expense	23b	556	849
Finance costs	24	6,619	5,582
Depreciation and amortization expense	25	13	16
Other expenses	26	4,259	4,274
Total expenses		**21,157**	**12,425**
Profit/(loss) before exceptional items and tax		**(13,542)**	**(9,894)**
Exceptional items	26A	**6,077**	**(92,461)**
Profit/(loss) before tax		**(7,465)**	**(102,355)**
Tax expenses			
Income Tax for earlier years		-	(38)
Deferred tax	27	662	(1,796)
Total tax expense		**662**	**(1,834)**
Profit/(loss) for the year		**(8,127)**	**(100,521)**
Other comprehensive income			
Items that will not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined beneift plan		115	69
FVOCI-Equity Investments		-	5,405
Tax relating to these items (OCI)		(29)	(15)
Tax relating to these items		-	(1,840)
Other comprehensive income for the year, net of tax		**86**	**3,619**
Total comprehensive income for the year		**(8,041)**	**(96,902)**
Earnings per equity share [nominal value of Rs 10 (Previous year - Rs 10)]			
Basic `		-5.57	-68.93
Diluted `		-5.57	-68.93

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

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

Shipra Gupta
Partner
Membership No. 436857
UDIN : 21436857AAAAAZ5891

Place: Bangalore
Date : 29th June, 2021

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

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Rajeev Khanna
Director Finance &
Chief Financial Officer
DIN : 07143405

Prasant Kumar
Company Secretary

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Statement of Cash Flows for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	for the year ended 31 March 2021 ₹	for the year ended 31 March 2020 ₹
Operating activities			
Profit/ (Loss) before tax		**(7,465)**	**(102,355)**
Other Comprehensive Income (net of tax)		86	69
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment		13	16
Gain/ (loss) on disposal of investments		-	5,633
Impairment loss on CWIP		-	12,998
Interest element on Preference shares of NHDPL		(219)	(194)
Impairment Provision against Investments		-	73,830
Impairment Provision against Advances		4,766	-
Finance costs		6,619	5,582
Working capital adjustments:			
(Increase)/ decrease in Inventories		26,577	5,982
(Increase)/ decrease in trade receivables		-	(478)
(Increase)/ decrease in other financial and non-financial assets		8,309	2,104
Increase/ (decrease) in trade payables and other financial liabilities		10,329	4,253
Increase/ (decrease) in provisions		(4,583)	(70)
Increase/ (decrease) in other non-financial liabilities		(21,050)	(6,471)
		23,383	898
Income tax paid (net of refund)		124	270
Net cash flows from/ (used in) operating activities (A)		23,506	1,169
Investing activities			
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)		-	(4)
Sale of Investments - net		(1)	4,107
Net cash flows from/ (used in) investing activities (B)		(1)	4,103
Financing activities			
Proceeds/(Repayments) from short-term borrowings		(16,889)	143
Interest paid (gross)		(6,619)	(5,582)
Net cash flows from/ (used in) financing activities (C)		(23,508)	(5,439)
Net increase/ (decrease) in cash and cash equivalents		(2)	(167)
Cash and cash equivalents at the beginning of the year	10	50	217
Cash and cash equivalents at the end of the year	**10**	**49**	**50**
Components of cash and cash equivalents			
Cash on hand		-	1
Balance with banks			
- on current account		48	49
Total cash and cash equivalents		**48**	**50**

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

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

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

Shipra Gupta
Partner
Membership No. 436857
UDIN : 21436857AAAAAZ5891

Place: Bangalore
Date : 29th June, 2021

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

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Rajeev Khanna
Director Finance &
Chief Financial Officer
DIN : 07143405

Prasant Kumar
Company Secretary

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Statement of Changes in Equity for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

a. Equity share capital

	No of Shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
At April 1, 2020	145,832,100	14,583
At March 31, 2021	**145,832,100**	**14,583**

b. Other equity
For the year ended March 31, 2021

	Reserves and Surplus		Other Reserve	
	Security Premium	**Retained Earnings**	**Fair Value through Other Comprehensive Income - Equity Instrument**	**Total**
As at April 1, 2019	31,259	(29,407)	(3,565)	(1,713)
Profit/(Loss) for the period	-	(100,521)	-	(100,521)
FVOCI-Equity instruments [OCI reversal on sale of shares]	-		5,405	5,405
Deferred Tax on FVOCI- Equity instruments			(1,840)	(1,840)
Less: Others**		2,240	-	2,240
Other comprehensive income*	-	54	-	54
As at March 31, 2020	**31,259**	**(127,634)**	**0**	**(96,375)**
As at April 1, 2020	31,259	(127,634)	0	(96,375)
Profit/(Loss) for the period	-	(8,127)	-	(8,127)
FVOCI-Equity instruments [OCI reversal on sale of shares]	-			-
Deferred Tax on FVOCI- Equity instruments			-	-
Less: Others**			-	-
Other comprehensive income*	-	115	-	115
As at March 31, 2021	**31,259**	**(135,646)**	**0**	**(104,387)**

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

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

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

Shipra Gupta
Partner
Membership No. 436857
UDIN : 21436857AAAAAZ5891

Place: Bangalore
Date : 29th June, 2021

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

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
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DIN: 00304652

Rajeev Khanna
Director Finance &
Chief Financial Officer
DIN : 07143405

Prasant Kumar
Company Secretary

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021

1 Corporate Information

NEL Holdings South Ltd (formerly known as NEL Holdings Limited) (the Company or 'NEL') was incorporated on 20 February 2004. NEL is a real estate developer engaged in the business of development, sale, management and operation of residential buildings, retail and hotel projects, commercial premises and other related activities. The Company's shares are listed on BSE Limited with effect from May 13, 2010. The registered office of the company is located at : Level 7, Nitesh Timesquare,#8, M.G. Road, Bangalore – 560 001.
The standalone Ind AS financials statements were authorised for issue in accordance with a resolution of the directors on 29th June 2021.

2 Significant accounting policies

2 Basis of preparation

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

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

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

2 Summary of significant accounting policies

a) Revenue recognition

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

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

i. Recognition of revenue from real estate development

Revenue from real estate projects is recognised at a point-in-time upon registration of the property in favour of the customer, which, in the opinion of the Company, marks the transfer of control upon the property and also the satisfactory discharge of the Company's performance obligation.
For projects executed through joint development arrangements, wherein the land owner / possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of revenue proceeds. The project costs include fair value value of land being offered for the project and revenue from the development and transfer of constructed area / revenue sharing arrangement in exchange of such development rights / land is accounted on gross basis.
Revenue is measured at the fair value of land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of land received cannot be measured reliably, revenue is measured at the fair value of the estimated construction service rendered to the landowner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in determining the project cost.

ii Contract Assets and Contract Liabilities

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

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

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021

iii Income from lease of commercial properties

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

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

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

v. Interest income

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

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

vi. Dividend income

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

b) Property, plant and equipment

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

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

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

c) Depreciation on property, plant and equipment

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

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

d) Intangible Assets & Amortisation

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

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021

e) Investment Property

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

f) Segment Reporting

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

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

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

g) Foreign currency translation

Functional and presentation currency

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

Foreign currency transactions and balances

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

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

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

h) Impairement of non financial assets

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

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

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

i) Impairement of financial assets

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

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021

j) Current versus non-current classification

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

All other assets are classified as non-current.

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

The Company classifies all other liabilities as non-current.

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

k) Fair value measurement

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

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

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

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

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

l) Financial Instruments

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

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

► The rights to receive cash flows from the asset have expired, or

► The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.
The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

(i) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
Gains or losses on liabilities held for trading are recognised in the profit or loss.

(ii) Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the Effective Interest method amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. The Effective Interest Rate amortisation is included as finance costs in the statement of Profit and Loss.

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Notes to the financial statements for the year ended March 31, 2021

Trade and other payables

(iii) These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of Profit or Loss.

m) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for inventorisation/ capitalisation are charged to statement of Profit and Loss.

n) Cash and cash equivalents

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less , which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal usage.

o) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of Profit and Loss of the year when the contributions to the provident fund are due. There are no other obligations other than the contribution payable to the government administered provident fund.

Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end. The cost of providing benefits under gratuity is determined on the basis of actuarial valuation using the projected unit credit method at each year end.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period for which the services are rendered by the employee.

p) Provisions

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

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Notes to the financial statements for the year ended March 31, 2021

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements, unless the possibility of an outflow of resources embodying economic benefit is remote.

r) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

s) Taxes

Tax expense comprises of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. MAT paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of MAT under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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Notes to the financial statements for the year ended March 31, 2021

t) Land

Advances paid by the Company to the seller/ intermediary toward outright purchase of land is recognised as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories.

Land/ development rights received under Joint Development Arrangements (JDA) is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. Further, non-refundable deposit amount paid by the Company under joint development arrangements is recognised as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress. Further, the amount of refundable deposit paid by the Company under JDA is recognised as deposits under loans.

u) Leases

A Contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for considerations.

Company as a lessee

At the commencement date, a lessee shall recognise a right-of-use asset at cost and a lease liability at the present value of the lease payments that are not paid at that date for all leases unless the lease term is 12 months or less or the underlying asset is of low value.

Subsequently, right-of -use asset is measured using cost model whereas, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless the costs are included in the carrying amount of another asset applying other applicable standards.

Right-of-use asset is depreciated over the useful life of an asset, if the lease transfers ownership of the asset to the lessee by the end of the lease term or if the cost of the right-to-use asset reflects that the lessee will exercise a purchase option. Otherwise, the lessee shall depreciate the right-to-use asset from the commencement date to the earlier of the end of the useful life of the right-to-use or the end of the lease term.

Company as a lessor

All leases as either an operating lease or a finance lease.
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Operating leases-lease payments from operating leases are recognised as income on either a straight-line basis unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is dimished. Finance leases- assets held under a finance lease is initially recognised in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease using the interest rate implicit in the lease to measure the net investment in the lease.

v) Inventories

Direct expenditure relating to real estate activity is accounted to inventories. Other expenditure (including borrowing costs) during construction period are accounted to inventories to the extent the expenditure is directly attributable to the cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021

i) **Work-in-progress**: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.

ii) Finished goods - Stock of Flats: Valued at lower of cost and net realizable value.

iii) Raw materials, components and stores: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

iv) Land stock: Valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

3 Significant accoutning judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

i) Going concern

These financial statements have been prepared on a going concern basis notwithstanding accumulated losses as at the balance sheet date and a negative net current assets situation.
These financial statements therefore do not include any adjustments relating to recoverability and classification of asset amounts or to classification of liabilities that may be necessary if the Company is unable to continue as a going concern.

ii) Classification of property

The Company determines whether a property is classified as investment property or inventory as below.

Investment property comprises land and buildings (principally office and retail properties) that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Company develops and intends to sell before or during the course of construction or upon completion of construction.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021

i) Determination of Contract Costs

Cost of property units for which revenue is recognised on registration, is charged to the statement of Profit & Loss on the basis of an appropriate ratio of overall budgeted cost (as reviewed from time to time to closely approximate the actual cost) for the project as a whole since it is impracticable to track actual costs for each registerable unit of property. Significant judgement and estimation is involved in budgeting the overall cost of the project and in determining the ratio applicable to each registerable unit of property.

ii) Accounting for revenue & land cost for projects executed through joint development arrangements

For projects executed through joint development arrangements, as explained in note 2.2(a) under significant accounting policies, the revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Company under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.

iii) Estimation of net realizable value for inventory (including land advance)

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) Provisions and contingent liabilities

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

vi) Estimation of uncertainties relating to the global health pandemic from COVID-19

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.

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4.1 Property, plant and equipment

	Leasehold improvements	Office Equipment	Computer	Furniture & fixtures	Vehicles	Total
At 1 April 2019	21	17	27	39	58	162
Additions	0	0	1	0	0	1
Disposals	0	0	0	0	0	0
At 31 March 2020	**21**	**17**	**28**	**39**	**58**	**163**
Additions	0	0	3	0	0	3
Disposals/Sales	0	0	0	0	0	0
At 31 March 2021	**21**	**17**	**31**	**39**	**58**	**166**
Depreciation and impairment						
At 1 April 2019	21	8	17	21	37	104
Charge for the year	0	1	2	4	5	12
Disposals	0	0	0	0	0	0
Other adjustments	0	0	0	0	0	0
At 31 March 2020	**21**	**9**	**19**	**25**	**42**	**116**
Charge for the year	0	0	2	3	4	9
Disposals	0	0	0	0	0	0
Other adjustments	0	0	0	0	0	0
At 31 March 2021	**21**	**9**	**21**	**28**	**46**	**125**
Net Book value						
At 31 March 2021	0	8	10	11	12	41
At 31 March 2020	**0**	**8**	**9**	**14**	**16**	**47**

4.2 Capital Work in progress

	Investment property under construction	Property, Plant and Equipment	Total
At 1 April 2019	12,998	-	12,998
Additions	-	-	-
Deletion/Adjustments	8,835	-	8,835
At 31 March 2020	**21,833**	**0**	**21,833**
Additions	-	-	-
Deletion/Adjustments	-	-	-
At 31 March 2021	**21,833**	**0**	**21,833**
Impairement			
At 1 April 2019	**-**	**-**	**-**
Impairement	12,998	**-**	**12,998**
Deletion/Adjustments	**-**	**-**	**-**
At 1 April 2020	**12,998**	**-**	**12,998**
Impairement	-	**-**	**-**
Deletion/Adjustments	**-**	**-**	**-**
At 31 March 2021	**12,998**	**-**	**12,998**
Net Book value			
At 31 March 2021	**8,835**	**0**	**8,835**
At 1 April 2020	**8,835**	**0**	**8,835**

Note:

i) Investment properties under construction

The projects cost of Plaza, Soho and Chelsea represents fair value of land of Rs. 12,998/- Lakhs and development cost of Rs. 8,835/- Lakhs respectively. The Company has made provision on fair value of land fully amounting Rs 12,998/- in its books of accounts during the previous year as the Company has to exit the projects as per SARFAESI notice received from the bank and the property has permanently withdrawn from use and no future economic benefits are expected to be received. However, no provision has been made on development cost of the projects based on management's expectation to recover the said amount at the time of refund/sale of land on final settlement with land owners.

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5 Intangible assets

	Computer - Software	Total
At 1 April 2019	49	49
Additions	3	3
At 31 March 2020	**52**	**52**
At 1 April 2020	52	52
Additions	0	-
At 31 March 2021	**52**	**52**
Amortization and impairment		
At 1 April 2019	39	39
Charged for the Year	4	4
At 31 March 2020	**43**	**43**
At 1 April 2020	43	43
Chaged for the Year	4	4
At 31 March 2021	**47**	**47**
Net Book value		
At 31 March 2021	**5**	**5**
At 31 March 2020	**9**	**9**

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6 Investments

	Current		Non-current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
(A) Investments in equity instruments (fully paid up), valued at cost unless otherwise stated				
Unquoted				
a) Subsidiary Companies				
6,99,10,000(2020: 6,99,10,000) equity shares of Rs 10/- each fully paid in Nitesh Indiranagar Retail Private Limited **Refer note (ii) below**	-	-	18905	18905
Less: Allowance for impairment in the value of Investments	-	-	(18905)	(18905)
	-	-	-	-
44,94,900 (2020: 44,94,900) equity shares of Rs 10/- each fully paid in NHDPL South Private Limited (Formely NHDPL Properties Private Limited)	-	-	449	449
Less: Allowance for impairment in the value of Investments	-	-	(449)	(449)
	-	-	-	-
41,50,000 (2020: 41,50,000) preference shares of Rs 10/- each fully paid in NHDPL South Private Limited (Formely NHDPL Properties Private Limited) (Equity portion of Preference Shares) **Refer note (i) & (ii) below**	-	-	7703	7703
Less: Allowance for impairment in the value of Investments	-	-	(7703)	(7703)
	-	-	-	-
65,82,000 (2020: 65,82,000) equity shares of Rs 10/- each fully paid in NUDPL Ventures Private Limited (formerly NUDPL Enterprises Private Limited)	-	-	2367	2367
Less: Allowance for impairment in the value of Investments			(2367)	(2367)
	-	-	-	-
3,00,000 (2020: 3,00,000) equity shares Rs 10/- each fully paid in Lob Property Management Private Limited	-	-	30	30
Less: Allowance for impairment in the value of Investments			(30)	(30)
	-	-	-	-
5,490 (2020: 5,490) equity shares of Rs 10/- each fully paid in Courtyard Hospitality Private Limited (formerly Courtyard Construction Private Limited) - **Refer note (ii) below**	-	-	1422	1422
Less: Allowance for impairment in the value of Investments			(1422)	(1422)
	-	-	-	-
b) Others (measured at fair value through OCI)				
50,000 (2020: 50,000) equity shares of Rs 10/- each fully paid in Nitesh Office Parks Pvt. Ltd	-	-	5	5
Less: Allowance for impairment in the value of Investments	-	-	(5)	(5)
	-	-	-	-
(B) Investments in preference shares (fully paid up)				
41,50,000 (2020: 41,50,000) preference shares of Rs 10/- fully paid in NHDPL South Private Limited (Formely NHDPL Properties Private Limited) (Fair value of debt portion of Preference Shares). **Refer note (i) below**	-	-	1787	1568
Less: Allowance for impairment in the value of Investments	-	-	(1787)	(1568)
	-	-	-	-
(C) Investments in Association of Persons (AOP)				
Whitefield Housing Enterprises (Formerly known as Nitesh Estates – Whitefield) **. Refer note (iii) below**	-	-	1008	1008
(D) Other Investments				
In subsidiaries for financial guarantee at cost (Refer Note 28A(i))				
Unquoted				
NUDPL Ventures Private Limited (formerly NUDPL Enterprises Private Ltd)			19,490	19490
NHDPL South Private Limited (Formely NHDPL Properties Private Limited)			33,793	33793
Less: Allowance for impairment in the value of Investments [Refer Note 28A(i)]			(53283)	(53283)
	-	-	-	-
Total	**-**	**-**	**1,008**	**1,008**

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Notes to the financial statements for the year ended March 31, 2021
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Aggregate amount of quoted investments	-	-	-	-
Market value of quoted investments	-	-	-	-
Aggregate amount of unquoted investments	-	-	86,958	86,740
Aggregate amount of impairment in the value of investments	-	-	85,950	85,732

Note:
(i) The Company has invested Rs 8300 Lakhs in Non-cumulative redeemable preference shares (NCRPS) carrying non-cumulative dividend of 9% p.a. of face value of Rs 10/- each . The preference shares carry discretionary dividend in accordance with the terms of issue. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each NCRPS holder is entitled to one vote per share only on resolutions placed before the Company which directly affects the rights attached to NCRPS. These shares may be redeemed, in whole or in part, at the option of the company at any time subject to satisfaction of certain conditions, at the stipulated redemption amount and if not redeemed earlier, these shares will be redeemed on or before 11th December 2032.

(ii) The Company has fully impaired its investment in subsidiary companies based on negative net worth and operating performance as per the balance sheet valuation due to continous loss over the years.

Name of the Company	31-Mar-21	31-Mar-20
NHDPL South Private Limited (Formely NHDPL Properties Private Limited)	219	0
NIRPL Ventures Pvt Ltd (Formerly known as Nitesh Indiranagar Retail Pvt Ltd)	0	18905
Courtyard Hospitality Private Limited (formerly Courtyard Construction Private Limited)	0	74
Total	**219**	**18979**

(iii) The particulars of partners of the AOP and the profit sharing ratio are as follows :

Partnership firm	Name of Partners	Share of Profit	
		31-Mar-21	31-Mar-20
Whitefield Housing Enterprises (Formerly known as Nitesh Estates – Whitefield)	NEL Holdings South Ltd (Formerly known as NEL Holdings Limited)	18%	18%
	Mrs. Showri Reddy	45%	45%
	Mr. Joji Reddy	37%	37%

7 Loans (Unsecured, considered good unless otherwise stated)

	Current		Non-current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Security deposit				
* Refundable deposit towards joint development agreement	1,570	2,372	-	-
Security deposit to others	17	17	47	47
	1,587	2,389	47	47
	1,587	**2,389**	**47**	**47**

* Amount paid by company to the land owners for the land towards joint development of the property is recognised as deposit since it is refundable after completion of the project .
During the year the company has transferred Refundable Security Deposits amounting to Rs. 802 lakhs pertaining to Projects sold during the year. **(Refer Note 43)**

8 Inventories

	31-Mar-21	31-Mar-20
Land held under joint development arrangements *	18,588	34,994
Land under Work in Progress	440	572
Properties under development	12,364	22,403
Finished goods	2,000	2,000
	33,392	**59,969**
Less: Value of properties under development impaired during the year	**(1,742)**	**(1,742)**
	31,650	**58,227**

*related to payable to landowner for land under Joint Development Agreement (JDA) amounting Rs 18,588/- Lakhs (PY - Rs. 34,994) which is payable to land owners and disclosed in note no 20 under the head "Liability under joint development arrangement".

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
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9 Trade receivables

	Current		Non-current	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
Classified as follows				
Trade receivables considered good -secured	753	753	-	-
Trade receivables considered good -unsecured	-	-	-	-
Trade receivables which have significant increase in credit risk	-	-	-	-
Trade receivables -Credit Impaired	-	-	-	-
	753	753	-	-
Less: Loss allowance expected credit loss	-	-	-	-
Total Trade receivables	**753**	**753**	**-**	**-**

10 Cash and Cash equivalent

	Current		Non-current	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
Cash on hand	-	1	-	-
Balances with banks:				-
– On current accounts*	48	49	-	-
	48	**50**	**-**	**-**

(i) The Assisstant PF Commissioner (Compliance), Bengaluru (M), had issued order dated 20/03/2020 for the default in Provident Fund Contributions of Rs. 19.95 lakhs under Section 8F of the Employees' Provident and Miscellaneous Provisions Act, 1952. In this regard, the PF Authority has frozen Corporation Bank Account.
All the frozen bank accounts remained non-operational as on 31st March, 2021.

(ii) The Deputy Commissioner of Commercial Tax,D.C.C.T (A&R) - 1.8, DVO-1 Yeshawantapur, Bengalore, has issued Demand Notice dated 22/10/2018 for payment of Tax under KVAT ACT 2003 amounting to Rs 327 Lakhs including interest of Rs 174 Lakhs and penalty Rs 14 Lakhs.

(iii) The Deputy Commissioner of Commercial Tax,(Audit) - 1.5, VAT Division-1, Bengaluru, has issued Demand Notice dated 11/06/2018 for payment of Tax under KVAT ACT 2003 amounting to Rs 101 Lakhs including interest of Rs 43 Lakhs and penalty Rs 5 Lakhs.

For non-payment of demand as stated above the tax authority has frozen the following Bank accounts.

Banks	**Balance as on 31st Mar, 2021**	**Authority**	**Balance as on 31st Mar, 2020**	**Authority**
Axis Bank	1	VAT	2	VAT
Corporation Bank	0	VAT	1	VAT
HDFC Bank	7	VAT	7	VAT
Corporation Bank	0	PF	0	PF
ICICI Bank	0	VAT	0	VAT
Total	**8**		**9**	

11 Other Financial Assets

	Current		Non-current	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
Unsecured, considered good				
Others				
Interest accrued on deposits	-	3	-	-
	-	**3**	**-**	**-**
Total	**-**	**3**	**-**	**-**

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12 Other assets

	Current		Non-current	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
I)Advance towards JDA including Non -refundable deposits				
Unsecured, considered good				
Advances paid towards Joint Development (Refer Note 12(i) to (iii) noted belo	14,673	14,936	-	-
Less: Allowance for doubtful debts/advances (Refer Note 12(i) noted below)	4,775	1,260	-	-
	9,898	13,676	-	-
II) Others				
a) Contract Asset-				
Unbilled revenue				
a) Vendor advances				
- related party	28	71		
- others	4,430	3,645	-	-
Vendor advances				
b) Advances for supply of goods and rendering of services			-	-
- related party	117	120		
- others	286	518	-	-
c) Prepaid expenses - NFA	13	19	-	-
d) Balances with government authorities	1,195	1,129	-	-
e) Receivable from related parties (Refer Note 12(iv) below)	12,552	12,298		
Less: Allowance for doubtful advances (Refer Note 12(iv) noted below)	(4,547)	-		
f) Security Deposits			39	39
	23,972	31,476	39	39

i) The Company has given advances amounting Rs 1,228 Lakhs to Somerset Infra Projects Private Limited and Rs. 3,513 Lakhs to Boulevard Developers Private Limited for acquiring land /immovable property under Joint Development. Considering the timelines as per joint development Agreements ranging between seven to ten years for the recoverability/conversion, the necessary provision amounting to Rs. 4,775 Lakhs has been made by the management in the books of account on the basis of life time expected credit loss.

ii) Consist advance given by the Company to Winter Lands Pvt Ltd amounting Rs 1,887 Lakhs for acquiring various immovable properties. Provision against the said advance has not been made since Winter Lands has sought to transfer its JDA rights in Project at Commissariat Road to the extent of 9,920 Sq feet to the Company by way of Memorandum of Understanding (MOU).

iii) Advances for land though unsecured, are considered good as the advances have been given based on arrangements/ memorandum of understanding executed by the Company and the Company/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation..

iv) The Company has granted unsecured loans and advances in the ordinary course of business to its related parties for furtherance of the business objectives of the group Companies as a whole. Such advances given to relative parties is part of business policies and not prejudicial to the interest of the Company. Out of the total balance Rs 4,613/- Lakhs is outstanding (after impairment of Rs.4,547/- Lakhs) related to subsidiary companies.

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13 Equity Share Capital

	31-Mar-21 ₹	31-Mar-20 ₹
Authorised		
15,00,00,000 (2020: 15,00,00,000) equity shares of Rs 10 each	15,000	15,000
Issued, subscribed and fully paid shares		
14,58,32,100 (2020: 14,58,32,100) equity shares of Rs.10 each	14,583	14,583
	14,583	14,583

(a) Reconciliation of the number of equity shares outstanding at the beginning and end of the reporting period

	31-Mar-21		31-Mar-20	
	No of Shares	₹	No of Shares	₹
Equity shares				
At the beginning of the year	145,832,100	14,583	145,832,100	14,583
Add: Equity shares issued during the year	-	-	-	-
Outstanding at the end of the year	145,832,100	14,583	145,832,100	14,583

b) Details of shareholders holding more than 5% shares in the Company

	31-Mar-21		31-Mar-20	
	No of Shares	% Holding	No of Shares	% Holding
Equity shares of `10 each fully paid up				
Nitesh Shetty, Managing Director	65,340,228	44.81%	52,216,298	30%
Nitesh Industries Private Limited	0	0%	13,123,930	12%
HSBC Bank (Mauritius) Limited	8,993,338	6%	9,200,189	6%

As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

c) There have been no buy back of shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet.

14 Other equity

	31-Mar-21 ₹	31-Mar-20 ₹
RESERVES AND SURPLUS		
Securities premium	31,259	31,259
Retained earnings	(135,646)	(127,634)
	(104,387)	**(96,375)**
OTHER RESERVE		
FVOCI - Equity Instruments	0	0
	0	**0**
	(104,387)	**(96,375)**
(A) RESERVES AND SURPLUS		
(a) Securities premium		
Balance at the beginning of the year	31,259	31,259
Add: Adjustment during the year	-	
Balance at the end of the year	**31,259**	**31,259**

Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

	31-Mar-21 ₹	31-Mar-20 ₹
(b) Retained earnings		
Balance at the beginning of the year	(127,634)	(29,407)
Profit/(loss) for the year	(8,127)	(100,521)
Other compehensive income	115	54
Less: Other **(Refer Note 14(i) below)**	0	2,240
Balance at the end of the year	**(135,646)**	**(127,634)**
(B) OTHER RESERVE		
Fair Value through Other Comprehensive Income - Equity Instrument		
Balance at the beginning of the year	0	(3,565)
Add: FVOCI-Equity instruments [OCI reversal on sale of shares]	0	5,405
Add: Deferred Tax	0	(1,840)
Balance at the end of the year	**0**	**0**
Total other equity	**(104,387)**	**(96,375)**

Note:

14(i) The Company has transferred Rs 2240/- Lakhs during the previous year from retained earning to Deferred Tax Account for earlier , ... adjustment of deferred tax.

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15 Borrowings

Particulars	Effective interest rate %	Maturity	31-Mar-21 `	31-Mar-20 `
Secured loans				
Current Borrowings				
Loan Repayable on Demand				
Term Loan from Banks and Financial Institutions	Refer Note (iv) below	Refer Note (iv) below	35,586	46,975
18.5 % Non convertible, redeemable debentures (refer note (i) d)	Refer Note (iv) below	Refer Note (iv) below	-	5,500
Total current Borrowings			**35,586**	**52,475**

Note:

(i) The continous loss and liquidity constraints of the company lead to non-payment of principal and non-servicing of interest, resulting all the borrowing accounts are classified as Non Performing Assets (NPA) by the Banks/Financial Institutions:

a) The Company has signed and got in to a joint settlement memo in March 2020 for Rs. 1,300 Lakhs with M/s. Shriram City Union Finance Ltd (SCUF). Rs 1300 Lakhs against the total outstanding amount of Rs 1,879 Lakhs vide their Joint Memo reference I. R. No. 4285/2019 dated 03.03.2020 under certain terms and conditions as mentioned their in. The company has so far paid Rs. 675 Lakhs and has found a buyer for Rs. 625 Lakhs. The matter is being currently heard in the debt recovery tribunal B'lore for closure of this matter and the extended time lines due to the Pandamic of Covid 19. SCUF has asked for additional interest for the delayed payment during pandemic period which the Company is in the process of negotiation.

b) YES Bank -
On defaults in repayment of principal amounts and interest along with other charges in respect of credit facilities availed, the YES Bank Limited under the circumstances has called upon the demand of outstanding amount of Rs 22,611 Lakhs, together with interest and other charges vide demand notice reference no. YBL/CFUIBBANGALORE/2019-20/April/June/5 dated 18.06.2019. If the Company fails to make the payments as aforesaid, the bank shall be constrained to take such steps and measures as may be permissible under law for recovery of all the monies due and payable by the Company at its own risk as to the costs and consequences thereof. The company is engaged in one time settlements and exits are happening, the bank is still legally pursuing recovery in the DRT, various court as well as litigation are pending under section 138. In addition to this, Bank has filed a police complaint in the jurisdictional station Bangalore. The Company's Legal team and Lawyers are contesting this legally.

The Company has been engaged with Yes Bank in relation to closure of Soho Loan or which Yes bank has principally agreed for a settlement of the said loan for Rs. 3,000 Lakhs. In view of this, Company has not recognized further interest and has also reversed an amount of Rs. 1,173 Lakhs towards accrued interest for FY 2020-21

c) HDFC Bank
HDFC bank has called upon the loan and issued notice under SARFAESI Act for recovery of their loan against the related projects.

ii) As on 31st March, 2021, the company has the following outstanding balance of borrowings from the various banks and financial institution:

Name of Bank	Principal Amount	Interest Amount provided in the accounts	Penal interest not provided in the accounts	Total
HDFC Limited	13,447	6,352	8,625	28,424
Shriram City Union F	929	-	296	1,225
Yes Bank	21,210	5,164	1,490	27,864
Total	**35,586**	**11,516**	**10,411**	**57,513**

iii) Pursuant to one time settlement with IDFC, the company has redeemed the debenture outstanding amounting to Rs. 5,500/- Lakhs and Interest outstanding Rs. 5,356/- Lakhs. As per the settlement the value of Interest amounting to Rs. 5,268/- Lakhs has been written back in the books. Consequently, the liability of the company of Rs. 10,856/- lakhs including interest which was outstanding has been settled.

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(iv) Details of security and terms of loans and debentures

Particulars	Amount outstanding 31-Mar-21	31-Mar-20	Interest rate	Security details	Repayment terms
Loan from Financial Institutions	-	3,100	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.55% per annum and the applicable rate for the said financial facility was 13.30% per annum. The interest rate applicable as on date was 15.10% per annum.	i. Equitable mortgage of developer's share of unsold units in Nitesh Park Avenue admeasuring 0.62 acres. ii. Charge on developer's share of receivables from sold and unsold units. iii. Personal guarantee of Mr. Nitesh Shetty. iv. PDCs for repayment of Principal Rs. 24 crores.	Repayment starts from the begining of 25th Month from the date of first disbursement in 31 equal monthly installments.
Loan from Financial Institutions	13,447	22,575	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.65% per annum and the applicable rate for the said financial facility was 15% per annum for 1st tranche & 13.60% for 2nd tranche. The interest rate applicable as on date was 15.30% per annum.	i. Equitable mortgage of developer's share of area of the following projects ; - Nitesh British Columbia - Nitesh Long Island - Nitesh Chelsea - Nitesh RIO - Nitesh Hunter Valley ii. Personal guarantee of Mr. Nitesh Shetty. iii. PDCs for repayment of Principal Rs. 270 crores. v. Demand Promissory Notes.	Repayment starts from the begining of 37th Month from the date of first disbursement in 40 equal monthly installments.
Loan from Financial Institutions	929	1,380	16.50% per annum	i. First & exclusive charge by way of mortgage of 3 unsold units in Nitesh Logo aggregating to 16 659 sf area. ii. First & exclusive charge by way of Hypothecation if receivablesfrom the mortgages units. iii. Escrow of all cash flows, both present & future from the sale of the aforesaid property iv. Personal guarantee of Mr. Nitesh Shetty. v. Demand promisory note vi. Two UDCs for Principal and Interest payment of Rs. 18 Crores and 2.97 Crores. vii. Any other security as may be stipulated by our investment Committee and/or detailed in Definitive Agreements	The amount is repayable in 30 equal monthly installments starting from 19th Month to 48th Month

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Loan from Financial Institutions	8,470	8,470	4.3% ('spread) over and above the Bank's yearly MCLR. The interest rate applicable as on date was 14% per annum.	i.Exclusive charge on JDA rights on the property situated at Commissariate Road (Total land area - 89000 sft). ii. Exclusive charge on all borrower's share of development. iii. exclusive charge on borrower;s share of project receivables/cash flows. iv. Personal guarantee of Mr Nitesh Shetty. v. Blank ECS mandate duly signed.	Bullet repayment of entire amount at the end of 72 months
Loan from Financial Institutions	12,740	12,740	4.3% ('spread) over and above the Bank's yearly MCLR. The interest rate applicable as on date was 14% per annum.	i.Exclusive charge on JDA rights on the property situated at Ali Asker Road (Total land area 110000 sft). ii. Exclusive charge on all borrower's share of development. iii. Exclusive charge on all borrower's share of projects receivables/cashflows. iv. Personal guarantee of Mr Nitesh Shetty. v. Blank ECS mandate duly signed.	Bullet repayment of entire amount at the end of 72 months
18.5 % Non convertible, redeemable debentures	-	5,500	18.50% per annum	i. First and exclusive charge by way of a mortgage by deposit of title deeds over the Logos & Virgin Island. ii. Escrow account in respect of the receivables from the projects Logos & Virgin Island. . iii. First and exclusive charge by way of hypothecation on the receivables in the projects Logos & Virgin Island . iv. Personal Guarantee of Mr.Nitesh Shetty in favour of the Debenture Trustee.	The amount is repayable in 21 equal monthly installments starting from July 15, 2016 to March 15, 2018

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16 Other financial liabilities

	Current		Non Current	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
Financial Guarantee Obligation [Refer Note No 26A(i)]	53,283	53,283		
Disputed Liability (Refer note 16(i))	14,881	-		
Disputed Liability - Employee Expenses (Refer note 16(ii))	52	-		
	68,216	**53,283**	**-**	**-**
Total other financial liabilities	**68,216**	**53,283**	**-**	**-**

16(i) The Company has exited Knightsbridge, Park Avenue and Virgin Island projects and entered in to one time settlement with the lenders against loan outstanding for said projects. Accordingly the company has classified Rs. 14,881 Lakhs 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 details for the same are provided below

Name of Financial Institution	Principal Amount	Interest Amount	Total
HDFC Limited	10,568	4,313	14,881

16(ii) The Company has disputed employee liability to the extent of Rs. 52 lakhs during the year due to certain contractual obligations and lock in periods not being honored.

16A Provisions

	Current		Non Current	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
Provision for employee benefits				
Provision for gratuity (refer note 30)	20	5	58	83
Provision for leave benefits (refer note 30)	14	7	30	64
	34	**12**	**88**	**147**

17 Deferred tax laibility/(Assets) (Net)

	Current		Non Current	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
Deferred tax liabilities				
a) Revenue recognition under gross accounting method		-	129	129
Gross deferred tax liabilities (A)		**-**	**129**	**129**
Deferred tax assets				
a) Depreciation and amortization			-	47
b) Leave encashment and gratuity - deductible on payment			-	83
d) Provision for advances			-	454
e) Others			(34)	44
Gross deferred tax assets (B)		**-**	**(34)**	**628**
Net deferred tax liabilities/(Assets) (A) - (B)		**-**	**163**	**(499)**

(a) The Company has not recognised Deferred Tax Assets during the year and further has written off the Deferred tax assets amounting to Rs. 662 Lakhs and charged off to profit & loss as it is not probable that taxable profit will be available against which the said deferred tax asset can be utilised. (Refer to note 27)

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18 Other liabilities

	Current		Non Current	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
Liability under joint development arrangement (Refer Note 18(i) noted below)	18,588	34,994	-	-
Advance received from Related parties for sale of properties	427	1,784		
Other advances received from related parties towards contract	400	400		
Advance received from customers for sale of properties [Refer Note no 41]	1,286	3,295	-	-
Contract Liability-Billing in excess of revenue (Net of debit balance) [Refer Note 18(ii) noted below]	11,399	12,600		
Withholding taxes payable	1,861	1,935	-	-
	33,961	**55,009**	**-**	**-**

18 (i) The Company has entered into the Joint Development Agreement (JDA) with land owners for development of the properties at its own cost of development and for the consideration of the land of the land owner, the company shares the residential flats or revenue from the commercial property as per jointly agreed terms and conditions of the agreement. The land acquired by the company from the land owner initialy recorded in the books of account at the estimated cost of construction for the share of the property to be handed over to land owner on completion of the construction/development of the property.
Further the company has transferred the liability under such JDA to the extent of Rs. 15,662/- Lakhs pertaining to projects sold during the year (refer note 43)

ii) Customerwise reconciliation "Billing in excess of revenue" is under process

19 Trade payables

	Current		Non Current	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
(a) Total outstanding dues of micro and small enterprises (Refer note 35 for details of dues to micro and small enterprises)	58	58	-	-
(b) Total outstanding dues of creditors other than micro enterprises and				
- to related parties	343	467		
- to others (Refer note i)	18,922	23,400	-	-
	19,323	**23,926**	**0**	**0**

19(i) - Trade Payable others also includes salary payable of Rs. 303 lacs.

20 Current tax liabilities (net)

	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
Provision for Income Tax (Net of Advance Income Tax and TDS Receivable)	419	324		
	419	**324**	**-**	**-**

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21 Revenue from operations

	31-Mar-21 `	31-Mar-20 `
Revenue from operations		
Income from property development	2,077	1,920
Income from Sale of projects	5,295	-
Total	**7,372**	**1,920**

22 Other income

	31-Mar-21 `	31-Mar-20 `
Interest income		
- Others	219	193
Profit on sale of fixed assets	1	-
Provisions no longer required written back	7	407
Billing in excess of revenue written off / back	15	
Miscellaneous Income	1	13
	243	**612**

23 Land and construction cost

	31-Mar-21 `	31-Mar-20 `
Land and construction cost		
Cost for sale of flats	1,692	1,705
Cost for sale of projects	8,018	-
	9,710	**1,705**

23a Changes in Inventories of Finished goods, work in progress & Stock in Trade

Opening Inventory		
Sale of flats	33,224	44,423
Sale of projects	25,003	28,621
Adjustment/transfer		
Sale of flats	(1,574)	(11,199)
Sale of projects	(25,003)	(3,618)
Less: Closing Inventory		
Sale of flats	(31,650)	(33,224)
Sale of projects	-	(25,003)
Change in Inventory (Construction cost)	**-**	**-**

23b Employee benefits expense

	31-Mar-21 `	31-Mar-20 `
Salaries, wages and bonus	542	823
Contribution to provident and other fund	11	17
Staff welfare expenses	3	9
	556	**849**

24 Finance costs

	31-Mar-21 `	31-Mar-20 `
Interest and other charges		
Interest expenses (Refer note 15(i)(b) and 24(i) noted below)	5,333	5,370
Processing fees and others (Refer note 24 (ii) noted below)	1,286	212
Total finance costs	**6,619**	**5,582**

(i) Finance cost includes Rs 8.08 Lakhs (PY - Rs 8 Lakhs) "Interest on Micro Small and Medium Enterprises [MSME]" and Rs. 0.6 lakhs (PY - Rs. 21 Lakhs) interest charged as per the orders passed by RERA

ii) Processing fees pertaining to borrowings from banks and financial institution that was being amortized over the term, have been charged off during the year since such borrowing became payable on demand. (Refer to note 15(i) a)

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25 Depreciation and amortization expense

	31-Mar-21 `	31-Mar-20 `
Depreciation of property, plant and equipment	9	12
Amortization of intangible assets	4	4
	13	**16**

26 Other expenses

			31-Mar-21 `	31-Mar-20 `
Payments to auditors - **Refer note (i) below**			15	18
Power and fuel			22	24
Water charges			-	-
Rent	-	Related Party	54	71
		Less: Waived off (refer note iv below)	(19)	-
	-	Others	-	4
Rates and taxes - (Refer note (v) below)			169	1,467
Insurance			1	17
Repairs and maintenance				
Plant and machinery			11	17
Office maintenance			13	19
Advertising and sales promotion			24	4
Travelling and conveyance			16	38
Communication costs			6	10
Director's sitting fees			11	13
Legal and professional fees			138	92
Impairment Loss provision on Investment (Interest on Pref shrs)			219	-
Expected Credit Loss against advances (Refer Note No. 12 (i))			3,515	-
Miscellaneous expenses			65	46
Sundry Balance Written off			-	693
Decrease of inventory for impairement of properties under development **(Refer Note (iii) below)**			-	1,742
			4,259	**4,275**

Note (i) - Payments to auditors

	31-Mar-21 `	31-Mar-20 `
As an auditor:		
Statutory audit fees	10	12
Limited review fees	4	4
Tax audit fees	1	1
Reimbursement of expenses	-	1
	15	**18**

(ii) Details of CSR expenditure:

As per section 135 of the Companies Act, provisioning of CSR expenditure is not required.

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
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(iii) Decrease of inventory for impairement of properties under development

The Company has provided Rs.1,742 Lakhs during the previous year out of total development cost of Rs.3,325 Lakhs incurred for the project of "British Columbia" as the land has to be transferred to the land owner on closure / cancellation of the project. The management is expecting to recover the remaining balance of Rs 1,600 Lakhs included in WIP as on balance sheet date on sale/transfer of the said land under Joint Development Agreement(JDA).

(iv) The rent expense to be payable amounting to Rs. 19 lakhs has been waived off by the land owner due to adverse effect of Pandamic on the business.

(v) Rates & Taxes of previous year includes VAT for the earlier years Rs 510 Lakhs and interest provision on VAT payable Rs 747 Lakhs has been accounted for during previous year.

26A Exceptional Items

	31-Mar-21	31-Mar-20
Provision for advance to subsidiary [Refer Note No 12(iv)]	4,547	-
Impairment Loss of Investment in subsidiary [Refer Note No 6 (ii)]	-	20,547
Impairment Loss of Investment in subsidiary due to invocation of financial guarantee [Refer Note No 26A (i)]	-	53,283
Loss on sale of investments in Nitesh Residency Hotels Pvt Ltd [Refer Note No 26A (ii)]	-	5,633
Debentures settlement (Refer Note 15 (iii)	(5,268)	-
Debentures interest written back (Refer Note 15 (iii)	(5,356)	-
Impairement loss on CWIP-Investment properties under construction [Refer Note No 4.2 (i)]	-	12,998
	(6,077)	**92,461**

Note (i) NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited/ NUDPL) and NHDPL South Private Limited (Formerly NHDPL Properties Private Limited/ NHDPL) both are 100% subsidiaries of the NEL Holdings Ltd (formerly known as Nitesh Estates Ltd/ the Company) have availed credit facilities aggregating Rs 18,500 Lakhs and Rs 31,500 Lakhs respectively, from YES Bank Ltd. As a security for the credit facilities availed, the parent company has furnished in favour of the bank and unconditional and irrevocable guarantees, guaranteeing the due and prompt repayment of the amount outstanding under the facilities and executed a Deed of Corporate Guarantee (the guarantee) dated 29.02.2016 and 03.10.2015 respectively.

On defaults in repayment of principal amounts and interest along with other charges in respect of facilities availed by them, the bank under the circumstances has invoked the guarantees furnished by the parent company and call upon the demand of outstanding amount of Rs 19,490 Lakhs and Rs 33,793 Lakhs respectively together with interest and other charges vide demand notice reference no. YBL/CFUIBBANGALORE/2019-20/May/Nitesh/4 dated 10.06.2019 and YBL/CFUIBBANGALORE/2019-20/April/Nitesh/2 dated 12.04.2019 respectively.

During the previous year, The Company in the process of discussion for settlement of liability as demanded by the bank and has accounted the demand as "Financial Guarantee Obligation" in the books of account, by considering the provision amount as expenses under the head "Exceptional Items" based on the credit worthiness of the subsidiaries as on the balance sheet date.

Note (ii) During the previous year Company has sold 8,22,52,406 number of shares to Bolgati Enterprises Private Limited a related party on a consideration of Rs.4,107 Lakhs by incurring loss of Rs.5,633 Lakhs as stated above.

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
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27 Income tax

	31-Mar-21 `	31-Mar-20 `
Current income tax:		
Current income tax charge		-
Adjustments in respect of current income tax of previous year	-	38
Deferred tax:		
Decrease / (Increase) in deferred tax assets	662	-
(Decrease) / Increase in deferred tax liabilities		(59)
Less : Adjustment		-
	662	(59)
Less : Recognised in OCI	-	
Relating to origination and reversal of temporary differences	662	(59)
Income tax expense reported in the statement of profit or loss	**662**	**(59)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

	31-Mar-21 `	31-Mar-20 `
Accounting profit before income tax	**(7,465)**	**(102,355)**
At India's statutory income tax rate as applicable		
Non-deductible expenses for tax purposes:		
Adjustment on account of depreciable assets	47	
Tax effect of amounts which are not taxable in calculating taxable income:		
Provision for doubtful debts	454	4
Other adjustments	161	(11)
Other differences:		
Difference due to investment in Preference Shares	-	66
	662	**59**

Reconciliation of deferred tax liabilities (net)

	31-Mar-21 `	31-Mar-20 `
Opening balance	(499)	1,682
Deferred tax (credit)/charge during the period recognised in Profit & Loss	662	59
Deferred tax (credit)/charge during the period recognised in OCI	-	-
Others*	-	(2,240)
Closing balance	**163**	**(499)**

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

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Notes to the financial statements for the period ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

28 Related Party Disclosure

a List of related parties

In accordance with the requirements of Indian Accounting Standards (Ind AS)- 24 'Related Party Disclosure' the names of **Key Management Personnel of the company and close member of KMP of the company**

Nitesh Shetty [Chairman and Managing Director]
Jagdish Capoor [Independent Director] [Upto February 14th, 2020]
Ms. Dipali Khanna [Independent Director] [Up to , September 27th, 2020]
Mahesh Bhupathi [Independent Director]
S. Ananthanarayanan [Additional Independent Director]
Shantanu Consul [Additional Independent Director][From February 26th,2019 and upto August 01st, 2019]
L.S.Vaidyanathan [Executive Director]
Ashwini Kumar [Executive Director and Chief Operating Officer] [Upto February 24th, 2020]
Kamal Daluka [Executive Director & Chief Financial Officer] [From April 10th,2019] [Up to 30th November 2020]
Prasant Kumar [Company Secretary & Chief Compliance Officer]
Krishna Kumar N G [Director] [From November 11th, 2020]
Gayathri M N [Director] [From January 08th, 2021]
Rajeev Khanna [Director Finance & Chief Financial Office] [From June 21st, 2021]

Subsidiaries and Fellow Subsidiaries
NHDPL South Private Limited (Formerly NHDPL Properties Private Limited)
NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited)
Lob Property Management Private Limited
NIRPL Ventures Pvt Ltd (Formerly known as Nitesh Indiranagar Retail Pvt Ltd)
Courtyard Hospitality Private Limited (Formerly Courtyard Constructions Private Limited)

Enterprises in which Key Management Personnel have Joint Control or Significant Influence or directorship with whom transactions have taken place during the year
Nitlogis Private Limited (Formerly known as Nitesh Office Parks Private Limited)
Nitesh Infrastructure and Construction
Figita Enterprises Private Limited (Formerly Nitesh Industries Pvt Ltd)
Pushrock Environment Private Limited
Nitesh Residency Hotels Private Limited
Bolgati Enterprises Private Limited
Southern Hills Developers Private Limited.
Nisco Ventures Private Limited.
HISTANA MEDIA AND TRADING PRIVATE LIMITED (formerly known as Grass Outdoor Advertising Private Limited)

Associates & Joint Ventures

Associates
Whitefield Housing Enterprises (Formerly known as Nitesh Estates – Whitefield) (Up to February 20th, 2020)

Enterprises which are post employment benefit plan for the benefit of employees

Nitesh Estates Limited Employees' Gratuity Fund Trust

b. Related party transactions

Particulars	31/Mar/21	31/Mar/20
Loans and advances received / (repaid)		
Courtyard Hospitality Private Limited (Formerly Courtyard Constructions Pvt Ltd)	(1)	394
NIRPL Ventures Pvt Ltd (Formerly known as Nitesh Indiranagar Retail Pvt Ltd)	23	(123)
NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited)	(56)	(1,091)
NHDPL South Private Limited (Formerly NHDPL Properties Private Limited)	(157)	(430)
Lob Property Management Pvt Ltd	(71)	(91)
Nitlogis Private Limited (Formerly known as Nitesh Office Parks Private Limited)	(19)	(49)
Pushrock Environment Private Limited	(156)	156
Figetha Networks Private Limited (Formerly Nitesh Industries Private Limited)	30	4
Security Deposit Recived back		
Nitesh Infrastructure and Construction Private Limited	-	177
Investement in NRHPL shares sold		
Bolgati Enterprises Private Limited	-	2,890
Advances received from customers/(Repaid)		
Pushrock Environement Private Limited	4	(17)
Pushrock Environement Private Limited-Plaza (17th floor, 1393.40 sqmr)	427	446
Nitesh Shetty - Park Avenue	(2,822)	(722)
Nitesh Infrastructures & Contruction Private Limited	68	-
Managerial remuneration		
Nitesh Shetty	17	-
Less: waived	(17)	-
L.S.Vaidyanathan	33	99
Less: waived	(33)	-
Kamal Daluka	-	75
Prasant Kumar	18	21
Directors' sitting fees		
Jagdish Capoor	-	4
Ms. Dipali Khanna	2	5
Mahesh Bhupathi	1	1
Shantanu consul	-	1
S.Ananthanarayanan	5	3
Gayathri M N	0	-
Krishna Kumar NG	2	-
Rent Expenses		
Nitesh Infrastructure and Construction Private Limited	54	71
Less: Waived	(19)	-
Other expenses		
Nitesh Residency Hotels Private Limited	4	7
Advance for construction / contract		
Nisco Ventures Private Limited	9	-

c. Amount outstanding at the balance sheet date

Particulars	31/Mar/21	31/Mar/20
Loans and advances receive/ (repaid)		
NHDPL South Private Limited (Formerly NHDPL Properties Private Limited)	4,544	4,348
NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited)	(4)	51
Nitlogis Private Limited (Formerly known as Nitesh Office Parks Private Limited)	380	360
Southern Hills Developers Private Limited.	111	111
Lob Property Management Private Limited	198	128
NIRPL Ventures Pvt Ltd (Formerly known as Nitesh Indiranagar Retail Private Limited)	4,622	4,599
Courtyard Hospitality Private Limited (Formerly Courtyard Constructions Private Limted)	(101)	(102)
Whitefield Housing Enterprises (Formerly known as Nitesh Estates – Whitefield)	2,802	2,802
Unbilled Revenue		
Nitesh Residency Hotels Private Limited	1,155	1,155
Other Advances (Received)/Paid		
Pushrock Environement Private Limited-Plaza (17th floor, 1393.40 sqmr)	427	(156)
Nisco Ventures Private Limited	100	108
Trade advances		
Grass Outdoor Advertising Private Limited	157	157
Trade payables		
Figita Enterprises Private Limited (Formerly Nitesh Industries Pvt Ltd)	1	29
Nitesh Infrastructures & Contruction Pricvate Limited	68	-
Nitesh Residency Hotels Private Limited	149	146
Managerial remuneration Payable		
Nitesh Shetty	4	-
L.S.Vaidyanathan	25	91
Kamal Daluka	-	34
Prasant Kumar	1	9
Directors' sitting fees Payable		
Jagdish Capoor	6	6
Ms. Dipali Khanna	4	5
Mahesh Bhupathi	1	1
Shantanu consul	0	0
Krishna Kumar N G	1	-
Gayathri M N	0	-
S. Ananthanarayanan	1	-
Other Advances received from customers towards contract		
Nitesh Residency Hotels Private Limited	400	400
Advances received from customers		
Nitesh Shetty - Park Avenue	-	2,822
Guarantees given on behalf of the company already invoked by Bank		
NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited)	18,500	18,500
NHDPL South Private Limited (Formerly NHDPL Properties Private Limited)	31,500	31,500

Note: Amount shown as "0" is below the rounding off norm adopted by the company.

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Notes to the financial statements for the period ended March 31, 2021
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29 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Particulars	As at March 31, 2021		As at March 31, 2020	
	Fair value through OCI	Amortised Cost	Fair value through OCI	Amortised Cost
Financial assets				
Investments	1,008	-	1,008	-
Trade Receivables		753		753
Cash and Cash equivalents		48		50
Other Financial asset		-		3
Loans		1,587		2,389
Security deposits	-	47	-	47
	1,008	**2,435**	**1,008**	**3,242**
Financial liabilities				
Non-current borrowings	-	-	-	-
Current -borrowings	-	35,586	-	52,475
Trade payables	-	19,323	-	23,926
Financial Guarantee Obligation	-	68,216	-	53,283
	-	**123,125**	**-**	**129,684**

Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between the levels during the period.

The details of fair value measurement of Company's financial assets/liabilities are as below:

Particulars	Level	31-Mar-21	31-Mar-20
Financial assets/liabilities measured at fair value through			
Investment in equity instruments of Other company	3	1,008	1,008

The management assessed that the carrying values of cash and cash equivalents, trade receivables, deposits, trade payables, borrowings, Financial Guarantee obligations and other financial assets and liabilities approximate their fair values largely due to the short-term maturities.

The following methods and assumptions were used to estimate the fair values:

Management has considered cost value of investment in Association of Person (AOP), Nitesh Estates-Whitefield Rs 1008 Lakhs as fair value due to current financial situation of AOP.
The valuation requires Management to make certain assumptions about the model inputs, including forecast cash flow, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in Management's estimates of Fair value for the unquoted investments.

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
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30 Gratuity and other post-employment benefit plans

Particulars	31-Mar-21	31-Mar-20
Defined Benefit Plan		
Gratuity		
Non Current	58	83
Current	20	5
	78	**88**
Leave Encashment		
Non Current	30	64
Current	14	7
	44	**71**

The Company has a defined benefit gratuity plan (unfunded) as at March 31, 2021. The Company has a defined benefit gratuity plan (unfunded) as at March 31, 2020.The Company's defined benefit gratuity plan is a final salary plan, which requires contributions to be made to a separately administered fund.

a) **a) Gratuity - (Unfunded)**

Upto September 30, 2018 the Company operates defined gratuity plan for its employees. Under the plan, every employee who has completed atleast five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

As at March 31, 2021 the Gratuity plan of the company is unfunded. The company is only making book provision for the entire Gratuity liability on the valuation and follows"pay as you go" system to meet the liabilities as and when they fall due. Therefore, the scheme fully unfunded, and no assets are maintained by the company and asset values are taken as zero; there is a liquidity risk in that thay may run out of cash.

b) b) Cost of Long term benefit by way of accumulated compensated absence arising during the service period of employees is calculated based on cost of service and the pattern of leave availment. The present value of obligation towards availment under such long term benefit is determined based on the actuarial valuation carried on by an Independent Actuary using projected limit credit method as at the close of accounting period. The Company is providing liability as per actuarial valuation in its books of account as the plan is not funded.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

i. Changes in the defined benefit obligation and fair value of plan assets as at March 31,2021 (As per the latest available Actuarial Report)

	Gratuity cost charged to profit or loss				**Remeasurement gains/(losses) in other comprehensive income**							
Particulars	31.3.2020	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest	Actuarial changes arising from changes in demographic assumptio	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31-Mar-21
Defined benefit obligation	87.61	12.54	6.27	18.81	-	-	-	-2.24	-12.13	-14.37	-	92.05
Fair Value of plan assets	-	-	-	-	-	-	-	-	-	-	-	-
Benefit liability	**87.61**	**12.54**	**6.27**	**18.81**	**-**	**-**	**-**	**-2.24**	**-12.13**	**-14.37**	**-**	**92.05**

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ii. Changes in the defined benefit obligation and fair value of plan assets as at 31.03.2020:

	Gratuity cost charged to profit or loss					Remeasurement gains/(losses) in other comprehensive income						
Particulars	1-Apr-19	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest	Actuarial changes arising from changes in demographic assumptio	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31.3.2020
Defined benefit obligation	104.58	25.35	10.72	36.07		-	1.81	5.25	-60.10	-53.04	-	87.61
Fair Value of plan assets	0.86	-	0.09	0.09		-0.95	-	-	-	-0.95	-	0.00
Benefit liability	**103.71**	**25.35**	**10.63**	**35.98**	**-**	**0.95**	**1.81**	**5.25**	**-60.10**	**-52.09**	**-**	**87.61**

iii The major categories of plan assets of the fair value of the total plan assets are as follows:

Particulars	**March 31, 2021**	**March 31, 2020**
Fund Managed by Insurer	0%	0%

iv. The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group's plans are shown

Particulars	31-Mar-21	31-Mar-20
Discount rate	7.16%	6.83%
Future salary increases	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Expected rate of return of assets	-	-
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian assured lives mortality(2012-14) (modified ultimate)
Withdrawal rate	5.00%	5.00%

v. A quantitative sensitivity analysis for significant assumption as at March 31,2020 is as shown below:

	31-Mar-21				**31-Mar-20**			
Asssmumtions	Discount Rate		Salary Growth Rate		Discount Rate		Salary Growth Rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Sensitivity Level	+100 basis	-100 basis	+100 basis	-100 basis point	+50 basis point	-50 basis point	+50 basis point	-50 basis point
Impact on defined benefit obligation - Gratuity	-6.79%	7.72%	5.92%	-5.27%	-6.90%	7.84%	5.81%	-5.81%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

vi. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31-Mar-21 `	31-Mar-20 `
Year 1	6	5
year 2	6	4
year 3	9	6
year 4	5	6
year 5	9	4
year 6 to 10	45	28
Total expected payments	**79**	**54**

vii. The defined benefit obligations have the undermentioned risk exposures-

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk : This is the risk of volatility of results due to unexpected nature of decrements that include mortality attrition, disability and retirement. The effects of this decrement on the DBO depend upon the combination salary increase, discount rate, and vesting criteria and therefore not very straight forward. It is important not to overstate withdrawal rate because the cost of retirement benefit of a short caring employees will be less compared to long service employees.

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31 Earnings per share ['EPS']

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	31-Mar-21	31-Mar-20
Profit after tax attributable to shareholders (Amount in Lakhs)	(8,127)	(100,521)
Weighted average number of Equity Shares outstanding during the year	145,832,100	145,832,100
Effect of dilution:		
Weighted average number of Equity Shares	145,832,100	145,832,100
Basic and Diluted Earnings Per Share (Rs.) (Face value of Rs 10 per share)	-5.57	-68.93

32 Contingent Liabilities

The company has contingent liabilities at March 31,2020 in respect of:

a (i). Claims against the company pending appellate/ judicial decision and not acknowledged as debts:

Particulars	31-Mar-21 `	31-Mar-20 `
Claims against the company not acknowledged as debts in respect of		
Income-tax	234	234
Value Added Tax	1381	1422

(ii) Following is the summary of financial exposure of cases filed against the company by customers,vendors and other business associates:

Customers-		
a. Seeking Possession of Property	4,680	4,696
b. Seeking Refund	-	1,741
c. Compensation	19	
Vendors		
Seeking Recovery of Dues	133	15
d. Lendors	9,411	2,177
	14,243	8,629

b. Guarantees

Particulars	31-Mar-21 `	31-Mar-20 `
Corporate guarantee for loans taken by group companies	-	-

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the period ended March 31, 2021
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c. Commitements

Particulars	31-Mar-21 `	31-Mar-20 `
Estimated amount of contracts remaining to be executed on projects (net of advances) and not provided for	8,856	15,877

Notes :

a. The Company has entered into various joint development agreements wherein, on completion of all obligations of the land owner and possession of land to the Company, the Company is required to construct and develop the entire property and hand over an agreed proportion of the built up area to the land owner as a consideration for the share in land transferred to the Company.

b.The Company has provided support letters to subsidiary companies wherein it has accepted to provide the necessary level of financial support to enable the company to operate as a going concern and meet its obligations as and when they fall due.

33 Disclosure as required under Micro Small and Medium Enterprises Act , 2006(MSME Act)

Particulars `	31-Mar-21 `	31-Mar-20 `
a. Principal amount remaimning unpaid to any supplier as at the end of the accounting year	58	58
b. Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	32	24
c. The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
d. The amount of interest due and payable for the year	8	8
e. The amount of interest accrued and remaining unpaid at the end of the accounting year	32	24
f. The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Note : The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 is disclosed to the extent such parties have been identified on the basis of the information available with the company. Interest is not provided for the claims which are under dispute.

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34 Financial instruments- accounting classification and fair value measurement.

The carrying values of trade and other receivables, other assets, cash and short term deposits, trade and other payables, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are re-priced frequently.

Company's assets and liabilities which are measeured at amortised cost

	31st March 2021		31st March 2020	
	Carrying Value	Amortised cost	Carrying Value	Amortised cost
Financial assets				
Trade Receivables	753	753	753	753
Cash and Cash equivalents	48	48	50	50
Other Financial asset	-	-	3	3
Security deposits	47	47	47	47
Refundable deposit towards joint development agreement	1,587	1,587	2,389	2,389
	2,435	**2,435**	**3,242**	**3,242**
Financial liabilities carried at amortized cost:				
Long-term borrowings	-	-	-	-
Short-term borrowings	35,586	35,586	52,475	52,475
Trade payables	19,323	19,323	23,926	23,926
Other financial liabilities	68,216	68,216	53,283	53,283
	123,125	**123,125**	**129,684**	**129,684**

35 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the acquisition and Company's real estate operations. The Company's principal financial assets include Trade Receivable, cash and cash equivalents that derive directly from its operations and refundable deposits which is given on aquiition of land to land owners.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The financial risk committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at 31 March 2021 and 31 March 2020. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt.
The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other post retirement obligations; and provisions.
The following assumptions have been made in calculating the sensitivity analysis:
1. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2021 and 31 March 2020.

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
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ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.
The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

	Increase/decrease in basis points	Effect of profit before tax (Rupees in Lakhs)
31-Mar-21		
Change	+50	33
Change	-50	-33

	Increase/decrease in basis points	Effect of profit before tax (Rupees in Lakhs)
31-Mar-20		
Change	+50	28
Change	-50	-28

iii. Credit risk

Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Financial Instrument and Cash Deposit
Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and loans are given only within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2021 and 31 March 2020 is the carrying amounts.

iv. Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 1	1 to 2 years	2 - 3 years	> 3 years	Total
Year ended 31/03/2021						
Borrowings	35,586	-	-	-	-	35,586
Trade and other payables	11,516	7,807	-	-	-	19,323
Financial Gurantee Obligation	53,283	-	-	-	-	53,283
Year ended 31/03/2020						
Borrowings	52,475	-	-	-	-	52,475
Trade and other payables	15,666	8,260	-	-	-	23,926
Financial Gurantee Obligation	53,283					53,283

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36 DISCLOSURES UNDER REGULATION 34 (3) AND 53(F) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

LOANS AND ADVANCES IN THE NATURE OF LOANS GIVENT TO SUBSIDIARIES, JOINT VENTURES, ASSOCIATES AND OTHER ENTITIES IN WHICH THE DIRECTORS ARE INTERESTED:

	31-Mar-21		31-Mar-20	
Name of the Party	**Closing balance**	**Maximum amount due**	**Closing balance**	**Maximum amount due**
NHDPL South Private Limited (formerly known as NHDPL Properties Private Limited)	4,545	4,545	4,388	4,388
NUDPL Ventures Private Limited (formerly known as NUDPL Enterprises Private Limited)	-4	51	51	51
Nitlogis Private Limited (Formerly known as Nitesh Office Parks Private Limited)	380	380	360	360
Southern Hills Developers Private Limited	111	111	111	111
Lob Property Management Private Limited	198	198	128	128
Courtyard Hospitality Private Limited (formerly known as Courtyard Constructions Private Limited)	(101)	-101	(102)	(102)
NIRPL Ventures Pvt Ltd (Formerly known as Nitesh Indiranagar Retail Private Limited)	4,622	4,622	4,599	4,599
Whitefield Housing Enterprises (Formerly known as Nitesh Estates – Whitefield)	2,802	2,802	2,802	2,802
Pushrock Environment Private Limited	427	427	(156)	(156)
Nisco Ventures Pvt. Ltd.	99	99	108	108

37 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maintain strong credit rating and healthy capital ratios in order to support its business and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio minimal. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

`	31-Mar-21	31-Mar-20
Borrowings	35,586	52,475
Trade payables	19,323	23,926
Less: Cash and cash equivalents and other bank balances	(48)	(50)
Net debt[A]	**54,861**	**76,351**
Equity Share Capital	14,583	14,583
Other Equity	(104,387)	(96,375)
Equity [B]	**(89,804)**	**(81,792)**
Equity plus Net Debt[C=A+B]	**(34,943)**	**(5,441)**
Gearing ratio[D=A/C]	**-157%**	**-1403%**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.
The company has defaulted in repayment of dues to debenture holders and banks/financial institutions which includes overdue Principal and interest as on Balance Sheet date. [Refer Note no 15]

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

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Recent Indian Accounting Standards (Ind AS)

38 The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021

39 As per para 4 of Indian Accounting Standard (Ind AS) 108 - Operating Segments, if a financial report contains both the consolidated financial statements of a parent that is within the scope of this Ind AS as well as the parent's separate financial statements, segment information is required only in the consolidated financial statements. Hence segment information as required under Ind AS 108 -Operating Segments is given in the Consolidated Ind AS financial statements of the Company.

40 Transition to Ind AS 115 "Revenue from contracts with customers"

a) Revenue disaggregation by various vertical as follows

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Segment Vertical		
Residential (Refer Note 21)	7,372	1,920
Retail	-	-
Total revenue from operations	7,372	1,920
Timing of goods or service	-	-
Goods transferred at a point in time	7,372	1,920
Goods transferred over time	-	-
Total revenue from operations	7,372	1,920

b) (i) In the assessment of the Company, there is no significant financing component in any of its contracts.

(ii) Revenue recognised during the year 2020-21 from performance obligations satisfied in the previous year is NIL

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
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41 For three residential projects (British Colombia, Hunter Valley, Chelse) launched in prior to the effective date of RERA Act. Pending approval of sanction plan and certificate of commencement as well as prevalent adverse market condition of real estate business, the company has not registered the said projects under RERA Act.

The Company has accepted working advance more than 10% of cost before RERA period in case of one residential project. Pending arbitration proceedings between the company and the landowner, the Company has decided to suspend the project on an intimation to Real Estate Regulatory Authority, Karnataka.

Company has collected advance amounting Rs 452/- Lakhs in respect of the said projects, it is in the process of refunding the same and which has been shown in "Note no 18 - Other liabilities" under "Advance received from customers for sale of properties".

42 **Lease**

The Company has adopted Ind AS 116 "Leases" w.e.f. 01.04.2019. The adoption of this standard did not have any impact on the standalone financial statements. Accordingly, disclosure requirements of this standard are not applicable to the Company.

43 **Sale of projects**

(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. 800 Lakhs 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. 200 Lakhs.

(iii) The Company has exited Park Avenue 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 31st December, 2020 for an all inclusive value of not less than Rs. 3,500 Lakhs. RERA approval for this transfer has been obtained.

44 **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 managment 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.

45 **Recent pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendment revised Division I, II & III of Schedule III and are applicable from April 1, 2021. The group is evaluating the effect of the amendments on its financial statements.

45 **Prior year comparatives**

The figures of the previous year have been regrouped/reclassified, where necessary, to conform with the current year's classification.

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

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

Shipra Gupta
Partner
Membership No. 436857
UDIN : 21436857AAAAAZ5891

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Rajeev Khanna
Director Finance &
Chief Financial Officer
DIN : 07143405

Prasant Kumar
Company Secretary

Place: Bangalore
Date : 29th June, 2021

Consolidated Accounts

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Adverse Opinion

We have audited the accompanying consolidated financial statements of **NEL Holdings South Limited** (formerly known as NEL Holdings Limited and herein after referred to as "the Holding Company"), and its subsidiaries NHDPL South Private Limited (formerly known as NHDPL Properties Private Limited), NUDPL Ventures Private Limited (formerly known as NUDPL Enterprises Private Limited), LOB Property Management Private Limited, Courtyard Hospitality Private Limited (formerly known as Courtyard Constructions Private Limited) and NIRPL Ventures Private Limited (formerly known as Nitesh Indiranagar Retail Private Limited), (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31st March 2021, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Adverse Opinion paragraph below, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and due to the significance of matter described in the Basis for Adverse Opinion paragraph given below, the accompanying consolidated financial results do not give a true and fair view of the financial position of the Group, in conformity with the Indian Accounting Standards (Ind AS), prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and its consolidated loss, consolidated other comprehensive loss, consolidated changes in equity and its consolidated cash flow for the year ended on that date.

Basis for Adverse Opinion

1. The Group incurred a net loss of Rs 20,382 lakhs for the year ended 31st March, 2021 and the Group's current liabilities exceeded its current assets by Rs. 109,294 lakhs as on that date. The Group has incurred losses over the years resulting in negative net worth, negative working capital and negative cash flows.

   During the year, the Group has sold three projects through a Business Transfer Agreement (BTA) to repay some portion of the bank loan. Further the Group has cancelled the development right of the project 'Virgin Island' and handed over the rights to the original land owner. Although the above 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. 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 Group's ability to continue as a going concern.

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

2. The Group has given unsecured 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. Considering

the above, we are concerned about the manner in which the funds were given without obtaining any security. The Group has made full provision for the said advance in the current financial year which in our opinion is a matter of concern.

3. As reported earlier, the Group had advanced Rs. 25,222 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. These advances were made without obtaining any security and without assessing the financial position and repayment capacity of the party. In our opinion, such injudicious advances are a matter of concern and may be prejudicial to the interest of the Company. The Group had made full provision for the said advance over the last three years. During the year the Group has written off advance amounting Rs. 22,660 lakhs in two of the Group subsidiaries without taking any legal action for recovery post obtaining necessary approvals from shareholders in the general meeting. (refer note no. 11(i) of the consolidated financial statements).

4. 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 year.

5. The Group has accounted for Principal amount of Rs. 72,586 lakhs, Accrued Interest of Rs. 33,173 lakhs and Disputed Liability of Rs. 27,516 lakhs (which include Rs. 27,301 lakhs in respect of loans from banks and financial institutions and Rs. 88 lakhs in respect of salaries and the balance of disputed liability towards another vendor – refer note no. 16 of the consolidated financial statements) in its books of account as total outstanding to banks and financial institutions as on 31st March, 2021. 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 payment to banks and financial institution has not been provided for in the books of account of the Group.

   Included in the above figures, with respect to borrowings from Yes Bank Ltd, the bank has called upon the entire loan amount of Rs. 75,894 lakhs. (refer note no. 15(i)(b) of the consolidated financial statements)

In relation to a loan taken by the Holding Company from Yes Bank for the Soho Project, the Bank has principally agreed for settlement of the loan amount for Rs. 3,000 lakhs. The Group has not provided any further interest on this loan (Refer Note 15 (i)(b) of the consolidated financial statements).

6. During the financial year, as per the information and explanations given to us and from the perusal of the documents provided to us, the Company has disposed/ sold off the projects “Knight’s Bridge”, “Park Avenue” and “Napa Valley” on an ongoing basis through Business Transfer Agreements (BTA). Further the Group has cancelled the development right for the development of the project “Virgin Island” and has handed over the rights to the original land owners. In this respect;

   (i) The Group has borrowed Rs. 26,067 lakhs (previous year Rs 28,497 lakhs) from HDFC Limited and Rs. 31,500 lakhs from Yes Bank for various projects including Knights Bridge, Virgin Island, Park Avenue and Napa Valley. As per the terms of BTA with the third party, an amount of Rs. 800 lakhs and 3,500 lakhs have been paid to HDFC Limited for release of charge on Knightsbridge and Park Avenue projects respectively together with an amount of Rs. 200 lakhs paid for Knightsbridge project as a part of a supplementary agreement and an amount of Rs. 3,600 lakhs had been paid to Yes Bank for release of charge on Napa Valley. Basis the same the Group has classified the remaining outstanding liability, to the extent allocated to these projects, as disputed liability.

   (ii) During the financial year, charge/mortgage of the project Virgin Island was released by HDFC Limited. Such release was upon the condition that the same shall not be construed as settlement of any kind. Consequently, the Group has accounted for Rs 8,146 lakhs being the estimated carrying value of loan and Rs 3,000 lakhs being the interest component as a disputed liability in the consolidated financial statements.

(iii) The Company has now considered the remaining balance of the term loan, for these four projects viz, Knightsbridge, Park Avenue, Virgin Island and Napa Valley amounting Rs 27,301 lakhs taken from Yes Bank and HDFC Bank, as a "Disputed liability" instead of "Borrowings" without adequate documentation as per the requirements of Schedule III to the Companies Act, without any correspondence from the bank (refer note no 16(i) and 16(ii)), as represented below;

(Rs/ lakhs)

Bank/Financial Institution	Project Name	Principal	Interest	Total
HDFC Limited	Knightsbridge	-	256	256
HDFC Limited	Park Avenue	2,422	1,057	3,479
HDFC Limited	Virgin Island	8,146	3,000	11,146
Yes Bank	Napa Valley	9,400	3,020	12,420
Total		**19,968**	**7,333**	**27,301**

7. As stated in the consolidated financial statement, the Group has not accounted for the demand of penal interest amounting to Rs. 17,910 lakhs and Rs. 286 lakhs by banks and financial institutions on credit facilities, resulting in the understatement of loss and overstatement of net worth by the said amount.

8. As stated in Note no. 43 of the consolidated financial statements, 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. 452 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. Proper disclosure has not been made in the consolidated financial statements in this respect.

9. The Group has not tested impairment of its projects' CWIP and Inventories amounting to Rs 8,835 lakhs and Rs 55,064 lakhs (Net of "Payable to land owner for land under Joint Development Agreement" and other reclassification) respectively, for ascertaining the realizable value as on 31st March, 2021. To the extent of any possible diminution of value not accounted for, the consolidated financial statements may not give a true and fair view as per the requirement of Ind AS 2.

10. One subsidiary company of the Group has impaired its carrying amount of Investment Property under Development (CWIP) of Rs 28,630 lakhs. The CWIP of Rs 23,646 lakhs and Rs 4,984 lakhs have been impaired in the financial year 2019-20 and in the current financial year respectively. The landowners of such properties under joint development agreements (JDA) filed a suit for non-performance of obligations by the Group under the JDA (Refer note no. 48). Legal opinion on the status of the pending litigation has not been made available to audit and hence we are unable to comment on the necessity of further provisions, if any, to be made by the Group in this regard.

11. In accordance with Section 181 of the Companies Act, 2013, a company may contribute to bona fide charitable and other funds, provided prior permission in the general meeting shall be required in case where the contribution amount in any financial year exceed five percent of its average net profits for the three immediately preceding financial years.
    One subsidiary company of the Group, NIRPL Ventures Private Limited, has made a contribution of Rs. 64 lakhs during the current financial year. The subsidiary company has failed to obtain prior approval in the general meeting, thus violating the provisions of section 181 of the Companies Act, 2013.

12. Year-end balance confirmation certificates in respect of trade receivables, trade payables, vendor advances, advance from customers, security deposit 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. Further, Trade Receivable amounting to Rs. 1,223 lakhs as on 31st March, 2021 has not been considered for impairment loss based on expected credit loss method as per requirement of Ind AS 109. It may be noted that the details in respect of most of such outstanding has not been produced to us for our verification.

13. 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. In this respect;

- The Group has disclosed figures of employee liability referred to in note 16(ii) and note 20 of the consolidated financial statements. 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.
- The Group has a receivable balance amounting to Rs. 1,752 lakhs with government authorities. Further, the transitional credit of Service Tax available for one of the subsidiary companies of the Group is disclosed in books of accounts as a GST receivable balance amounting to Rs. 67 lakhs. Such amount is yet to be confirmed by the GST Department. During the year, the Company has been irregular in depositing and filing returns under certain statutory requirements. Due to non-availability of information on such statutory non compliances against such balances, we are unable to comment on the actual recoverability of such credit balances.
- During the year, the Group has over provided for gratuity and leave encashment amounting to Rs. 53 lakhs and Rs. 54 lakhs respectively and has under provided for corresponding other comprehensive income pertaining to gratuity expenses and leave encashment by Rs. 79 lakhs and Rs. 57 lakhs respectively. This has resulted in a net overstatement of total comprehensive income by Rs. 29 lakhs in the Statement of Profit and Loss with consequent effect on the net worth. Further, three subsidiary companies of the Group have provided for an amount totaling to Rs. 43 Lakhs on full cost basis towards payment of gratuity as on March 31, 2021 pertaining to earlier years. Due to non-availability of complete information in this regard, we are unable to comment on whether any further provision may be required. As on 31st March, 2021, there were no employees in these three subsidiary companies on record.
- The Group has reversed income tax provision of Rs. 6 lakhs, which had been provided in the previous periods. Relevant information relating to the reversal of provision for income tax was not made available for our verification and hence we are unable to comment on such reversal made by the Group. Further, the Group has provided Rs.10 lakhs towards interest on provision for income tax. Relevant information relating to this liability and provision of income tax could not be made available for our verification and hence we are unable to comment on the requirement of any further provision to be made by the Group in this regard in respect of any additional/ other demand which may or may not have been received from the Income Tax department.

14. The Group has neither ascertained nor accounted for component wise Deferred Tax Assets/ Liabilities as on balance sheet date and its adjustment in the Statement of Profit & Loss during the year.

15. The Group has not provided customer wise reconciled figures for some outstanding balances disclosed under "Billing in excess of revenue" (Net of debit balance). Due to non-availability of such details, we are unable to verify the correctness of the same.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our adverse opinion on the consolidated financial statements.

Emphasis of Matter

a. The Group has given unsecured advance amounting to Rs. 5,903 lakhs to Winter Lands Pvt. Ltd. (Winter Lands) 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 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, Winter Lands 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). The enforceability of this MOU, No Objection Certificate (NOC) from Land owners and the basis of the valuation has not been satisfactorily explained to us.

b. We draw attention to the Note 32 of the consolidated financial statement which states that the Gratuity plan of the Company is unfunded as at 31st March, 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 no assets are maintained by the Group, there is a liquidity risk that the Group may run out of cash resources which may further affect the financial position of the Group.

c. Based on the verification of books of accounts, the Holding Company has granted unsecured loans or advances to companies, firms, or other parties as listed in the register maintained under section 189 of the Act. The Group has not provided the details with respect to fresh loans and advances given to certain related companies. Again, in some cases, fresh advances have been given to the same related companies/ parties during the current financial year without realisation of the previous loans or advances. Hence, in our opinion, such further loans or advances granted are prejudicial to the interest of the Company.

d. The Group has granted fresh loans or advances amounting to Rs. 20 lakhs to a certain related party viz. Nitlogis Private Limited during the current financial year in line with the provisions of section 185 and 186 of the Act. In this respect, it may be noted that the management has not provided us with the necessary copies of the board approvals and contract agreements in respect of such fresh loans or advances granted to the related parties.

e. One subsidiary company of the Group has advanced Rs.147 lakhs to various parties as on March 31, 2021. Considering the timelines of these advances, the same should have been consummated or these amounts should have been recovered. Management continues to believe that these advances made to parties will get consummated and in the event that it does not consummate, these advances can be recovered. However, in the absence of sufficient documentation to justify the timing as to when these advances would be capable of being converted and also considering the fact that they are not secured, we are unable to comment on the recoverability of these advances and its consequential effect, if any, on the financial results for the year ended March 31, 2021.

f. An amount of Rs. 182 lakhs has been charged to the Profit and Loss account towards Power and Fuel Charges, which includes Power and Fuel Charges of unregistered units of certain projects. The Group has not recognized revenue against those units. Due to non-availability of information regarding such non-recognition of revenue, we are unable to comment on the extent of under recognition of revenue and corresponding over recognition of Power and Fuel charges during the current financial year.

g. The Group has a sinking fund balance of Rs. 469 lakhs and Rs. 598 lakhs as on March 31, 2021 and March 31, 2020 respectively. During the year, the Group has utilized such sinking fund towards settlement of power charges and adjustment against advance from customers, without any authorization/approval which is against the purpose of such fund. This Fund can only be utilized for specific purposes as may be defined in the various agreements. The purpose of utilization of sinking fund was not made available for audit, hence we are unable to comment on the balances as on the reporting date and on the propriety of utilization of such sinking fund during the current financial year.

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

Key Audit Matters

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

Key Audit Matter	Response to Key Audit Matter
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind-AS 115 "Revenue from contracts with Customers". The revenue recognition by the Group in a particular contract is dependent on certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligation and disclosures including presentations of balances in the consolidated financial statements. (Refer Notes 22 and 42 to the consolidated financial statements.)	***Principal Audit Procedure:*** Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows: b) We have assessed the application of the provisions of the Ind AS 115 in respect of the Group's revenue recognition and appropriateness of the estimated adjustments in the process. b) Selected a sample of existing continuing contracts and new contracts and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. c) Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with the new revenue accounting standard. d) Performed analytical procedures and test of details for reasonableness and other related material items.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in Board`s Report including Annexures to Board`s Report, Management Discussion and Analysis and Corporate Governance, but does not include the consolidated financial statements and our auditor`s report thereon.

We have not been provided with such other information and our opinion on the Ind-AS consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group (Holding Company and its subsidiaries) to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company and other entities included in the consolidated financial statements of which we are the independent auditors.

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

We communicate with those charged with governance of the Holding Company and other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

a. 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 financial statements of Whitefield, we are unable to comment on the status of the same.

b. 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

c. Disclosures regarding related party transactions in the consolidated financial statements is not in compliance with the applicable accounting standards.

d. Contingent Liability of Rs. 26,362 lakhs as disclosed in the consolidated financial statements is based on management certification (Refer Note 35). We have not been provided with any other independent legal opinion in relation to any other litigation, demand or claim by or against the Company which may be contingent in nature.

e. The Group has transferred the debenture outstanding liability of Rs. 5,500 lakh to land owners of Virgin Island Project during the year for settlement of the dues of the debenture holder 'Investcorp Real Estate Fund (erstwhile IDFC Real Estate Yield Fund)' on cancellation of the Joint Development Agreement and has handed over the title documents of the said composite property to the respective land owners in terms of the mutual agreement which the land owners and 'Investcorp Real Estate Yield Fund (erstwhile IDFC Real Estate Yield Fund)' may have entered into, however, such documents have not been provided to us for verification. As such, the net of surplus arising on settlement of debenture liability and consideration for handing over the title documents to land owners amounting to Rs.5,268 lakh with accrued debenture interest of Rs. 5,356 lakh has been disclosed as exceptional income to the Consolidated Statement of Profit & Loss of the Group on the date of said transfer. The same has been approved by the Board of Directors of the Holding Company. The management has not properly disclosed the required details in note no. 15(i)(d) and 27A of the consolidated financial statements.

f. During the year, the Group has written back provision of Rs. 9 lakhs relating to Salaries and Wages and has also made a corresponding equivalent provision for Salaries and Wages, resulting in an overstatement of Other Income and corresponding charge of Salaries and Wages to this extent of Rs. 9 lakhs. The impact in the Statement of Profit and loss is Nil. The basis of such an adjustment could not be explained to us.

g. We draw attention to note 47 of the consolidated financial statements, wherein the Group has indicated some figures in respect of the exit from two of the projects "Knights Bridge" and "Park Avenue" via Business Transfer Agreement (BTA) with Garden City Private Limited and one project "Napa Valley" via BTA with True Blue Reality Private Limited. The details of such transfer are given below:

Rs/ lakhs

Particulars	Knights Bridge	Park Avenue	Napa Valley	Total	Note No.
Sales:					
Term Loan from Banks and Financial Institutions	1,000	3,500	3,600	8,100	15 - Borrowings
Amount received in Current Bank Accounts	150	595	-	745	12 - Cash and Cash equivalent
Advance received from customers for sale of properties	-	50	-	50	17 - Other liabilities
Revenue on sale of projects (A)	**1,150**	**4,145**	**3,600**	**5,295**	21 - Revenue from operations
Cost of Sales:					
<u>Assets transferred</u>					
Refundable deposit towards joint development agreement	400	402	-	802	10 - Loans
Land held under joint development arrangements	3,015	12,647	4,055	19,718	7 - Inventories
Properties under development	1,602	7,525	9,962	19,089	7 - Inventories
Trade receivables considered good - secured	-	498	-	498	9 - Trade receivables
Advances paid towards Joint Development	157	-	357	513	11 - Other assets
Total of Assets transferred	**5,174**	**21,071**	**14,374**	**26,246**	

Particulars	Knights Bridge	Park Avenue	Napa Valley	Total	Note No.
Liabilities transferred					
Total outstanding dues of creditors other than micro enterprises and small enterprises to other than related parties	73	846	270	1,189	20 - Trade payables
Consideration under JDA towards purchase of land	3,015	12,647	4,096	19,758	17 - Other liabilities
Contract Liability-Billing in excess of revenue (Net of debit balance)	806	839	9,649	11,295	17 - Other liabilities
Advance received from customers for sale of properties	-	-	364	364	17 - Other liabilities
Total of Liabilities transferred	**3,894**	**14,333**	**14,380**	**32,243**	

Net Cost of Sales (B)	**6,738**	**1,280**	**-6**	**8,012**	23 - Land and construction cost

Net Loss (A) - (B)	**-2,593**	**-130**	**3,606**	**-2,723**	

As explained to us, the fixation of sale consideration by the Group has been made on the basis of realisable value. However, no confirmation could be provided to us in this respect. Further, the Group is still under the process for execution of Memorandum of Settlement between its existing vendors and Garden City Private Limited and True-Blue Reality Private Limited respectively as per the BTA related to above project.

h. In respect of the presentation of certain Balance Sheet items and the corresponding relevant notes to accounts, classification of some line items is not in compliance with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

i. Effect of COVID-19: We draw attention to Note 3(b)(vi) of the consolidated financial statements, 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 report is not qualified in respect of these matters.

Report on Other Legal and Regulatory Requirements

3. Companies (Auditor's Report) Order, 2016 ("the Order") issued by the central government of India in terms of the sub-section (11) of section 143 of the Act, is not applicable on the consolidated financial statements as referred in proviso to Para 2 of the said Order.

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

a) *Except for the effects of the matters described in the Basis for Adverse Opinion section above read with the Emphasis of Matter and Other Matters paragraphs,* we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) *Except for the effects of the matters described in the Basis for Adverse Opinion section above read with the Emphasis of Matter and Other Matters paragraphs,* in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, Consolidated statement of changes in equity and Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements apart from the disclosure of "Retained Earnings" (note no. 14A(b)) which is overstated by Rs. 4,795 lakhs and corresponding "Provisions" (note no. 18) which is overstated by Rs. 4,547 lakhs and the Net loss in the Consolidated Statement of Profit and Loss which is overstated by Rs. 248 lakhs.

d) *Except for the effects of the matters described in the Basis for Adverse Opinion section above read with the Emphasis of Matter and Other Matters paragraphs,* in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder. However, the presentation of the Consolidated Cash Flow Statement in the consolidated financial statements is not as per the disclosure requirement of Ind AS 7.

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

f) On the basis of written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company, none of the directors are disqualified from being appointed as director in terms of Section 164(2) of the 'Act' as on 31st March, 2021

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

h) According to the information and explanation given to us by the management, no managerial remuneration has been paid/ provided by the Holding Company and companies of the Group during the year. Accordingly, the provisions of section 197(16) of the Companies Act, 2013 are not applicable.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

I. Subject to our comments in point ‘d’ in the “Other Matters” paragraph in our audit report, the consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group. – Refer Note 35;

II. According to the information and explanation given by the management, The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its Subsidiary companies

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

(Shipra Gupta)
Partner
Membership No. 436857
UDIN: 21436857AAAAAY7262

Place: Bengaluru
Date: 29.06.2021

"Annexure-A" to the Independent Auditors' Report

Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of the consolidated financial statements of **NEL Holdings South Limited** (formerly known as NEL Holdings Limited and herein after referred to as "the Holding Company"), and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), as on 31st March, 2021 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of directors of the Holding Company and its subsidiary companies (the 'Group') are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, except for the effects/possible effects of the material weaknesses described in 'Basis for Qualified Opinion' paragraph below on the achievement of the objectives of the control criteria over financial reporting, there is an urgent requirement for the management to design control procedures for recording and documentation of transactions and financial approvals of the Group and also for complying with the various provisions of the applicable acts which as a whole are directly related to the effectiveness of the Internal Control Functions over Financial Reporting of the Group, considering the essential component of internal control as stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Basis for Qualified Opinion

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

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Group`s internal financial controls over financial reporting as at 31st March, 2021.

a) The Group did not have an appropriate internal control system relating to granting of unsecured advances for acquiring various immovable properties. The credit worthiness of the parties, exposure and experience in handling land procurement by third parties, asset base for providing security and guarantee, establishing segregation of duties, determining credentials of the counterparties and sufficient documentation regarding such transactions etc. should be verified at the time of authorization and disbursement of said advances.

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

c) The Group did not have a proper internal control system and the approval control structure to determine the necessity, appropriateness and adequacy of utilization of the sinking fund and to ascertain the criteria and timing of recognition of revenue for one subsidiary company.

d) The Group did not have complete system of obtaining year-end balance confirmation certificates in respect of trade receivables, trade payables, vendor advances, advance from customers and other advances.

e) The Group did not have an adequate internal control system to manage the utilisation of loans and facilities obtained from the banks and other financial institutions as per the terms governing such loans and facilities and also the disclosure requirements against such loans and advances received from the banks and the financial institutions.

f) The Group does not have an appropriate internal control system to ascertain the realizable value of Inventory and also does not have a documented system of regular inventory verification.

g) The Group did not have adequate internal control for ascertaining tax assets/liabilities and payments of statutory dues including Income Tax and Goods and Service Tax and other relevant Taxes.

h) The Group did not have appropriate internal control system to ascertain the net realizable value of financial assets and the system for conducting impairment testing to ascertain the actual value of the asset to be carried in the books of accounts.

i) The Group did not have an adequate internal control system to maintain the details of pending litigations and to ascertain corresponding financial impact to report on the contingent liability of the company.

j) The Group did not have an appropriate internal control system to ascertain and maintain employee wise ageing details of the salary payable and other employee benefit expenses like gratuity payable.

k) The Group should introduce appropriate internal controls system to ascertain the customer wise balance for billing in excess of revenue, unbilled revenue.

l) The Company did not have adequate internal control system relating to the preparation and presentation of financial statements as per the requirements of the relevant Accounting Standards (Ind AS).

m) The Group did not have an appropriate internal control system regarding ascertainment of related parties to ensure compliance with the requirements of the Companies Act, 2013 and the applicable Indian Accounting Standards (Ind AS).

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Group for the year ended 31 March, 2021 and these material weaknesses have affected our opinion on the said consolidated financial statements of the Group and we have issued an adverse opinion on the consolidated financial statements of the Company.

For **RAY & RAY**
Chartered Accountants
Firm’s Registration No.301072E

(Shipra Gupta)
Partner
Membership No 436857
UDIN: 21436857AAAAAY7262

Place: Bengaluru
Date: 29.06.2021

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Consolidated Balance Sheet as at March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
Non- current assets			
Property, plant and equipment	4	63	77
Capital work-in-progress	4a	8,835	13,819
Other Intangible assets	5	5	9
Financial assets			
Investments	6	1,008	1,008
Loans	10	88	87
Deferred tax assets (net)	8	119	7,991
Other non-current assets	11	39	39
		10,157	**23,030**
Current assets			
Inventories	7	120,173	161,502
Financial assets			
Trade receivables	9	1,223	1,160
Cash and cash equivalents	12	122	140
Loans	10	4,044	4,739
Other current assets	11	28,111	34,961
		153,673	**202,502**
Total assets		**163,830**	**225,532**
Equity and liabilities			
Equity			
Equity share capital	13	14,583	14,583
Other equity	14	(113,817)	(89,142)
Total equity		**(99,234)**	**(74,559)**
Liabilities			
Non-current liabilities			
Provisions	18	97	204
		97	**204**
Current liabilities			
Financial liabilities			
Borrowings	15	72,587	101,678
Trade payables	20		
Total outstanding dues of micro enterprises and small enterprises		198	225
Total outstanding dues of creditors other than micro enterprises and small enterprises		37,096	34,788
Other current financial liabilities	16	28,833	5,194
Other current liabilities	17	119,055	157,494
Provisions	18	4,608	20
Current Tax Liabilities (Net)	19	591	487
		262,967	**299,887**
Total liabilities		**263,064**	**300,091**
Total equity and liabilities		**163,830**	**225,532**

The accompanying notes form an integral part of the financial statements

As per our report of even date attached		(0)	(0)

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

Shipra Gupta
Partner
Membership No. 436857
UDIN : 21436857AAAAAY7262

Place: Bangalore

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

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Rajeev Khanna
Director Finance &
Chief Financial Officer

Prasant Kumar
Company Secretary

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Consolidated Statement of Profit and Loss for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
Revenue from operations	21	12,482	4,165
Other income	22	22,708	1,072
Total income		**35,190**	**5,237**
Expenses			
Land and construction cost	23	11,702	6,904
Changes in Inventories of Finished goods, work in progress & Stock in Trade	23A	(634)	(4,554)
Employee benefits expense	24	755	1,230
Finance cost	25	13,058	9,640
Depreciation and amortization expense	26	23	193
Other expenses	27	28,559	6,592
Total expenses		**53,463**	**20,005**
Profit/(loss) before exceptional items and tax		**(18,273)**	**(14,768)**
Exceptional Items		**5,601**	**(62,824)**
Profit/(loss) before tax		**(12,672)**	**(77,592)**
Tax expenses			
Current tax		-	175
Deferred tax	28	7,842	(5,869)
Total tax expense		**7,842**	**(5,694)**
Profit/(loss) for the year		**(20,514)**	**(71,898)**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/ (losses) on defined benefit plan		161	111
FVOCI-Equity Investments		-	5,405
Tax relating to these items		(29)	(1,855)
Other comprehensive income for the year, net of tax		**132**	**3,661**
Total comprehensive income for the year		**(20,382)**	**(68,237)**
Earnings per equity share [nominal value of Rs 10 (Previous year - Rs 10)]			
Basic		-14.07	-49.30
Diluted		-14.07	-49.30

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

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

Shipra Gupta
Partner
Membership No. 436857

UDIN : 21436857AAAAAY7262

Place: Bangalore
Date: 29th June, 2021

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

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Rajeev Khanna
Director Finance &
Chief Financial Officer
DIN : 07143405

Prasant Kumar
Company Secretary

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Consolidated Statement of Cash Flows for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

	Notes	As at 31 March 2021	As at 31 March 2020
Operating activities			
Profit/ (Loss) before tax		(12,671)	(77,592)
Adjustments to reconcile profit before tax to net cash flows:			
Other Comprehensive Income		132	73
Depreciation of property, plant and equipment		19	27
Amortization of intangible assets		4	165
Impairment loss on CWIP		4,984	36,644
(Gain)/ loss on disposal of investments		0	5,633
Finance costs (including fair value change in financial instruments)		13,258	9,832
Impairment Provision on Investments		4,766	21,178
Profit before Working Capital changes		**10,493**	**(4,040)**
Working capital adjustments:			
(Increase)/ decrease in trade receivables		(63)	762
(Increase)/ decrease in current other financial and non-financial assets		3,762	13,749
(Increase)/ decrease in Inventories		36,835	472
(Increase)/ decrease in non current other financial and non-financial assets		4,728	1,091
Increase/ (decrease) in trade payables		25,894	9,912
Increase/ (decrease) in provisions		(37)	(30)
Increase/ (decrease) in other non-financial liabilities		(37,930)	(16,556)
		43,682	5,360
Income tax paid (net of refund)		(1,569)	(73)
Net cash flows from/ (used in) operating activities (A)		**42,112**	**5,287**
Investing activities			
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)		(1)	(4)
Proceeds from sale of investment		-	4,107
Net cash flows from/ (used in) investing activities (B)		**(1)**	**4,103**
Financing activities			
Proceeds from short-term borrowings		(28,872)	810
Interest paid (gross)		(13,258)	(10,374)
Net cash flows from/ (used in) financing activities (C)		**(42,130)**	**(9,564)**
Net increase/ (decrease) in cash and cash equivalents		(18)	(174)
Cash and cash equivalents at the beginning of the year		140	314
Cash and cash equivalents at the end of the year		**122**	**140**
Components of cash and cash equivalents			
Cash on hand		3	16
Balance with banks - on current account		119	123
Total cash and cash equivalents		**122**	**140**

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

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

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

Shipra Gupta
Partner
Membership No. 436857

UDIN : 21436857AAAAAY7262

Place: Bangalore
Date: 29th June, 2021

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

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Rajeev Khanna
Director Finance &
Chief Financial Officer
DIN : 07143405

Prasant Kumar
Company Secretary

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Consolidated Statement of Changes in Equity for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

a. Equity share capital

	No of Shares	Amount
Equity shares of ` ₹ 10 each issued, subscribed and fully paid		
At March 31, 2020	145,832,100	14,583
At March 31, 2021	**145,832,100**	**14,583**

b. Other equity
For the year ended March 31, 2021

	Reserves and surplus		Other Reserve	
	Securities premium	**Retained Earnings**	**Fair Value through Other Comprehensive Income- Equity Instrument**	**Total**
	₹	₹	₹	₹
As at 1 April 2019	**31,259**	**(71,923)**	**(3,568)**	**(44,232)**
Loss for the period	-	(71,898)		(71,898)
Other comprehensive income*	-	96		96
FVOCI-Equity instruments [OCI reversal on sale of shares] net of taxes			3,568	3,568
Adjustment of earlier loss/(profit) on account of Investment impairment		21,084		21,084
Others**		2,240		2,240
As at 31 March 2020	**31,259**	**(120,402)**	**-**	**(89,142)**
As at 1 April 2020	31,259	(120,402)	-	(89,142)
Loss for the period	-	(24,807)	-	(24,807)
Other comprehensive income*	-	133		133
As at 31 March 2021	**31,259**	**(145,077)**	**-**	**(113,817)**

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

**The Company has transferred Rs NIL Lakhs during the year (Rs. 2240/- Lakhs during previous year) from retained earning to Deferred Tax Account for earlier year adjustment of deferred tax.

The above statement of changes in equity should be read in conjunction with the accompanying notes.
As per our report of even date

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

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

Shipra Gupta
Partner
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Rajeev Khanna
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Prasant Kumar
Company Secretary

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

1 Corporate Information

NEL Holdings South Limited (Formerly known as NEL Holdings Limited) ('the Company' or 'NEL' or 'the holding company') was incorporated on February 20, 2004. The Group as a real estate developer engaged in the business of development, sale, management and operation of all or any part of housing and hotel projects, commercial premises and other related activities. The Consolidated financial statements relate to NEL Holdings South Limited (Formerly known as NEL Holdings Limited) ('the Company') its subsidiary companies as referred in Note 41 (collectively referred as 'the Group')

2 Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2 Basis of preparation

Compliance with Ind AS

The consolidated financial statements are prepared in all material respect in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and other relevant provisions of the Act (as amended from time to time)

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

► Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)
► Defined benefit plans - plan assets measured at fair value

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

Amended standards adopted by the Group

a) Basis of consolidation

i. Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are deconsolidated from the date that control ceases.

Consolidation procedure

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Holding Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the Holding Company's investment in each subsidiary and the Holding Company's portion of equity of each subsidiary. The manner of accounting for any related goodwill is explained below.

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

d. The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the Holding Company, i.e., year ended on March 31st and are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

e. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of Profit and Loss, consolidated Statement of Changes in Equity and Balance Sheet respectively.

f. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognizes the gain directly in equity as capital reserve, without routing the same through OCI. After initial recognition, goodwill is measured at cost less any accumulated impairment losses and tested for impairment annually.

If the Group loses control over a subsidiary, it:

-Derecognizes the assets (including goodwill) and liabilities of the subsidiary
-Derecognizes the carrying amount of any non-controlling interests
-Derecognizes the cumulative translation differences recorded in equity
-Recognizes the fair value of the consideration received
-Recognizes the fair value of any investment retained
-Recognizes any surplus or deficit in profit or loss
-Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

ii. Associates

Associates are all entities over which the group has significant influence but not control or joint control

This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognized at cost.

iii. Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

The results, assets and liabilities of joint venture are incorporated in the consolidated financial statements using equity method of accounting after making necessary adjustments to achieve uniformity in application of accounting policies, wherever applicable.

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

iv. Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the group`s share of the post acquisition profits or losses of the investee in profit and loss, and the group`s share of other comprehensive income of the investee in 'Other Comprehensive Income'.

When the group`s share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long term receivable, the group doesn't recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the group and its associates and joint venture are eliminated to the extent of the group`s interest in its entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the group.

b) **Business combinations and goodwill**

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from the date of transition, i.e., April 1, 2016. As such, Previous GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward. The same first time adoption exemption is also used for joint ventures.

2 **Summary of significant accounting policies**

a) **Revenue recognition**

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

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

i. Income from lease of commercial properties
Rental income receivable under operating leases is recognized in the income statement as and when due over the lease period.

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

ii. **Recognition of revenue from real estate development**

Revenue from real estate projects is recognised at a point-in-time upon registration of the property in favour of the customer, which, in the opinion of the Group, marks the transfer of control upon the property and also the satisfactory discharge of the Group's performance obligation.
For projects executed through joint development arrangements, wherein the land owner / possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Compant has agreed to transfer certain percentage of constructed area or certain percentage of revenue proceeds. The project costs include fair value value of land being offered for the project and revenue from the development and transfer of constructed area / revenue sharing arrangement in exchange of such development rights / land is accounted on gross basis.
Revenue is measured at the fair value of land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of land received cannot be measured reliably, revenue is measured at the fair value of the estimated construction service rendered to the landowner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in determining the project cost.

iii. **Contract Assets and Contract Liabilities**

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

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

iv. **Interest income**

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

vii. **Dividend income**

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

viii. **Share in profit/ (loss) from Investments in Association of Persons (AOP)**

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

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

b) **Property, plant and equipment**

Since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.
Property, plant & equipment are carried at cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets.
Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are expensed as incurred.

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

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

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

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

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

d) Intangible Assets

Intangible assets are stated at cost less accumulated amortization and net of impairments, if any. An intangible asset is recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and its cost can be measured reliably. Intangible assets/ Computer software is amortized using straight line method over a period of 5 years, which is estimated by the management to be the useful life of the asset.

Since there is no change in the functional currency, the Group has elected to continue with the carrying value for all of its intangible assets as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

e) Investment Property

Ind AS 101 permits a first-time adopter to measure an item investment property and investment property under construction at the date of transition to Ind AS at its fair value and use that fair value as its deemed cost at that date.

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

Costs including subsequent costs and borrowing costs for long-term construction projects are recognised only if the recognition criteria are met. When significant components of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Though the Group measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

f) Segment reporting

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

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

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

g) Foreign currency translation

Functional and presentation currency

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

Foreign currency transactions and balances

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

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

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

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

h) **Impairment of non financial assets**

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

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

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

i) Impairment of financial assets

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

j) Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The real estate development projects undertaken by the Group run over a period ranging upto 5 years or such extended period. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of upto 5 years or such an extended period. Borrowings in connection with such projects are classified as short-term (i.e current) since they are payable over the term of the respective projects.

Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realized / are contractually repayable within 12 months from the Balance Sheet date and as non-current, in other cases.

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

k) Fair value measurement

The Group measures financial instruments, such as Investments at fair value at each Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

► In the principal market for the asset or liability, or
► In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Group.

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

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

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

l) **Financial instruments**

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

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortized cost
A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss.

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

Equity investments in joint ventures
The Group has availed the option available in Ind AS 27 to carry its investment in joint ventures at cost. Impairment recognized, if any, is reduced from the carrying value.

Derecognition

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.
The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

m) Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
Gains or losses on liabilities held for trading are recognized in the profit or loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.
Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

n) **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

o) Borrowing costs

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalized until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for inventorisation/ capitalization are charged to statement of Profit and Loss.

p) Cash and cash equivalents

Cash and cash equivalents for the purposes of Cash Flow Statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less , which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal usage.

q) **Retirement and other employee benefits**

Retirement benefit in the form of provident fund is a defined contribution scheme and the contributions are charged to the statement of Profit and Loss of the year when the contributions to the provident fund are due. There are no other obligations other than the contribution payable to the government administered provident fund.

Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end. The cost of providing benefits under gratuity is determined on the basis of actuarial valuation using the projected unit credit method at each year end.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group does not have any carry forward of unutilized leave balance.

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period for which the services are rendered by the employee.

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r) Provisions

A provision is recognized when the group has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each Balance Sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, increase in the provision due to the passage of time is recognized as a finance cost.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

s) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

t) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

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u) Taxes

Tax expense comprises of current and deferred tax.

Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred income tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets and liabilities are recognised for all taxable temporary differences, except:

> In respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Minimum Alternative Tax (MAT) may become payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular corporate tax payable in subsequent years, as per the provisions of Income Tax Act. MAT paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of MAT under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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v) Land

Advances paid by the Group, except for acquisition of fixed assets/ investment properties, to the seller/ intermediary towards outright purchase of land is recognized as land advance under loans and advances during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Group, whereupon it is transferred to work in progress. Deposits paid by the Group to the seller towards right for development of land in exchange of constructed area are recognized as land advance under loans and advances, unless they are non-refundable, wherein they are transferred to work-in-progress or capital work in progress on the launch of project.

Land/ development rights received under joint development arrangements is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. Further, non-refundable deposit amount paid by the Group under joint development arrangements is recognized as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress.

w) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to NEL's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the company has concluded that no material changes are required to lease period relating to the existing lease contracts

Group as a lessee

At the commencement date, a lessee shall recognise a right-of-use asset at cost and a lease liability at the present value of the lease payments that are not paid at that date for all leases unless the lease term is 12 months or less or the underlying asset is of low value.

Subsequently, right-of -use asset is measured using cost model whereas, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications. Finance charges are recognised in finance costs in the Statement of Profit and Loss, unless the costs are included in the carrying amount of another asset applying other applicable standards.

Right-of-use asset is depreciated over the useful life of an asset, if the lease transfers ownership of the asset to the lessee by the end of the lease term or if the cost of the right-to-use asset reflects that the lessee will exercise a purchase option. Otherwise, the lessee shall depreciate the right-to-use asset from the commencement date to the earlier of the end of the useful life of the right-to-use or the end of the lease term.

Group as a lessor

All leases as either an operating lease or a finance lease.
A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Operating leases-lease payments from operating leases are recognised as income on either a straight-line basis unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is dimished.
Finance leases- assets held under a finance lease is initially recognised in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease using the interest rate implicit in the lease to measure the net investment in the lease.

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x) Inventories

Direct expenditure relating to real estate activity is accounted to inventories. Other expenditure (including borrowing costs) during construction period are accounted to inventories to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

i) Work-in-progress: Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Work-in-progress is valued at lower of cost and net realizable value.

ii) Finished goods - Stock of Flats: Valued at lower of cost and net realizable value.

iii) Raw materials, components and stores: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

iv) Land stock: Valued at lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

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3 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires the Group to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Judgements

In the process of applying the accounting policies, the group has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

i) **Going concern**

These consolidated financial statements have been prepared on a going concern basis notwithstanding accumulated losses as at the Balance Sheet date and a negative net current assets situation.

These consolidated financial statements therefore do not include any adjustments relating to recoverability and classification of asset amounts or to classification of liabilities that may be necessary if the Group is unable to continue as a going concern.

ii) Classification of property

The Group determines whether a property is classified as investment property or inventory as below.

Investment property comprises land and buildings (principally office and retail properties) that are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Group develops and intends to sell before or during the course of construction or upon completion of construction.

b) **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

i) Determination of Contract Costs

Cost of property units for which revenue is recognised on registration, is charged to the statement of Profit & Loss on the basis of an appropriate ratio of overall budgeted cost (as reviewed from time to time to closely approximate the actual cost) for the project as a whole since it is impracticable to track actual costs for each registerable unit of property. Significant judgement and estimation is involved in budgeting the overall cost of the project and in determining the ratio applicable to each registerable unit of property.

ii) Accounting for revenue and land cost for projects executed through joint development arrangements ('

For projects executed through joint development arrangements, as explained in note 2.2(a) under significant accounting policies, the revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under JDA is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the JDA (whether revenue share or area share) and the related cost that is allocated to discharge the obligation of the Group under the JDA. Fair value of the construction is considered to be the representative fair value of the revenue transaction and land so obtained. Such assessment is carried out at the launch of the real estate project and is not reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.

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iii) Estimation of net realizable value for inventory (including land advance)
Inventory is stated at the lower of cost and net realizable value (NRV).

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

iv) Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and market risk. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

v) Provisions and contingent liabilities

A provision is recognized when the Group has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which the reliable estimate can be made. Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements. A contingent asset is neither recognized nor disclosed in the financial statements.

vi) Estimation of uncertainties relating to the global health pandemic from COVID-19

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.

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4 **Property, plant and equipment**

	Leasehold improvements	Office Equipment	Computer	Furniture & fixtures	Vehicles	Total
Cost						
At 1 April 2019	21	70	34	50	91	265
Additions	-	0	1	-	-	1
Disposals	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
At 1 April 2020	**21**	**70**	**34**	**50**	**91**	**266**
Additions	-	1	3	-	-	4
Disposals	-	-	-	-	-	-
At 31 March 2021	**21**	**71**	**37**	**50**	**91**	**270**
Depreciation and impairment						
At 1 April 2019	21	33	23	25	58	160
Charge for the year	0	9	3	6	10	27
Disposals	-	0	-	-	-	-
Other adjustments	-	-	-	-	-	-
At 31 March 2020	**21**	**42**	**26**	**32**	**68**	**188**
Additions	0	4	2	4	8	19
Disposals	0	0	0	0	0	-
At 31 March 2021	**21**	**46**	**28**	**36**	**76**	**206**
Net Book value						
At 31 March 2021	**0**	**24**	**9**	**14**	**15**	**63**
At 31 March 2020	**0**	**27**	**9**	**18**	**23**	**77**

4a **Capital Work in progress**

	Investment property under construction	Property, Plant and Equipment	Total
Cost			
At 1 April 2019	41,628	-	41,629
Additions	8,835	-	8,835
Impaired during the year	36,645	-	36,645
At 31 March 2020	**13,819**	**-**	**13,819**
Additions	-	-	-
Impaired during the year	4,984	-	4,984
At 31 March 2021	**8,835**	**-**	**8,835**

Investment properties under construction

(i) The projects cost of Plaza, Soho and Chelsea represents fair value of land of Rs. 12,998/- Lakhs and development cost of Rs. 8,835/- Lakhs respectively. The Group has made provision on fair value of land fully amounting Rs 12,998/- in its books of accounts during the previous year as the Group has to exit the projects as per SARFAESI notice received from the bank and the property has permanently withdrawn from use and no future economic benefits are expected to be received. However, no provision has been made on development cost of the projects based on management's expectation to recover the said amount at the time of refund/sale of land on final settlement with land owners.

(ii) NIRPL Ventures Private Limited (Formerly known as Nitesh Indiranagar Retail Private Limited), which is a 100% subsidiary of NEL Holdings South Limited has investment in land and properties under construction which has been valued at fair value in the FY 2016-17, as per IND AS requirement. During the year ended March 31, 2020 and March 31, 2021 the Company has impaired its Land held under Joint Development Arrangement by Rs. 23,646.59 Lakhs and Rs.4,983.98 Lakhs.

5 **Intangible Assets**

	Computer Softwar	Goodwill	Total
Cost			
At 1 April 2019	56	2,755	2,810
Additions	3	0	3
Disposals			-
At 31 March 2020	**58**	**2,755**	**2,812**
Additions	-	-	-
Disposals	-	-	-
At 31 March 2021	**58**	**2,755**	**2,812**
Depreciation and impairment			
At 1 April 2019	46	2594	37
Charge for the year	4	161	165
Disposals			-
Other adjustments		-	-
At 31 March 2020	**50**	**2,755**	**2,805**
Charge for the year	4	-	4
Disposals	-	-	-
At 31 March 2021	**54**	**2,755**	**2,809**
31 March 2021			
31 March 2020			

(i) The [illegible]p net worth has fully eroded and investment in subsidiaries has been provided fully. Hence the goodwill araises for initial investment subsidiaries no more exists.

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6 Investments

	Current		Non-current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Investments in Association of Persons				
Whitefield Housing Enterprises (Formerly known as Nitesh Estates – Whitefield)	-	-	1,008	1,008
Total	**-**	**-**	**1,008**	**1,008**
Aggregate amount of quoted investments	-	-	-	-
Market value of quoted investments	-	-	-	-
Aggregate amount of unquoted investments	-	-	1,008	1,008
Aggregate amount of impairment in the value of investments	-	-	-	-

₹

7 Inventories

	31-Mar-21 ₹	31-Mar-20 ₹	31-Mar-21 ₹	31-Mar-20 ₹
Land held under joint development arrangements*	64,137	85,089		
Land under work in progress	5,345	6,223		
Properties under development	50,408	62,333		
Finished goods	2,025	9,599		
	121,915	**163,244**	**-**	**-**
Less: Impairment of Properties under Development	(1,742)	(1,742)		
	120,173	**161,502**	**-**	**-**

*includes payable to landowner for land under Joint Development Agreement (JDA) amounting Rs 64,137/- Lakhs (PY - 85,089 Lakhs)which is payable to land owners and disclosed in note no 17 under the head "Consideration under JDA towards purchase of land".

8 Deferred tax Assets/(liabilities)- (Net)

	Current		Non Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Deferred tax liabilities				
a) Revenue recognition under gross accounting method	-	-	129	129
b) Others	-	-	46	-
Gross deferred tax liabilities (A)	**-**	**-**	**175**	**129**
Deferred tax assets				
a) Depreciation and amortization	-	-	-	48
b) Leave encashment and gratuity - deductible on payment	-	-	-	83
c) Provision for advances	-	-	-	454
d) Others	-	-	294	44
e) Other Subsidiaries	-	-	-	7,491
Gross deferred tax assets (B)			**294**	**8120**
Total	**-**	**-**	**119**	**7,991**

8a The Group has not recognised Deferred Tax Assets during the year and further has written off the Deferred tax assets amounting to Rs. 7,871 Lakhs as it is not probable that taxable profit will be available against which the said deferred tax asset can be utilised.

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9 Trade receivables

	Current		Non-current	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
Trade Receivables considered good - Secured;	753	1,160	-	-
Trade Receivables considered good - Unsecured;	470		-	-
Trade Receivables which have significant increase in Credit Risk; and	-	-		
Trade Receivables - credit impaired	6	6		
	1,229	1,166	-	-
Less: Loss allowance expected credit loss	6	6	-	-
Total	**1,223**	**1,160**	**-**	**-**

10 **Loans**

	Current		Non-current	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
Security Deposit -others	20	20	88	87
*Refundable deposits under joint development agreements	4024	4716	-	-
Interest accrued on deposits	-	3	-	-
Total	**4,044**	**4,739**	**88**	**87**

*Advances paid by Group to the land owners towards joint development of land is recognized as deposits since the advances is in the nature of refundable deposit.
During the year the Group has transferred Refundable Security Deposits amounting to Rs. 801 lakhs pertaining to Projects sold during the year. (Refer Note 47)

11 Other Assets

	Current		Non-current	
	31-Mar-21	**31-Mar-20**	**31-Mar-21**	**31-Mar-20**
I) Unsecured, Considered good				
Advances paid towards Joint Development (Refer Note 11(i) to (iii) noted below)	22,205	45,580	-	-
Less: Expected Credit Loss Allowance against Advances (Refer Note 11(i) noted below)	7,128	25,320	-	-
	15,077	**20,259**	**-**	**-**
Unsecured, considered doubtful				
Advance paid for purchase of property and Transferable Rights	1,432	98	-	-
Less: Expected Credit Loss Allowance against Advances	1,432	98	-	-
	-	**-**	**-**	**-**
II) Others				
Vendor advances			-	-
- To related parties	3,056	144		
- To others	7,467	8,088		
Less: Allowance for doubtful debts/advances	(226)	(160)		
Prepaid expenses - NFA	13	19	-	-
Advances for supply of goods and rendering of services				
- To related parties	117	120	-	-
- To others	286	525	-	-
Balances with government authorities	1,816	1,686	-	-
Advance Income Tax (Net of Provision, TDS Receivable)	333	605	-	-
Amount paid to Related Parties	168	3,669		
Security Deposits	4	4	39	39
	13,034	**14,701**	**39**	**39**
Total	**28,111**	**34,961**	**39**	**39**

i) The Group had advanced Rs. 25,222/- Lakhs to Somerset Infra Projects Private Limited and Rs. 4,434 Lakhs to Boulevard Developers Private Limited for acquiring land /immovable property under Joint Development. Considering the timelines as per joint development Agreements ranging between seven to ten years for the recoverability/conversion, the necessary provision were made amounting to Rs. 28,356/- Lakhs by the management in the books of account on the basis of life time expected credit loss. However, during the year the company has written off such advances to the extent of Rs. 22,660/- Lakhs pertaining to Somerset Infra Projects Private Limited owing to non recoverability of the same after due approval from the Board of Directors and the Members of the holding company.

ii) Consist advance given by the Group to Winter Lands Pvt Ltd amounting Rs. 5902/- Lakhs for acquiring various immovable properties. Provision against the said advance has not been made since Winter Lands has sought to transfer its JDA rights in Project at Commissariat Road to the extent of 30,000 Sq feet to the Group by way of Memorandum of Understanding (MOU).

iii) Advances for land though unsecured, are considered good as the advances have been given based on arrangements/ memorandum of understanding executed by the Company and the Company/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation.

iv) The Group has granted unsecured loans and advances in the ordinary course of business to its related parties for furtherance of the business objectives of the group Companies as a whole. Such advances given to relative parties is part of business policies and not prejudicial to the interest the Group.

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12 Cash and cash equivalent

	31-Mar-21	31-Mar-20
Balances with banks		
- On current accounts [Refer Note No. 12(i) to (iv) below)	119	123
Cash on hand	3	16
Total	**122**	**140**

(i) The Assisstant PF Commissioner (Compliance), Bengaluru (M), had issued order of attachement dated 20/03/2020 for the default in Provident Fund Contributions of Rs. 19.95 lakhs under Section 8F of the Employees' Provident and Miscellaneous Provisions Act, 1952. In this regard, the PF Authority has frozen Corporation Bank Account.
(ii) The Deputy Commissioner of Commercial Tax,D.C.C.T / Audit - 1.8, T.161/2018-19, DVO-1 Yeshawantapur, Bengalore, has issued Demand Notice dated 03/08/2018 for payment of Tax under KVAT ACT 2003 amounting to Rs 960 Lakhs including interest of Rs 182 Lakhs. For non-payment of demand as stated above the tax authority has frozen the following Bank accounts of the Company.
(iii) The Officer-in-charge of Shakespeare Sarani Police Station, Kolkata has frozen below mentioned account for the purpose of investigation by issuing notice to then bank under section 102 of the code of criminal procedure,1973.
(iv) The Deputy Commissioner of Commercial Tax,D.C.C.T (A&R) - 1.8, DVO-1 Yeshawantapur, Bengalore, has issued Demand Notice dated 22/10/2018 for payment of Tax under KVAT ACT 2003 amounting to Rs 327 Lakhs including interest of Rs 174 Lakhs and penalty Rs 14 Lakhs. For non-payment of demand as stated above the tax authority has frozen the Bank accounts.
(v) The Deputy Commissioner of Commercial Tax,(Audit) - 1.5, VAT Division-1, Bengaluru, has issued Demand Notice dated 11/06/2018 for payment of Tax under KVAT ACT 2003 amounting to Rs 101 Lakhs including interest of Rs 43 Lakhs and penalty Rs 5 Lakhs.

All the frozen bank accounts remained non-operational as on 31st March, 2021.

Banks	Balance as on 31st Mar, 2021	Authority	Balance as on 31st Mar, 2020	Authority
Axis Bank	2	VAT	2	VAT
Corporation Bank	0	VAT	1	VAT
HDFC Bank	10	VAT	10	VAT
Yes Bank	15	VAT	15	VAT
ICICI Bank	0	VAT	0	VAT
Corporation Bank	0	Kolkata PS	22	
Total	**28**		**50**	

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13 Share Capital

	31-Mar-21	31-Mar-20
Authorized		
150,000,000 (2020 : 150,000,000) equity shares of Rs 10 each	15,000	15,000
5,000,000 (2020: 5,000,000) 9% Non Cumulative Redeemable Preference Shares of Rs 10 each	500	500
Issued, subscribed and fully paid shares		
145,832,100 (2020: 145,832,100) Equity shares of Rs.10 each	14,583	14,583
Total issued, subscribed and fully paid share capital	14,583	14,583

(a) Reconciliation of the shares outstanding at the beginning and end of the reporting year

	31-Mar-21		31-Mar-20	
	No of Shares	₹	No of Shares	₹
Equity shares				
At the beginning of the year	145,832,100	1,458	145,832,100	1,458
Issued during the year	-	-	-	-
Outstanding at the end of the year	145,832,100	1,458	145,832,100	1,458

(b) Rights, preferences and restrictions attached to equity shares

The Holding Company has only one class of equity shares having a par value of Rs 10 each. Each holder of equity shares is entitled to one vote per share. The Holding Company declares and pays dividend in Indian rupees. The dividend proposed by the board of directors is subject to the approval of the shareholders in the ensuing Annual General meeting.

In event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

	31-Mar-21		31-Mar-20	
	No of Shares	Holding percentage	No of Shares	Holding percentage
Equity shares of `10 each fully paid up				
Nitesh Shetty, Managing Director	65,340,228	45%	43,029,295	30%
Nitesh Industries Private Limited	-	0%	18,070,276	12%
HSBC Bank (Mauritius) Limited	8,993,338	6%	9,200,189	6%

As per records of the Holding Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

d) There have been no buy back of shares or issue of shares pursuant to contract without payment being received in cash for the period of five years immediately preceding the balance sheet.

14 Other equity

	31 March 2021	- 31 March
RESERVES AND SURPLUS		
Securities premium	31,259	31,259
Retained earnings	(145,076)	(120,402)
	(113,817)	**(89,143)**
(A) RESERVES AND SURPLUS		
(a) Securities premium		
Balance at the beginning of the year	31,259	31,259
Less: Adjustment during the year	-	-
Balance at the end of the year	**31,259**	**31,259**

Security premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act.

(b) Retained earnings		
Balance at the beginning of the year	(120,402)	(71,923)
Profit/(loss) for the year	(24,807)	(71,898)
Other (Refer Note 14(i) below)	-	2,240
Other comprehensive income	133	96
Adjustment of earlier loss/(profit) on account of Investment impairment	-	21,084
Balance at the end of the year	**(145,076)**	**(120,402)**
Fair Value through Other Comprehensive Income - Equity Instrument		
Balance at the beginning of the year	-	(3,568)
Add: Changes during the year	0	3,568
Balance at the end of the year	**-**	**-**
other equity		

Note 14(i) The Group has transferred Rs NIL (PY - 2240/- Lakhs) during the year from retained earning to Deferred Tax Account for earlier adjustment of Deferred tax.

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15 Borrowings

Particulars	Effective interest rate %	Maturity	31-Mar-2021	31-Mar-2020
Secured Loans				
Current Borrowings				
Loan from Banks and Financial Institutions	Refer Note (iii) below	Refer Note (iii) below	72,586	96,177
18.5 % Non convertible, redeemable debentures			-	5,500
			72,586	101,677
Unsecured loans			1	1
Total current Borrowings			72,587	101,678

Note:

(i) The continous loss and liquidity constraints of the company lead to non-payment of principal and non-servicing of interest, resulting all the borrowing accounts are classified as Non Performing Assets (NPA) by the Banks/Financial Institutions:

a) The Group has signed and got in to a joint settlement memo in March 2020 for Rs. 1,300 Lakhs with M/s. Shriram City Union Finance Ltd (SCUF). Rs 1300 Lakhs against the total outstanding amount of Rs 1,879 Lakhs vide their Joint Memo reference I. R. No. 4285/2019 dated 03.03.2020 under certain terms and conditions as mentioned their in. The Group has so far paid Rs. 675 Lakhs and has found a buyer for Rs. 625 Lakhs. The matter is being currently heard in the debt recovery tribunal B'lore for closure of this matter and the extended time lines due to the Pandamic of Covid 19. SCUF has asked for additional interest for the delayed payment during pandemic period which the Company is in the process of negotiation.

b) YES Bank
On defaults in repayment of principal amounts and interest along with other charges in respect of credit facilities availed, the YES Bank Limited under the circumstances has called upon the demand of outstanding amount of Rs 75,894 Lakhs, together with interest and other charges vide multiple demand notices with reference no. YBL/CFUIBBANGALORE/2019-20/April/June/5 dated 18.06.2019, YBL/CFUIBBANGALORE/2019-20/April/Nitesh/1 dated 12.04.2019 and YBL/CFUIBBANGALORE/2019-20/Nitesh/June/2 dated 10.06.2019. If the Group fails to make the payments as aforesaid, the bank shall be constrained to take such steps and measures as may be permissible under law for recovery of all the monies due and payable by the Group at its own risk as to the costs and consequences thereof. The group is engaged in one time settlements and exits are happening, the bank is still legally pursuing recovery in the DRT, various court as well as litigation are pending under section 138. In addition to this, Bank has filed a police complaint in the jurisdictional station Bangalore. The Company's Legal team and Lawyers are contesting this legally.

The Group has been engaged with Yes Bank in relation to closure of Soho Loan or which Yes bank has principally agreed for a settlement of the said loan for Rs. 3,000 Lakhs. In view of this, Group has not recognized further interest and has also reversed an amount of Rs. 1,173 Lakhs towards accrued interest for FY 2020-21

c) HDFC Bank
HDFC bank has called upon the loan and issued notice under SARFAESI Act for recovery of their loan against the related projects.

d) Pursuant to one time settlement with IDFC, the Group has redeemed the debenture outstanding amounting to Rs. 5,500/- Lakhs and Interest outstanding Rs. 5,356/- Lakhs. As per the settlement the value of Interest amounting to Rs. 5,268/- Lakhs has been written back in the books. Consequently, the liability of the company of Rs. 10,856/- lakhs including interest which was outstanding has been settled.

ii) As on 31st March, 2021, the group has the following outstanding balance of borrowings from the various banks and financial institution:

Name of Bank	Principal Amount	Interest Amount provided in the accounts	Penal interest not provided in the accounts	Total
HDFC Limited	13,447	6,372	8,635	28,454
Shriram City Union Finance Ltd	929	-	296	1,225
Yes Bank	58,210	18,574	9,275	86,059
Total	**72,586**	**24,946**	**18,206**	**115,738**

(iii) Details of security and terms of loans and debentures

Particulars	Amount 31-Mar-21	Amount 31-Mar-20	Interest rate	Security details	Repayment terms
Loan from Financial Institutions	0	3100	Interest rate is based on the Corporate Prime Lending Rate (CPLR) plus / minus the spread that will be applicable from time to time on each disbursement. The banker's CPLR as on date of sanction was 17.55% per annum and the applicable rate for the said financial facility 13.30% per annum. The interest applicable as on date was 15.10%	i. Equitable mortgage of developer's share of unsold units in Nitesh Park Avenue admeasuring 0.62 acres. ii. Charge on developer's share of receivables from sold and unsold units. iii. Personal guarantee of Mr. Nitesh Shetty. iv. PDCs for repayment of Principal Rs. crores.	Repayment starts from the begining of 25th Month from the date of first disbursement in 31 equal monthly installments.
Loan from Financial Institutions	13447	22575	Interest rate is based on the Prime Lending Rate (CPLR) plus / the spread that will be applicable time to time on each disbursement. banker's CPLR as on date of sanction 17.65% per annum and the rate for the said financial facility was 15% per annum for 1st tranche & 13.60% 2nd tranche. The interest rate as on date was 15.30% per annum.	i. Equitable mortgage of developer's share of area of the following projects ; - Nitesh British Columbia - Nitesh Long Island ii. Personal guarantee of Mr. Nitesh Shetty. iii. PDCs for repayment of Principal Rs. 270 crores. iv. Demand Promissory Notes.	Repayment starts from the begining 37th Month from the date of disbursement in 40 equal installments.

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Loan from Financial Institutions	929	1379	16.50% per annum	i. First & exclusive charge by way of mortgage of 3 unsold units in Nitesh Logo aggregating to 16 659 sf area. ii. First & exclusive charge by way of Hypothecation if receivablesfrom the mortgages units. iii. Escrow of all cash flows, both present & future from the sale of the aforesaid property iv. Personal guarantee of Mr. Nitesh Shetty. v. Demand promisory note vi. Two UDCs for Principal and Interest payment of Rs. 18 Crores and 2.97 Crores. vii. Any other security as may be stipulated by our investment Committee and/or detailed in Definitive Agreements	The amount is repayable in 30 equal monthly installments starting from 19th Month to 48th Month
Loan from Financial Institutions	8469	8469	4.3% ('spread) over and above the Bank's yearly MCLR. The interest rate applicable as on date was 14% per annum.	i.Exclusive charge on JDA rights on the property situated at Commissariate Road (Total land area -89000 sft). ii. Exclusive charge on all borrower's share of development. iii. exclusive charge on borrower;s share of project receivables/cash flows. iv. Personal guarantee of Mr Nitesh Shetty. v. Blank ECS mandate duly signed.	Bullet repayment of entire amount at the end of 72 months
Loan from Financial Institutions	12740	12740	4.3% ('spread) over and above the Bank's yearly MCLR. The interest rate applicable as on date was 14% per annum.	i.Exclusive charge on JDA rights on the property situated at Ali Asker Road (Total land area 110000 sft). ii. Exclusive charge on all borrower's share of development. iii. Exclusive charge on all borrower's share of projects receivables/cashflows. iv. Personal guarantee of Mr Nitesh Shetty. v. Blank ECS mandate duly signed.	Bullet repayment of entire amount at the end of 72 months
18.5 % Non convertible, redeemable debentures	0	5500	18.50% per annum	i. First and exclusive charge by way of a mortgage by deposit of title deeds over the Logos & Virgin Island. ii. Escrow account in respect of the receivables from the projects Logos & Virgin Island. . iii. First and exclusive charge by way of hypothecation on the receivables in the projects Logos & Virgin Island . iv. Personal Guarantee of Mr.Nitesh Shetty in favour of the Debenture Trustee.	The amount is repayable in 21 equal monthly installments starting from July 15, 2016 to March 15, 2018
Term loans from banks	18,500	31,018	Base rate plus 3.50%.	i.Exclusive charge by way of registered mortgage on all present & future assets of the borrower, entire land, development rights and structures built thereon (both present & future). Current ongoing projects are Hyde Park, Columbus Square, Fisher Island, Melborn Park and Grand Canyon. ii. Exclusive charge on all borrower's share of project receivables/cashflows (both sold and unsold stock, present &future) along with escrow of gross sales proceeds. iii. Exclusive charge on the current assets, movable fixed assets and non current loan & advances of the borrower. YBL to have charge on all assets created out of loans and advances of the company. iv. Corporate Guarantee of Nitesh Limited v. Personal Guarantee of Mr Nitesh Shetty vi. DSRA of one quarter interest and one principal; DSRA for principal amount to created before 36th month from the date first disbursement.	Total door to door tenor of 72 months with 36 months of moratorium and 12 equal quarterly repayments over next 36 months

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Term loans from banks	18,500	18,184	Base rate plus 4.50%.	i. Registered mortgage on land, developments rights and structures built thereon (both present &future) of projects presently under development under NUDPL Viz Cape Cod, Palo Alto, Santa Clara and Melno Park. ii. Exclusive charge on all borrower's share of project receivables/cash flows (both sold and unsold stock, present &future) along with escrow of gross sale proceeds. (Sum of receivables from sold stock and value of unsold stock minus cost to be incurred on project will at any point in time provide min 1.5x cover. Value of unsold stock to be calculated basis prevailing market rate). iii. Exclusive charge on all current assets long term loans and advances and movable fixed assets (both present and future) of the borrower. iv. Corporate guarantee from Nitesh Estates Limited Mortgage will be created in favor of Security Trustee to be appointed for the facility v. Personal Guarantee of Mr. Nitesh Shetty vi. UDC's for repayment of Principal of Rs. 185 cr. and Blank ECS mandate duly signed	Total door to door tenor of 72 months with 36 months of moratorium and 12 equal quarterly repayments over next 36 months

Notes to the consolidated financial statements for the year ended March 31, 2021

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16 Other financial liabilities

	Current		Non-Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Payable to related parties	1,225	1,227	-	-
Other payables	-	3,933	-	-
Disputed Liability (refer note 16(i) below)	27,301	-	-	-
Disputed Liability - Others (refer note 16(ii) below)	213	-	-	-
Interest payable	94	34	-	-
Total	**28,833**	**5,194**	**-**	**-**

16(i) The Group has exited Knightsbridge, Park Avenue, Virgin Island and Napa Valley projects (refer note 47) and entered in to one time settlement with the lenders against loan outstanding for said projects. Accordingly the Group has classified Rs. 27,301 Lakhs 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 details for the same are provided below

Name of Financial Institution	Principal Amount	Interest Amount	Total
HDFC Limited	10,568	4,313	14,881
YES Bank	9,400	3,020	12,420
Total	**19,968**	**7,333**	**27,301**

16(ii) The Group has written back employee liability to the extent of Rs. 88.27 lakhs during the year due to certain contractual obligations and lock in periods not being honored. Also the Group has disputed a claim by vendor against a Performance bank guarantee recoverable to the extent of Rs. 125 lakhs.

17 Other Liabilities

	Current		Non-Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Consideration under JDA towards purchase of land (Refer Note 17(i) noted below)	64,137	85,089	-	-
Other advance received from related parties towards contract	-	432	-	-
Advance received from related parties	620	1,784	-	-
Advance received from customers for sale or maint. of properties	7,926	11,415	-	-
Contract Liability-Billings in excess of revenue (Refer Note 17 (ii) noted below)	41,100	54,078	-	-
Other statutory dues	4,392	4,356	-	-
Security Deposit	36	36	-	-
Other Payables	718	173	-	-
Accrued salaries and benefits	126	131	-	-
Total	**119,055**	**157,494**	**-**	**-**

17 (i) The Group has entered into the Joint Development Agreement (JDA) with land owners for development of the properties at its own cost of development and for the consideration of the land of the land owner, the Group shares the residential flats or revenue from the commercial property as per jointly agreed terms and conditions of the agreement. The land acquired by the Group from the land owner initialy recorded in the books of account at the estimated cost of construction for the share of the property to be handed over to land owner on completion of the construction/development of the property. Further the group has transferred the liability under such JDA to the extent of Rs. 19,759/- Lakhs pertaining to projects sold during the year (refer note 47)

17 (ii) Customerwise reconciliation "Billing in excess of revenue" is under process.

18 Provisions

	Current		Non-Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Provision for employee benefits				
Provision for gratuity	40	10	64	129
Provision for leave benefits	21	9	33	75
Provision for Impariment Loss on Investments	4,547			
	4,608	**20**	**97**	**204**

19 Current Tax Liability (net)

	Current		Non-Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Provision for income tax	591	487	-	-
	591	**487**	**-**	**-**

20 Trade payables

	Current		Non Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Trade payables				
(a) Total outstanding dues of micro enterprises and small enterprises (refer note 36 for details of dues to micro and small enterprises)	198	225	-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises				
- to related parties	452	572	-	-
- to others (Refer note (i)	36,644	34,216	-	-
	37,294	**35,013**	**-**	**-**

20(i) - Trade Payable others also includes salary payable of Rs. 430 lacs.

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21 Revenue from operations

	31-Mar-21	31-Mar-20
Revenue from operations		
Income from property development	2,077	
Sale of Flats	1,418	4,069
Sale of Projects	8,895	-
Building Maintenance income	92	96
	12,482	**4,165**

22 Other income

	31-Mar-21	31-Mar-20
Provisions no longer required written back (Refer note 11(i))	22,677	909
Miscellaneous Income	30	163
Income from sale of fixed assets	1	
	22,708	**1,072**

23 Land and construction cost

	31-Mar-21	31-Mar-20
Cost for sale of flats	3,689	6,904
Cost for sale of projects	8,012	
	11,702	**6,904**

23A Changes in Inventories of Finished goods, work in progress & Stock in Trade

Opening Inventory	161,502	170,809
Less: Adjustment/transferred of Inventory	41,963	13,862
Less: Closing Inventory	120,173	161,502
Change in Inventory	**(634)**	**(4,554)**

24 Employee benefits expense

	31-Mar-21	31-Mar-20
Salaries, wages and bonus	738	1,193
Contribution to provident and other fund	14	27
Staff welfare expenses	3	11
	755	**1,230**

25 Finance costs

	31-Mar-21	31-Mar-20
Interest expense (Refer note 25(i) noted below)	10,464	9,172
Interest on Debentur	510	
Processing charges and other charges (Refer note 25(ii) noted below)	2,084	468
Total finance costs	**13,058**	**9,640**

(i) Finance cost includes Rs 31 Lakhs (PY - Rs 47 Lakhs) "Interest on Micro Small and Medium Enterprises [MSME]" and Rs 63 Lakhs (PY - Rs 30 Lakhs) interest charged as per the orders passed by RERA.

ii) Processing fees pertaining to borrowings from banks and financial institution that was being amortized over the term, have been charged off during the year since such borrowing became payable on demand. (Refer to note 15(i))

26 Depreciation and amortization expense

	31-Mar-21	31-Mar-20
Depreciation of property, plant and equipment	19	27
Amortization of intangible assets	4	165
	23	**193**

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27 Other expenses

	31-Mar-21 ₹	31-Mar-20 ₹
Payment to Auditors - Refer note (i) below	22	26
Power and fuel	204	112
Rent (refer note (v) below)	120	214
Less: Waived off	(85)	
Rates and taxes (Refer note (ii) below)	426	2,595
Insurance	1	17
Building Maintenance Charges	29	31
Repairs and maintenance-Others	23	22
Office maintenance	1	19
Advertising and sales promotion	24	7
Travelling and conveyance	19	47
Communication costs	7	13
Printing and stationery	0	1
Director's sitting fees	22	23
Donation	64	-
Expected Credit Loss against advances (refer note 11(i))	22,660	703
Advances written off (refer note 11(i))	4,436	-
Legal and Professional Charges	208	199
Hire Charges	-	12
Security Charges	38	47
Interest and other charges	-	7
Bank charges	-	2
Allowance for Impairment on Investments (Refer note (iv) below)	219	2,372
Reversal of Cancellation charges	-	12
Miscellaneous expenses	121	113
	28,559	**6,592**

Note:

i) **Payments to auditors**

	31-Mar-21	31-Mar-20
As an auditor:		
Statutory Audit fees	15	17
Limited review fees	7	9
Reimbursement of expenses	0	1
	22	**27**

ii) Rates & Taxes of previous year includes VAT for the earlier years Rs. 510 Lakhs and interest provision on VAT payable amounting to Rs. 1,663 Lakhs.

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iii) Details of CSR expenditure:

The group has not provided for any Corporate Social Responsibility expenses, due to the absense of sufficient cash profits.

iv) a. During the year, The Group has impaired its investment in subsidiaries and associates based on 'Net Worth' as per the Balance Sheet Valuation as well as operating performance amounting to Rs. 219 Lakhs (PY - 630 Lakhs)

b. During the previous year, The Group has provided Rs.1,742 Lakhs during the year out of total development cost of Rs.3,325 Lakhs incurred for the project of "British Columbia" as the land has to be transferred to the land owner on closure/cancellation of the project. The management is expecting to recover the remaining balance of Rs 1,600 Lakhs included in WIP as on balance sheet date on sale/transfer of the said land under Joint Development Agreement(JDA).

v) The rent expense to be payable amounting to Rs. 85 lakhs has been waived off by the land owner due to adverse effect of Pandamic on the business.

	31-Mar-21 ₹	31-Mar-20 ₹
27A Exceptional Items		
Impairment Loss of Investment in subsidiary (refer note 27A(ii) below for PY)	39	20,547
Loss on sale of investments in Nitesh Residency Hotels Pvt Ltd (refer note 27A(i) below)	-	5,633
Impairement loss on CWIP-Investment properties under construction	-	36,644
Debentures written back (refer note 15(i) d)	(5,268)	-
Debentures interest written back (refer note 15(i) d)	(5,356)	-
Impairment of capital work in progress (refer note 4a(ii))	4,984	-
	(5,601)	**62,824**

i) During the previous year, Group has sold 8,22,52,406 number of shares to Bolgati Enterprises Private Limited a related party on a consideration of Rs.4,107 Lakhs by incurring loss of Rs.5,633 Lakhs as stated above.

ii) a. During the previous year the Group has provided for the total amortised cost of preference shares in subsidiary companies amounting Rs.1,568 Lakhs as on the balance sheet date due to negative net worth, negative operating performance and continous loss of subsidary companies.

b. During the previous year, The Group has fully impaired its investment in subsidiary companies based on negative net worth and operating performance as per the balance sheet valuation due to continous loss over the years.

Name of the Company	Amount
NIRPL Ventures Private Limited (Formerly known as Nitesh Indiranagar Retail Private Limited)	18,905
Courtyard Hospitality Private Limited (formerly known as Courtyard Constructions Private Limited)	74
Total	**18,979**

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28 Income tax

	31-Mar-21 `	31-Mar-20 `
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year	-	175
	-	175
Deferred tax:		
Decrease / (Increase) in deferred tax assets	7,874	2
(Decrease) / Increase in deferred tax liabilities	(2)	(4,017)
	7,872	(4,015)
Less : Recognised in OCI	13	
Relating to origination and reversal of temporary differences	7,859	(4,015)
Income tax expense reported in the statement of profit or loss	**7,859**	**(3,840)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020:

	31-Mar-21 `	31-Mar-20 `
Accounting profit before income tax	**(12,672)**	**(77,592)**
At India's statutory applicable income tax rate		
Non-deductible expenses for tax purposes:		
Adjustment on account of depreciable assets	47	-
Tax effect of amounts which are not taxable in calculating taxable income:		
Provision for doubtful debts	7,655	4
Adjustment in 43B	-	-
Other differences:		
Difference due to gross accounting	-	-
Other Adjustments	170	(4,019)
Recognised in OCI	-	-
	7,872	**(4,015)**

Reconciliation of deferred tax liabilities (net)

	31-Mar-21 `	31-Mar-20 `
Opening balance	(7,991)	(1,782)
Deferred tax (credit)/charge during the period recognised in Profit & Loss	7,872	(4,015)
Deferred tax (credit)/charge during the period recognised in OCI	-	-
Others		(2,194)
Closing balance	**(119)**	**(7,991)**

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30 Related Party Disclosure

(i) List of related parties

(a) Key Management Personnel of the company and close member of Key Management Personnel of the company

Nitesh Shetty [Chairman and Managing Director]
Jagdish Capoor[Independent Director] [Upto February 14th, 2020]
Ms. Dipali Khanna [Independent Director] [Up to , September 27th, 2020]
Mahesh Bhupati [Independent Director]
S. Ananthanarayanan[Additional Independent Director][From February,26th,2019]
Shantanu Consul[Additional Independent Director][From February,26th,2019 and upto August 01st, 2019]
Pradeep Narayan [Additional Director (from February 13, 2019)]
P C Ashok (Director)
L.S.Vaidyanathan [Executive Director]
Ashwini Kumar [Executive Director and Chief Operating Officer] [Upto February 24th, 2020]
Kamal Daluka [Executive Director & Chief Financial Officer] [Up to 30th November 2020]
Prasant Kumar[Company Secretary][From August 10th, 2018]
Rajeev Khanna [Director Finance & Chief Financial Office] [From June 21st, 2021]
Krishna Kumar N G [Director] [From November 11th, 2020]
Gayathri M N [Director] [From January 08th, 2021]

(c) Enterprises owned or significantly influenced by Key Managerial Person

Nisco Ventures Private Limited
Southern Hills Developers Private Limited
Nitesh Infrastructure and Construction
Figita Enterprises Private Limited (Formerly Nitesh Industries Pvt Ltd)
HISTANA MEDIA AND TRADING PRIVATE LIMITED (formerly known as Grass Outdoor Advertising Private Limited)
Pushrock Environment Private Limited
Nitlogis Private Limited (Formerly known as Nitesh Office Parks Pvt Ltd)
Nitesh Residency Hotels Private Limited
Bolgati Einterprises Private Limited
Orange Self Storage Private Limited

(ii) Transactions with related parties

Transactions with related parties	31/Mar/21	31-Mar-20
Rent paid		
Nitesh Infrastructure and Construction	64	202
Other Expenses		
Nitesh Residency Hotels Private Limited	3	7
Maintenance charges billed		
Nitesh Shetty	3	5
Nitesh Infrastructure & construction	12	11
Maintenance charges Received		
Nitesh Shetty	3	5
Nitesh Infrastructure & construction	22	9

Billed to Customer		
L S Vaidyanathan	32	105
Advances received from customers		
Pushrock Environement Private Limited	4	-
Pushrock Environement Private Limited-Plaza (17th floor, 1393.40 sqmr)	427	589
Nitesh Shetty	(2,822)	(722)
Nitesh Infrastructures & Contructions	-	117
Loans and advances received/(repaid)		
Nitlogis Private Limited (Formerly known as Nitesh Office Parks Pvt Ltd)	(19)	(48)
Figita Enterprises Private Limited (Formerly Nitesh Industries Pvt Ltd)	30	4
Orange Self Storage Private Limited	70	32
Managerial remuneration (Refer note 1 below)		
Nitesh Shetty	17	-
L.S.Vaidyanathan	33	99
Kamal Daluka	-	75
Prasant Kumar	18	21
Directors' sitting fees		
Jagdish Capoor	-	4
Ms. Dipali Khanna	6	10
S. Ananthanarayanan	11	8
Mahesh Bhupathi	1	1
Shantanu consul	1	1
Krishna Kumar N G	3	-
Sale of commercial unit	3	-
Orange Self Storage Private Limited		
Sale of Investment in NRHPL*		
Bolgati Enterprises Private Limited		
The no of 7,26,63,000 shares of Rs.5.27 Each.	-	3,830
The no of 95,87,405 shares of Rs.2.89 Each.	-	277

(iii) **Amount Outstanding as at Balance Sheet Date**

The following balances are outstanding at the end of the reporting period in relation to transactions

	31/Mar/21	31-Mar-20
Trade receivables(asset)		
Nitesh Infrastructure and Constructions	-3	8
Nitesh Shetty	0	0
HISTANA MEDIA AND TRADING PRIVATE LIMITED (formerly known as Grass Outdoor Advertising Private Limited)	5	5
L S Vaidyanatha - Columbus Square	24	24
Loans and advances to related entites(asset)		
Southern Hills Developers Private Limited	111	111
Nitlogis Private Limited (Formerly known as Nitesh Office Parks Pvt Ltd)	391	371
Whitefield Housing Enterprises (Formerly known as Nitesh Estates – Whitefield)	3,162	3,184
Loans and advances from related entites (liability)		
Nitesh Residency Hotels Private Limited	931	931
Nitesh Infrastructure and Constructions	-	7
Figita Enterprises Private Limited (Formerly Nitesh Industries Pvt Ltd)	-	29
Pushrock Environment Private Limited	-	156
Orange Self Storage Private Limited	-	35

Advance for construction / contract		
Nisco Ventures Private Limited	100	108
Unsecured Loans(liability)		
Nitesh Shetty	-	1
Trade Advances(asset)		
HISTANA MEDIA AND TRADING PRIVATE LIMITED (formerly known as Grass Outdoor Advertising Private Limited)	157	157
Trade payables(liability)		
Figetha Enterprises Private Limited (Formerly Nitesh Industries Pvt Ltd)	-1	29
Nitesh Infrastructure and Construction	153	86
Nitesh Residency Hotels Private Limited	155	152
Orange Self Storage Private Limited	-	32
Photo Concierge Private Limited	1	1
Other Advance from customers towards contract(liability)		
Nitesh Residency Hotels Private Limited	400	400
Unbilled Revenue		
Nitesh Residency Hotels Pvt. Ltd.	1,155	1,155
Advance from customers(liability)		
Whitefield Housing Enterprises (Formerly known as Nitesh Estates – Whitefield)	-	22
Nitesh Shetty	-	2,822
Pushrock Environment Private Limited	-	-4
L.S.Vaidyanathan - Napavalley	6	32
Managerial remuneration Payable		
Nitesh Shetty	4	21
L.S.Vaidyanathan	25	91
Kamal Daluka	-	34
Prasant Kumar	1	9
Directors' Sitting Fees Payable		
Jagdish Capoor	6	6
Ms. Dipali Khanna	16	11
Mahesh Bhupathi	1	1
Shantanu consul	0	0
S. Ananthanarayanan	12	7
Krishna Kumar N G	1	-

Terms and conditions of transactions with related parties

1) Remuneration paid to KMP includes perquisites evaluated as per Income tax Rules and excludes provision for/contribution to gratuity and unveiled leave which are based on actuarial valuation done on an overall group basis (cannot be individually identified) are excluded in the disclosure above. Further the remuneration to KMP excludes accrual for bonus/incentives which is considered in the year in which the same is actually paid out.

2) The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

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31 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Particulars	Wednesday, March 31, 2021		Tuesday, March 31, 2020	
	Fair value through OCI	Amortised Cost	Fair value through OCI	Amortised Cost
Financial assets				
Investments Measured at Fair Value through OCI	1,008		1,008	
Trade receivables		1,223		1,160
Cash and Cash Equivalents		122		140
Loan		-		4,822
Other Financial Assets		4,044		3
	1,008	**5,389**	**1,008**	**6,125**
Financial liabilities				
Measured at amortised cost				
Current borrowings		72,587		101,678
Trade payables		37,294		35,013
Other current financial liabilities		28,833		5,160
		138,714		**141,851**

Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

The Group does not enters into any derivative financial instruments like foreign exchange forward contracts, futures , options etc, which employs the use of market observable inputs. Further, the carrying amount is a reasonable approximation of fair value for all other financial instruments such as short-term trade receivables and payables.Hence no fair value hierarchy disclosures has been provided.
There have been no transfers between the levels during the period.

The details of fair value measurement of Group's financial assets/liabilities are as below:

Particulars	Level	31-Mar-2021	31-Mar-2020
Financial assets/liabilities measured at fair value through OCI:			
Investment in equity instruments of Other company	3	1,008	1,008

The management assessed that the carrying values of cash and cash equivalents, trade receivables, deposits, trade payables, borrowings and other financial assets and liabilities approximate their fair values largely due to the short-term maturities.

The following methods and assumptions were used to estimate the fair values:

In absence of audited financial statements for the current year,the fair value of unquoted equity shares have been estimated using Net Assets Value Model, based on the last year financials.
Management has considered cost value of investment in Association of Person (AOP), Nitesh Estates- Whitefield Rs 1008 Lakhs as fair value due to current financial situation of AOP.
The valuation requires Management to make certain assumptions about the model inputs, including forecast cash flow, discount rate, credit risk and volatility. The probabilities of the various estimates within the range can be reasonably assessed and are used in Management's estimates of Fair value for the unquoted investments.

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32 Gratuity and other post-employment benefit plans

Particulars	Current		Non-current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Defined Benefit Plan				
Gratuity - Funded	-	10	-	129
Gratuity- Unfunded	40	-	64	-
Leave Encashment	21	9	33	75

The Group has a defined benefit gratuity plan (funded). The Group's defined benefit gratuity plan is a final salary plan, which requires contributions to be made to a separately administered fund.

a) Gratuity Fund Status

Upto September 30, 2018 the Group operates defined gratuity plan for its employees. Under the plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service.The scheme is funded with an insurance company in the form of qualifying insurance policy.
As at March 31, 2021 the Gratuity plan of the group is unfunded.The company is only making book provisions for the entire Gratuity Liability on the valuation and follows a pay as you go" system to meet the liabilities as and when they fall due. Therefore the scheme is fully unfunded, and no assets are maintained by the group and asset values are taken as zero; there is liquidity risk in that they may run out of cash

b) Cost of Long term benefit by way of accumulated compensated absence arising during the service period of employees is calculated based on cost of service and the pattern of leave availment. The present value of obligation towards availment under such long term benefit is determined based on the actuarial valuation carried on by an Independent Actuary using projected limit credit method as at the close of accounting period. The Company is providing liability as per actuarial valuation in its books of account as the plan is not funded.

The following tables summarize the components of net benefit expense recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for the respective plans:

i. Changes in the defined benefit obligation and fair value of plan assets as at March 31,2021 :

		Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
Particulars	01/04/2020	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31/03/2021
Defined benefit obligation	139	27	12	39	0	0	2	5	(66)	(60)	0	118
Fair Value of plan asse	1	0	0	0	0	(1)	0	0	0	(1)	0	0
Benefit liability	**138**	**27**	**12**	**38**	**0**	**1**	**2**	**5**	**(66)**	**(59)**	**0**	**118**

ii. Changes in the defined benefit obligation and fair value of plan assets as at March 31, 2021 :

		Gratuity cost charged to profit or loss				Remeasurement gains/(losses) in other comprehensive income						
Particulars	30/09/2018	Service cost	Net interest expense	Sub-total included in profit or loss	Benefits paid	Return on plan assets (excluding amounts included in net interest expense)	Actuarial changes arising from changes in demographic assumptions	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in OCI	Contributions by employer	31/03/2020
Defined benefitobligat	183	50	16	66	-	0	2	8	(119)	(109)	-	139
Fair Value of Plan Asse	10	0	0	0	-	(5)	0	0	0	(5)	0	0
Benefit liability	**173**	**50**	**16**	**66**	**-**	**5**	**2**	**8**	**(119)**	**(105)**	**-**	**139**

iii. The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Group's plans are shown below:

Particulars	31-Mar-21	30-Sep-18
Discount rate	6.83%	8.10%
Future salary increases	6.00%	6.00%
Attrition Rate	5.00%	2.00%
Expected rate of return of assets	-	-
Mortality	Indian assured lives mortality(2012-14) (Ultimate	Indian assured lives mortality(2006-08) (modified
Withdrawal rate	5.00%	1%-2%

iv. A quantitative sensitivity analysis for significant assumption as at March 31,2021 is as shown below:

	3/31/2021						3/31/2020					
Asssmumtions	Discount Rate		Salary Growth Rate		Attrition Rate		Discount Rate		Salary Growth Rate		Attrition Rate	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Sensitivity Level	+100 basis point	-100 basis point	+100 basis point	-100 basis point	+100 basis point	-100 basis point	+100 basis point	-100 basis point	+100 basis point	-100 basis point	+100 basis point	-100 basis point
Impact on defined benefit obligation - Gratuity	-6.79%	7.72%	5.92%	-5.27%	0.77%	0.87%	-6.90%	7.84%	5.81%	-5.81%	0.69%	-0.78%

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key

v. The following payments are expected contributions to the defined benefit plan in future years:

Particulars	31-Mar-21 `	31-Mar-20 `
Year 1	6	5
year 2	6	4
year 3	9	6
year 4	5	6
year 5	9	4
year 6 to 10	45	28
Above 10 years	97	34
Total expected payments	**176**	**88**

The defined benefit obligations have the undermentioned risk exposures-

Interest rate risk : The defined benefit obligation calculated uses a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

Salary Inflation risk : Higher than expected increases in salary will increase the defined benefit obligation.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

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33 Segment information

Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Board of Directors of the Holding Company is identified as the Chief Operating Decision Maker ("CODM"), CODM evaluates the performance of the group based on the below operative segment for the purpose of allocation resources and evaluating financial performance.

The Holding Company is domiciled in India. The amount of its revenue from external customers broken by location of the customers is shown in the table below. There are no material assets held by the Holding Company outside India.

The Operative segment comprises of the following:
1) Residential,
2) Retail

	For the year ended 31st march, 2021			For the year ended 31st march, 2020		
Particulars	**Residential**	**Retail**	**Total**	**Residential**	**Retail**	**Total**
Segment Revenue:						
External Customers	12,482	-	12,482	4,165	-	4,165
Inter-segment revenue	-	-	-	-	-	-
Total Revenue	**12,482**	**-**	**12,482**	**4,165**	**-**	**4,165**
Segment Results:						
Profit/(loss) before tax and interest	(22,322)	-	(22,322)	(69,024)	(3,331)	(72,355)
Add: Other Income (including interest income)			22,708			1,072
Add: Share of profit/(loss) from associate			-			-
Less: Finance cost			(13,058)			(9,640)
Less: Other unallocated expenditure			-			
Profit/(Loss) before tax	**(22,321)**		**(12,671)**	**(69,024)**		**(77,591)**
Segment Assets	101,158	7,918	109,075	162,860	7,918	170,778
Unallocated			54,755			54,755
			163,830			**225,533**
Segment Liabilities	188,330	6,039	194,369	225,357	6,039	231,396
Unallocated			68,695			68,695
			263,064			**300,091**
Capital Assets Purchased*	4		4	1		1
Depreciation and amortization:	23		23	42		42

* Capital expenditure consists of addition of property, plant and equipment, investment property, intangible assets, intangible assets under

Segment Policies:

1) Segment revenue and expenses are directly attributable to the segment except for certain expenses which are in the nature of common expenses. Common expenses have been allocated to the business segments on a reasonable basis.

2) Segment assets and liabilities include all operating assets and liabilities used by a segment.

Revenue from external customers
India
Rest of the world

The revenue information above is based on the locations of the customers.

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34 Earnings per share ['EPS']

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity Shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	**31-Mar-2021**	**31-Mar-2020**
Profit after tax attributable to shareholders	(20,514)	(71,898)
Weighted average number of Equity Shares outstanding during the year	145,832,100	145,832,100
Effect of dilution:	-	-
Weighted average number of Equity Shares	145,832,100	145,832,100
Loss per share ['EPS']	-14.07	-49.30

35 Contingent liabilities

A.The Group have the following Contingent liabilities on the reporting date in respect of:

(i)(a). Claims against the Group pending applellate/judicial decision not acknowledged as debts:

Particulars	**31-Mar-2021**	**31-Mar-2020**
Claims against the Group not acknowledged as debts in respect of		
- Income-tax	818	741
- Service tax	4	1778
- Karnataka Value Added Tax	1,450	4472

(i)(b). Following is the summary of financial exposure of cases filed against the group by customers,vendors and other business associates:

Customers-		
a. Seeking Possession of Property	6,466	758
b. Seeking Refund	0	5237
c. Seeking Reimbursement of Pre - EMI	201	317
Vendors-		
a. Seeking Recovery of Dues	216	214
b. Contractor dispute case	11	11
Lenders		
- Penal interest on loan outstanding	17,196	7,185
	24,090	13,722

B.Commitments
(a) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	**31-Mar-2021**	**31-Mar-2020**
Estimated amount of contracts remaining to be executed on projects (net of advances) and not provided for	28,082	45,007

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Notes :

a. The Group has entered into various joint development agreements wherein, on completion of all obligations of the land owner and possession of land to the Group, the Group is required to construct and develop the entire property and hand over an agreed proportion of the built up area to the land owner as a consideration for the undivided share in land transferred to the Group.

b. The Group has provided support letters to subsidiary companies wherein it has accepted to provide the necessary level of financial support to enable the company to operate as a going concern and meet its obligations as and when they fall due.

36 Disclosure as required under Micro Small and Medium Enterprises Act , 2006(MSME Act)

Particulars	31-Mar-2021	31-Mar-2020
(i) The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year.		
Principal amount due to micro and small enterprises	197	226
Interest due on above	152	120
(ii) The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the beyond the appointed day during each accounting year.	0	0
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	32	42
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.	152	120
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid.	0	0

Note :The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 is disclosed to the extent such parties have been identified on the basis of the information available with the company. Interest is not provided for the claims which are under dispute.

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37 Capital management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Holding Company. The primary objective of the Group's capital management is to maintain strong credit rating and heathy capital ratios in order to support its business and maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio minimal. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations. Further, advances received from customers pursuant to agreements, wherein the Group has committed prescribed return to customers contingent on exercise of the option given to such customers on expiry of the prescribed time period, including the amount of such return accrued by the company using effective interest method has been considered as part of net debt by the Group.

	31-Mar-2021	31-Mar-2020
Borrowings	72,587	101,678
Trade payables	37,294	35,013
Other payables	28,833	5,194
Less: Cash and cash equivalents	(122)	(140)
Net debt (A)	**138,591**	**141,745**
Equity	(99,234)	(74,559)
Total capital (B)	**(99,234)**	**(74,559)**
Equity plus Net debt [C=A+B]	**39,357**	**67,186**
Gearing ratio [D=A/C]	352%	211%

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial

38 Financial risk management objectives and policies

The Group's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the acquisition and Group's real estate operations. The Group's principal financial assets include cash and cash equivalents, loans and unbilled revenue that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a financial risk committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The financial risk committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

i. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings. The sensitivity analyses in the following sections relate to the position as at 31 March 2020 and 31 March 2019. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt and derivatives.

The analyses exclude the impact of movement in market variables on: the carrying values of gratuity and other postretirement obligations; provisions; and the non-financial assets and liabilities of foreign operations.

The following assumptions have been made in calculating the sensitivity analysis:

1. The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2020 and 31 March 2019

ii. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/decrease in basis	Effect of profit before tax
March 31, 2021		
INR	+50	7
INR	-50	7

	Increase/decrease in basis	Effect of profit before tax
March 31, 2020		
INR	+50	5

iii. Credit risk
Financial Instrument and Cash Deposit

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and loans are given only within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Holding Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Holding Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2021 and 2020 is the carrying amounts.

iv. Liquidity risk
The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 1 year	2-3 years	More than 3 Years	Total
Year ended 31/03/2021					
Borrowings	72,587				72,587
Trade and other payables	24,946	12,348			37,294
Interest free security deposit from customer		36			36
Loan and advances from related parties repayable on demand		1,225			1,225
Other Payables		-			-
Year ended 31/03/2020					
Borrowings	101,678	-			101,678
Trade and other payables	23,643	11,370			35,013
Interest free security deposit from customer		36			36
Loan and advances from related parties repayable on demand		1,227			1,227
Other Payables		3,933			3,933

39 Financial instruments- accounting classification and fair value measurement

The carrying values of trade and other receivables, other assets, cash and short term deposits, tarde and other payables based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature or are re-priced frequently.

Group's assets and liabilities which are measured at amortised cost

Particulars	31st March 2021		31st March 2020	
	Carrying Value	Amortised Cost	Carrying Value	Amortised Cost
Financial Assets				
Trade Receivables	1,223	1,223	1,160	1,160
Cash and Cash equivalents	122	122	140	140
Bank balances other than cash and cash equivalents	-	-	-	-
Other Financial Assets	-	-	-	-
Security Deposits	4,044	4,044	4,739	4,739
	5,389	**5,389**	**6,038**	**6,038**
Financial Liabilities carried at amortised costs:				
Current borrowings	72,587	72,587	101,678	101,678
Trade payables	37,294	37,294	35,013	35,013
Other Financial Liability	28,833	28,833	5,194	5,194
	138,714	**138,714**	**141,885**	**141,885**

40 Recent Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020

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41 Group Information
The consolidated financial statements of the Group includes the following components:

(a) Subsidiaries

Name of the Entity	Principal Activities	Country of Incorporation /Principal place of business	% of equity interest held by the Group	
			March 31, 2021	March 31, 2020
NHDPL South Private Limited (Formerly NHDPL Properties Private Limited)	Real Estate Development	India	100% *	100% *
NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited)	Real Estate Development - Retail	India	100%	100%
NIRPL Ventures Private Limited (Formerly Nitesh Indiranagar Retail Private Limited)	Real Estate Development- Retail	India	100%	100%
Lob Property Management Private Limited	Property Management	India	100%	100%
Courtyard Hospitality Private Limited (Formerly Courtyard Constructions Private Limited)	Real Estate Development	India	100%**	100%**

* NEL Holds 89.9 % and NUDPL holds 10.1%
** NEL holds 50% and NUDPL holds 50%

(b) Associate
During the year, Group has reduced its investment in AOP - Nitesh Estates Whitefield from 24% to 18% as on 20th February, 2020. Accordingly, it has not been considered for consolidation.

42 Transition to Ind AS 115 "Revenue from contracts with customers"
a) Revenue disaggregation by various vertical as follows

Particulars	Year Ended 31st March, 2021	Year Ended 31st March, 2020
Segment Vertical		
Residential (Refer Note No 21)	12,482	4,165
Retail	-	-
Total revenue from operations	12,482	4,165
Timing of goods or service	-	-
Goods transferred at a point in time	12,482	4,165
Goods transferred over time	-	-
Total revenue from operations	12,482	4,165

b) (i) In the assessment of the group, there is no significant financing component in any of its contracts.
(ii) Revenue recognised during the year 2020-21 from performance obligations satisfied in the previous year is NIL

NEL Holdings South Limited (Formerly known as NEL Holdings Limited)
Notes to the consolidated financial statements for the year ended March 31, 2021
(All amounts in Indian Rupees Lakhs, except as otherwise stated)

43 Neither development activities nor sale of apartments is undertaken by the holding Company for its three residential projects (British Colombia, Hunter Valley, Chelse) launched in prior to the effective date of RERA Act. Pending approval of sanction plan and certificate of commencement as well as prevalent adverse market condition of real estate business, the holding company has not registered the said projects under RERA Act. However, discontinuation of one projects i.e Virgin Island out of the four has not been intimated to the RERA authority for necessary update.

The Holding Company has accepted working advance more than 10% of cost before RERA period in case of one residential project. Pending arbitration proceedings between the company and the landowner, the Company has decided to suspend the project on an intimation to Real Estate Regulatory Authority, Karnataka.

Group has collected advance amounting Rs 452/- Lakhs in respect of the said projects, it is in the process of refunding the same and which has been shown in "Note no 18 - Other liabilities" under "Advance received from customers for sale of properties".

44 The outbreak of COVID-19 pandemic has significantly impacted global businesses environment. The restriction of human movement through nationwide lockdown during the period from 27th March, 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 Group, The business of the Group has gone down drastically and the construction activities of the Group has been stopped due to non-availability of resources during lock down period. The Group has taken necessary steps to overcome the present situation by analysing various internal and external information inter-alia the assumptions relating to economic forecasts and future cash flows for assessing the recoverability of various assets and receivables viz, investments, contract and non-contract assets, trade and non-trade receivables, inventories, advances and contract costs as on the date of approval of these financial statements. The assumptions used by the group are being tested through sensitivity analysis and the company expects to recover the carrying amount of these assets and receivables based on the current indicators of future economic benefits. As the management is still assessing the impact of COVID-19 pandemic on the future period, the impact may be different from that estimated as at the date of approval of these financial statements and the Group will continue to closely monitor the material changes if any, to the future economic conditions.

45 Lease

The Group has adopted Ind AS 116 "Leases" w.e.f. 01.04.2019. The adoption of this standard did not have any impact on the standalone financial statements. Accordingly, disclosure requirements of this standard are not applicable to the Group.

46 Going Concern

The Group has incurred losses over the years resulting in negative net worth, negative working capital and negative cash flows. The Group has defaulted in payment of dues to banks, financial institutions and creditors etc. The adverse market environment and Government rules and regulations has slowed down the real estate business during the recent past. As a result, the Group has suspended the development of certain projects to cope-up with present market condition and to recover from the financial stress. Management believe that the real estate market will be improved on domestic as well as overseas demand on the change of public mind set as well as Government initiative to increase the public expenditure with parallel growth of economy. On the expectation of changing scenario the accounts of the Group have been continued to be prepared on going concern basis for the continuing operation and to realize the assets and discharge the liabilities under normal course of business. 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 managment with these exits of residential projects and the debt coming down, the company is hopeful of revival in the coming years.

47 Sale of projects

(i) The Group 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 Group 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 Group has exited Park Avenue 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 31st December, 2020 for an all inclusive value of not less than Rs. 35 Cr. RERA approval for this transfer has been obtained.

(iv) The Group has exited Napa Valley Project via Business Transfer Agreement (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 one time settlement of not less than Rs. 36 Cr on a principal amount of Rs. 130 crs. RERA approval for this project has been obtained in the name of M/s. True Blue Reality.

48 NIRPL Ventures Private Limited (Formerly known as Nitesh Indiranagar Retail Private Limited), which is a 100% subsidiary of NEL Holdings South Limited has entered into Joint Development Agreement with land owner dated 11th February, 2011 and paid a non-refundable deposit amounting to Rs. 10,550 Lakhs. As per the arbitration award dated 25th April, 2018, the subisidiary has been awarded a refund of Rs. 4,245 Lakhs from the respondent (land owners) out of the total non refundable deposit of Rs. 10,550 Lakhs along with interest @ 9% from the date of award to the date of actual payment. The Group has filed a writ petition before the Honorable City Civil Court, Bengaluru challenging the Arbitration award. The Honorable City Civil Court has granted a temporary injunction in favour of the Group.

The Group is showing the above deposit as Investment Property under Construction (Capital Work in Progress). The Group has accounted for impairment of the above Capital Work in Progress.

49 Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendment revised Division I, II & III of Schedule III and are applicable from April 1, 2021. The Group is evaluating the effect of the amendments on its financial statements.

50 Prior year comparatives

The figures of the previous year have been regrouped/reclassified/recast, wherever necessary, to conform with the current year's classification.

For **Ray & Ray**
Chartered Accountants

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

Annexure

FORM NO. AOC.1

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A": Subsidiaries

(All amounts in Indian Rupees Lakhs, except as otherwise stated)
(Information in respect of each subsidiary presented with amounts in Rs.)

1		1	2	3	4	5
2	**Name of the subsidiary**	**NHDPL South Private Limited (Formerly NHDPL Properties Private Limited)**	**NUDPL Ventures Private Limited (Formerly NUDPL Enterprises Private Limited)**	**NIRPL Ventures Private Limited (Formerly Nitesh Indiranagar Retail Private Limited)**	**Lob Property Management Private Limited**	**Courtyard Hospitality Private Limited (Formerly Courtyard Constructions Private Limited)**
3	The date since when subsidiary was acquired	24.09.2009	24.09.2009	18.12.2014	18.12.2014	12.07.2017
4	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	NA	NA	NA	NA	NA
5	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA
6	Share capital	500	658	6,991	30	1
7	Reserves & surplus	-41,326	-20,083	-10,180	-1,014	-48
8	Total assets	47,763	52,232	2,859	918	120
9	Total Liabilities	47,763	52,232	2,859	918	120
10	Investments	-	-	-	-	-
11	Turnover	5,018	-	-	92	-
12	Profit before taxation	-869	-3,535	-5,073	-210	-11
13	Provision for taxation	5,255	1,954	-5	-	-
14	Profit after taxation	-6,124	-5,489	-5,068	-210	-11
15	Proposed Dividend	-	-	-	-	-
16	% of shareholding	90	100	100	100	100

1 Names of subsidiaries which are yet to commence operations:
2 Names of subsidiaries which liquidated/sold during the year:

As per our report of even date attached

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

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

Shipra Gupta
Partner
Membership No. 436857
UDIN : 21436857AAAAAY7262

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Place: Bangalore
Date: 29th June, 2021

Rajeev Khanna
Director Finance &
Chief Financial Officer
DIN : 07143405

Prasant Kumar
Company Secretary

FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and rule 8(2) of Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act 2013 including certain arm's length transactions under third proviso there to

1	Details of contracts or arrangements or transactions not at arm's length basis	NIL
2	Details of material contracts or arrangement or transactions at arm's length basis	
	All such transactions are in the ordinary course of business	

As per our report of even date attached

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

Shipra Gupta
Partner
Membership No. 436857
UDIN : 21436857AAAAAY7262

Place: Bangalore
Date: 29th June, 2021

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

Nitesh Shetty
Managing Director
DIN: 00304555

L.S. Vaidyanathan
Executive Director
DIN: 00304652

Rajeev Khanna
Director Finance &
Chief Financial Officer
DIN : 07143405

Prasant Kumar
Company Secretary

Statements Based on the Standalone Ind-AS Financial Statements of the components of the Group

			ties), i.e., Total Assets minus		**Total Comprehensive Income for the year ended March 31, 2021**						**Total Comprehensive Income for the year ended March 31, 2020**					
			March 31, 2020		Share in Profit/ [Loss]		Share in Other		Share in Total Comprehensive		Share in Profit/ [Loss]		Share in Other		Share in Total Comprehensive	
	As % of net assets	Amount	As % of consolidated net assets	Amount	As % of Consolidated Profit/ [Loss]	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount	As % of Consolidated Profit/ [Loss]	Amount	As % of Consolidated Other Comprehensive Income	Amount	As % of Consolidated Total Comprehensive Income	Amount
	90%	-89,805	110%	-81,792	40%	-8,127	65%	86	39%	-8,041	139%	-101,477	99%	3,619	141%	-97,858
(Formerly Nitesh Indiranagar Retail	3%	-3,189	-3%	1,879	25%	-5,068	0%	-	25%	-5,068	27%	-19,739	0%	-	29%	-19,739
NHDPL Properties Private Limited)	41%	-40,826	47%	-34,745	30%	-6,124	32%	43	30%	-6,081	4%	-2,810	1%	37	4%	-2,773
	1%	-984	1%	-775	1%	-210	0%	1	1%	-209	0%	-117	0%	1	0%	-116
(Formerly NUDPL Enterprises Private	20%	-19,425	19%	-13,939	27%	-5,489	2%	3	27%	-5,486	2%	-1,692	0%	4	2%	-1,688
(Formerly Courtyard Constructions	0%	-47	0%	-36	0%	-11	0%	-	0%	-11	0%	-141	0%	-	0%	-141
		75	**173%**	**-129,408**	**122%**	**-25,028**	**100%**	**133**	**122%**	**-24,895**	**173%**	**-125,977**	**100%**	**3,660**	**177%**	**-122,317**
Elimination and Consolidation Adjustments	-55%	-55,040	-74%	-54,850	-22%	-4,513	0%	-	-22%	-4,513	-73%	-53,123	0%		-77%	-53,123
		35	**99%**	**-74,558**	**100%**	**-20,515**	**100%**	**133**	**100%**	**-20,382**	**100%**	**-72,854**	**100%**	**3,660**	**100%**	**-69,194**

Note

Note

As part of **GO GREEN** initiative and **SAVE PLANET EARTH**, the shareholders of NEL Holdings who have still not registered their email ids are hereby requested to register their email ids with their respective Depositories in their demat accounts in order to receive the soft copy of Annual Report by email

NEL

Holdings South Limited

NEL Holdings South Limited

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