

RAY & RAY

CHARTERED ACCOUNTANTS

824, 2nd Cross, 11th Main

HAL 2nd Stage, Indiranagar

Bengaluru - 560 008.

Tele : +91-41221758

E-mail: ray_ray@vsnl.net

Auditor's Report on the audit of the consolidated annual financial results of SATCHMO HOLDINGS LIMITED ("the group") with the last quarter financial results being balancing figures Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

INDEPENDENT AUDITOR'S AUDIT REPORT

TO

THE BOARD OF DIRECTORS OF SATCHMO HOLDINGS LIMITED

(Formerly known as NEL HOLDINGS SOUTH LIMITED)

Report on the audit of the Consolidated Financial Results

1. We have audited the accompanying Statement of Consolidated Annual Financial Results of SATCHMO HOLDINGS LIMITED ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") for the quarter and year ended March 31, 2023 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI Circular No CIR/CFD/CMD 1/44/2019 DATED March 29, 2019. The consolidated figures for the corresponding quarter ended March 31, 2022, as reported in these financial results have been approved by the Parent's Board of Directors and have been audited by us.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been compiled from the related consolidated financial statements which has been prepared in accordance with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India. Our responsibility is to



express an opinion on the Statement based on our audit of such consolidated financial statements.

3. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Parent's internal financial control with reference to the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

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

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

4. In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on separate financial statements of the Group, subsidiaries referred to in paragraph 6 below, the Statement:
 - a) includes the results of the following entities as subsidiaries of the Parent:
 - i. Northroof Ventures Private Limited (Formerly known as NHDPL South Private Limited);
 - ii. Marathalli Ventures Private Limited (Formerly known as NUDPL Ventures Private Limited);



- iii. LOB Facilities Management Private Limited (Formerly LOB Property Management Private Limited.
 - b) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
 - c) based on our audit conducted and procedures performed as stated in paragraph 3 above and based on the audited report of other auditor referred to in paragraph 6 below and the significance of matters stated in paragraph 5 below and its consequential impact on the audited consolidated financial results for the quarter and year ended March 31,2023, in our opinion, the statement read with notes thereon does not gives a true and fair view in conformity with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated total comprehensive income (comprising of net [profit/loss] and other comprehensive income/ loss) and other financial information of the Group for the year ended 31st March, 2023.
5. Attention is drawn of the following matters disclosed in the Notes of the statement which are subject matter of adverse conclusion given in paragraph 6 below:
- i) The Group has incurred losses over the years resulting in negative net worth, negative working capital and negative cash flows. The default in payment of dues to banks and financial institution and creditors etc. are the identified events that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.

The Group has transferred/sold certain projects through Memorandum of Understanding or Business Transfer Agreement and repaid some portion loans from banks and financial institution.

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

As the Group has not recognized this fact and has prepared the consolidated financial statements on going concern assumption basis without carrying out any adjustments, in our opinion, the consolidated financial statements may not give a true and fair view. (Refer to note no. 15 of the Statement)



- ii) 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, Yes Bank Limited ("Yes Bank") has absolutely assigned and transferred all the rights, title and interest in the financial assets pertaining to the Group together with the security created thereof in favour of J.C. Flowers Assets Reconstruction Private Limited (JCF ARC) vide assignment agreement executed in favour of JCF ARC, acting in its capacity as trustee of JCF YES Trust 2022-23/15 Trust ("JCF ARC") on December, 2022. No additional demand/notice has been received by the Group during the year. (Refer to note no. 6 of the Statement)
- iii) The Group has accounted Principal of Rs. 50,712 Lakhs, Accrued Interest of Rs. 16,478 Lakhs and Disputed Liability of Rs. 56,418 in its books of account as total outstanding to banks and financial institution as on 31st March, 2023. All the banks and financial institution have declared the outstanding loan accounts of the group as Non-Performing Accounts (NPA) in the earlier years. Pending confirmations and correspondence on 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 Group. (Refer to note 8 of the Statement)
- a. In relation to a loan taken from Yes Bank for the Commissariat Road (Soho) Project, the Bank has principally agreed for settlement of the loan for Rs. 3,000 Lakhs. The Group has not provided any further interest on this loan since April, 2020. Further, the Group had earlier written back accrued interest amounting to Rs. 1,443 Lakhs as income in the quarter ended September 30, 2021, has been reversed in the quarter ended March 31, 2022 and classified as Disputed Liability without any confirmation from the Bank in this regard. (Refer to note 12(ii) of the Statement).
- b. The Group has not provided interest for the loan outstanding from Yes Bank against the Plaza Project. Further, the Company has classified the interest outstanding as on March 31, 2022

- amounting to Rs. 3,728 Lakhs, to the extent allocated to the project, as a disputed liability without any confirmation from the Bank in this regard. (Refer to note 12(iii) of the Statement).
- c. During the previous year, the Group has sold/disposed two projects viz, Knightsbridge and Virgin Island and Napa Valley. The remaining balance of the term loan related to these projects amounting to Rs 23,822 Lakhs in respect of the borrowing from HDFC Limited had earlier been written back as income in the quarter ended June 30, 2021, has now been reversed in the quarter ended March 31, 2022 and classified as Disputed Liability disclosed under 'Other Financial Liabilities'. (Refer note to 12(i) of the statement).
- d. The Group has transferred the project "Nitesh Cape Cod", on an ongoing basis during the previous year through an unregistered Business Transfer Agreement. In this respect, the Group had borrowed Rs. 18,500 Lakhs from YES Bank for various projects including Nitesh Cape Cod. During the year, on receipt of Rs. 1132 Lakhs, charge created for the project 'Nitesh Cape Cod' was released by YES Bank Limited on a condition that the same shall not be construed as settlement of any kind. The Group has accounted for Rs. 5,363 Lakhs and Rs. 3,800 Lakhs respectively as disputed liability, being the estimated carrying value of borrowings and interest accrued thereon. (Refer note to 12(i) of the statement).
- e. During the year, the Group exited and transferred the Investment Property Chelsea to Landowners after converting the same into Inventory on payment of Rs. 1100 Lakhs to HDFC Ltd. by Landowners. Pursuant to this, HDFC Limited has released the charge created for the Chelsea project on the condition that the same shall not be construed as a settlement of any kind. The Company has accounted for Rs. 3,334 Lakhs and Rs. 3,280 Lakhs respectively as disputed liability, being the estimated carrying value of borrowings and interest accrued thereon. (Refer note to 10 of the statement).
- f. During the previous year the Group has exited 'Nitesh Melbourne Park', on an ongoing basis through Memorandum of Understanding. As explained to us, the sale consideration of the project has been fixed by the Group on the basis of market



realizable value. However, no document could be provided to us in this respect. Further, the Company is still under the process for execution of certain documents for disposal of the project.

Further, the charge created for the project 'Nitesh Melbourne Park' has been released by YES Bank Limited on a condition that the same shall not be construed as settlement of any kind. Consequently, the Group has accounted for Rs. 6,500 Lakhs and Rs. 5,147 Lakhs respectively, being the estimated carrying value of borrowings and interest accrued thereon as disputed liability in its books of account. (Refer to note 12 (i) of the Statement)

The basis and documentation for such non provisions of interest and classifications as a disputed liability was not made available for our verification.

The Group has already filed defense appeal before Debt Recovery Tribunal on 23.08.2021 against the borrowings from Yes Bank, for which, the final order has not yet received by the Group.

- vii) Inventories amounting to Rs 24,420 Lakhs (Net of "Payable to land owner for land under JDA") has not been tested impairment for ascertaining the realizable value as on 31st March, 2023. To the extent of any possible diminution of value not accounted for, the consolidated financial results may not give a true and fair view as per the requirement of Ind AS 2.
- viii) Year-end balance confirmation in respect of trade receivables, trade payables, vendor advances, advance from customers and other advances have not been provided for our verification and record for all the parties. 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.
- ix) 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, duty of custom, duty of excise, value added tax, Goods and Services tax, cess. The GST department has suo moto cancelled the GST registration of the Company on October 31, 2020. The Group also has a receivable balance of Rs.1,773 Lakhs and payable balance of Rs. 9,593 Lakhs (excluding interest) from various government authorities. Due to such



statutory non compliances, we are unable to comment on the actual recoverability and payment dues against such balances.

- x) The Company has an outstanding liability of Rs. 241 Lakhs towards employees payable as on 31st March, 2023. Due to the non-availability of additional information and aging, we are unable to comment on the applicability of related statutory compliances or on the requirement of any further provision.
- xi) As reported by other auditor of a subsidiary company Lob Property Management Private Limited:

a) Statutory Liabilities:

- i. The Company has been irregular in depositing undisputed dues with respect to TDS, ESI, PF, PT, Service Tax and GST and outstanding of such statutory liabilities as at 31st March 2023 as given below.

Nature of Dues	Amount (Figures in Rs.)
Tax Deducted at Source	2,56,384
Service Tax	83,94,250
Goods and Service Tax	39,12,409
Provident Fund	4,11,586
Professional Tax	12,600

- ii. The Company has not accrued for penalty/ late / Interest on defaults u/s 201 of Income Tax Act, 1961 for TDS liabilities (details in table above). As per details available on the website maintained by the Income Tax Department, this amount is approximately Rs.1,229 thousands till the financial year end 31st March 2023.

Summary of table give below:

Amount (Figures in Rs.)

Financial Year	Short Payment	Short Deduction	Interest on Payments default u/s 201	Interest on deduction u/s 201	Late filing fee u/s 234E	Interest u/s 220(2)	Total Defaults
2022-23	-	-	2,155	-	-	-	2,155
2021-22	-	-	4,254	-	31,800	-	36,041
2020-21	-	-	13,857	-	80,770	-	94,627
2019-20	-	-	1,677	-	14,995	-	16,672
Prior Years	6,306	83,528	1,65,027	3,830	7,82,515	37,927	10,79,133
Total	6,306	83,528	1,82,240	3,830	9,10,080	37,927	12,28,911

- b) We draw attention to note – of the Financial Statements where it is stated that the Company has deferred the revenue from operation on account of uncertainty and pending cases against the promoters of one of the Project NITESH LONG ISLAND. The amount received from the customers during the year pertaining to this project have been classified as advances received from customers. In the absence of adequate audit evidence, we are unable to quantify the revenue to be recognised in the statement of profit and loss and its consequent impact on the financial position.
- c) We have not received confirmation of balances with respect to Trade Payables, advance from customers or other balances received from Customers towards sinking fund, most of which has been outstanding from prior years. In the absence of adequate audit evidence, we are unable to determine the adequacy or inadequacy of such liabilities.
- d) We draw attention to note 30 of the Financial Statements wherein it is stated that the advance received from customers which includes Rs. 731.89 thousands which pertains to maintenance charges collected in advance for first year of maintenance as a part of the maintenance agreement. Further, during the year, the company has written back of Rs 11,190.61 thousands to the Statement of profit and loss and also the company transferred Rs. 4,653.52 thousands from advance from customer to sinking fund and other general ledgers. These amounts are to be recognized as revenue in respective financial year in which services has been rendered as per the maintenance agreements. Based on the information reviewed by us, from the projects for which such advances have been received have been completed and hence the amount of Rs.9,444.67 thousands may be required to be recognised as income in the previous years. In the absence of supporting evidence, we are unable to comment on the amount that needs to be recognized as income and therefore the balance that needs to be carried as liability.
- e) We draw attention to note 31 of the financial statements wherein it is stated that the Company has received amounts from customers for approved capital expenditures for projects under maintenance and accounted as sinking fund balance of Rs. 65,777 thousands. Over the years, the company has been utilizing this balance towards miscellaneous expenses pertaining to such projects, without adequate approvals and authorizations from customers. The Company does not have details of how much of this sinking fund balance is payable to customers or to be maintained towards future capital expenses. Additionally, the company transferred Rs. 4,653.52 thousands from advance from customer to sinking fund and other general ledgers during the



year which is included in the closing balance. Hence the adequacy of this liability cannot be ascertained.

6. We did not audit the financial statements and financial information of LOB Property Management Private Limited, a subsidiaries included in the consolidated financial results, whose financial statements and financial information reflect total assets of Rs. 626 Lakhs as at 31st March, 2023, total revenues of Rs. 220 Lakhs, total net profit after tax of Rs. 47 Lakhs, total comprehensive income of Rs. 48 Lakhs and cash flows (net) of Rs. 6 Lakhs for the year ended on that date, as considered in the consolidated financial results. That financial statements and financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph 3 above.

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

7. Attention is drawn of the following matters disclosed in the Notes of the statement as Emphasis Matters:
- a. During the previous year, the Holding Company has divested its shareholding in two subsidiaries NIRPL Ventures Private Limited (formerly known as Nitesh Indiranagar Retail Private Limited) and Courtyard Hospitality Private Limited (Formerly known as Courtyard Constructions Private Limited) to a private limited company to the extent of 85% and 100% of the shareholding respectively. The Group has provided certificates from the Practicing Company Secretary stating that after such divestments, these Companies shall no longer continue to be the subsidiaries of the Group as defined under section 2(87) of the Companies Act, 2013 and are not required to be consolidated under the Group.
- b. The Group has unsecured advance amounting to Rs. 10,311 Lakhs to WLM Logistics Parks Private Limited (formerly known as Winter Lands Private Limited) (WLM) for acquiring various immovable properties on behalf of the Company for which no Joint Development Agreement (JDA) could be produced to us. According to information and explanations given to us, WLM has settled all the advance by transfer of its JDA rights in the Project at Commissariat Road, Bengaluru, to the extent of 87,500 Sq. feet valued at Rs.10,311 Lakhs to the Group by way of Deed of Settlement.



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

In respect of the remaining balance of Rs. 728 Lakhs receivable, WLM has taken over this liability from Somerset and has subsequently assigned the rights of a certain villa in the project "True Blue Napa Valley" to the Company by way of MOU dated 12.08.2021.

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

- d. The outstanding balance of advances collected from customers in earlier years pertaining to closed/suspended residential projects, amount to Rs. 18 Lakhs as on March 31, 2023. Such advances are in the nature of deemed deposits under Rule 2(c) (xii) (b) of the Companies Acceptance of Deposit (Rules) 2014 and are within the purview of the provisions of sections 73 to 76 of the Companies Act, 2013 as on 31st March 23.
- e. The Company has not renewed the registration of project "Rio", "Hyde Park" and "Columbus Square" under the provisions of Real Estate (Regulation and Development) Act, 2016 since 31st March 2019, resulting in non-compliance under the relevant rules and regulations of the Real Estate (Regulation and Development) Act, 2016.
- f. During the year, the Group has impaired the entire amount of CWIP by providing further provision of Rs. 8,835 Lakhs towards the development cost of the projects namely Plaza, Soho and Chelsea on the basis of expected unrealizable amount from the landowner on final settlement of their dues on exit and cancellation of the JDA agreement or on handover to incoming developer.



Pursuant to the above, the Group has transferred Chelsea project to the landowner via a memorandum of settlement. Accordingly, the provision for impairment accounted in the books of account amounting to Rs. 3,177 Lakhs with respect to the Chelsea project has been written back.

However, cancellation agreement and release of charge etc. with respect to Plaza and Soho are yet to be executed by the Group.

- g. The Group is in process of reconciling "Billing in excess of revenue" to the extent of Rs. 212 Lakhs for one of the subsidiary companies. Further, an unreconciled difference of Rs. 113 lakhs has been written back pertaining to project Rio of its Holding Company in its books of accounts as on 31st March, 2023.
- h. According to the information and explanation provided to us, Gratuity plan of the Company is unfunded as at 31st March, 2023 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 a liquidity risk that the Company may run out of cash resources which may further affect the financial position of the Company.
- i. Certain Managerial personnel duly appointed by members have intimated the Board in the current year that they would be foregoing their remuneration retrospectively from their respective date of appointment in order to comply with the provisions of section 197(1) of the Companies Act, 2013 since lender's approval prior to such appointment was not obtained. Necessary approval from the Board is yet to be obtained in this regard.
- j. Contingent Liability as disclosed in the consolidated financial statements is based on management certification. 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.
- k. The Group has written off/ written back certain long outstanding dues in its books of accounts. Same is subject to ratification by the board. We have not been provided with any documents to support the entries passed.
- l. The Group has not complied with Ind AS 109 for the accounting of interest-free refundable security deposit.
- m. As stated in the consolidated financial statements, the Group has neither ascertained nor accounted for Deferred Tax Assets/ Liabilities during the year for uncertainty of the taxable profit against which the deferred tax assets can be adjusted/utilized in near future.

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



8. The Statement includes the results for the quarter ended 31st March, 2023 and the corresponding quarter ended in the previous year being the balancing figure between audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



Shipra
(Shipra Gupta)
Partner

Place: Bengaluru

Date: 28.04.2023

Membership No. 436857
UDIN: 23436857BGWXP9917

Satchmo Holdings Limited

(formerly known as NEL Holdings South Limited)

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

Statement of audited Consolidated financial results for quarter and year ended on March 31, 2023

(Rs in lakh except EPS)

No	Particulars	Quarter ended			Year ended	
		3 months ended 31-03-2023	Preceding 3 months ended 31-12-2022	Corresponding 3 months ended 31-03-2022	Year to date figures for current period ended 31.03.2023	Year to date figures for previous year ended 31.03.2022
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	(a) Revenue from operations	5,993	1,925	2,211	9,984	9,430
	(b) Other Income	10,496	97	171	10,816	18,760
	Total Income	16,489	2,022	2,381	20,800	28,190
2	Expenses					
	(a) Land and construction cost	7,728	66	(20,754)	9,492	(16,219)
	(b) Changes in Inventories of Finished goods, work in progress & Stock in Trade	0	-	22,430	0	22,430
	(c) Employee benefits expense	149	180	43	692	575
	(d) Finance costs	1,474	1,399	2,551	6,244	9,168
	(e) Depreciation and amortization expense	8	2	7	15	14
	(f) Other Expenses	183	270	3,053	11,307	3,803
	Total Expenses	9,542	1,917	7,330	27,750	19,771
3	Profit/(Loss) before exceptional items and tax (1-2)	6,947	105	(4,949)	(6,950)	8,419
4	Exceptional items	-	-	(25,307)	-	(14,611)
5	Profit/(Loss) before tax (3+4)	6,947	105	(30,256)	(6,950)	(6,192)
6	Tax expenses					
	i) Current Tax	411	37	165	522	220
	ii) Deferred tax	-	-	145	-	118
7	Profit/(Loss) after tax for the period (3-6)	6,536	68	(30,566)	(7,472)	(6,530)
8	Share of Profit/(loss) of an Associate/ a Joint Venture (net of tax)	-	-	-	-	-
9	Profit/(Loss) after taxes and share of Profit/ (loss) of Associate/Joint Venture (7+8)	6,536	68	(30,566)	(7,472)	(6,530)
	Attributable to:					
	(i) owners of the parent Group	6,536	68	(30,566)	(7,472)	(6,530)
	(ii) non-controlling interests	-	-	-	-	-
10	Other Comprehensive Income					
	(i) Items that will not be reclassified to profit & Loss					
	(ii) Remeasurement of Defined Benefit Plan	(62)	21	(6)	1	(78)
	(iii) FVOCI - equity investments	-	-	-	-	-
	(iv) Tax on above items that will not be reclassified to profit or loss	-	-	(20)	-	-
	Total Other Comprehensive Income	(62)	21	(26)	1	(78)
11	Total Comprehensive Income for the period [Comprising profit/(loss) and Other Comprehensive Income for the period (9+10)]	6,474	89	(30,592)	(7,471)	(6,608)
	Attributable to:					
	(i) owners of the parent Group	6,474	89	(30,592)	(7,471)	(6,608)
	(ii) non-controlling interests	-	-	-	-	-
11	Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.) (not annualised)					
	(a) Basic	4.48	0.05	(20.96)	(5.12)	(4.48)
	(b) Diluted	4.48	0.05	(20.96)	(5.12)	(4.48)
12	Paid up equity share capital (Face Value of 10/- each)	14,583	14,583	14,583	14,583	14,583



Notes to the financial results:

1 Statement of Assets & Liabilities

Particulars	(Rs in lakh)	
	As on 31-Mar-23 audited	As on 31-Mar-22 audited
ASSETS		
(1) Non-current assets		
a) Property, Plant and Equipment	10,390	75
b) Other Intangible assets	5	1
c) Other non-current financial assets	11	-
d) Capital work in progress	0	8,835
	<u>10,406</u>	<u>8,911</u>
d) Financial Assets		
(i) Investments	-	-
e) Other non-current assets	30	127
f) Deferred tax assets, net	-	-
	<u>30</u>	<u>127</u>
(2) Current assets		
a) Inventories	59,843	64,946
b) Financials Assets		
(i) Trade receivables	162	1,953
(ii) Cash and bank balances	304	81
(iii) Loans	-	-
(iv) Other current financials assets	-	-
c) Other current assets	21,595	27,899
	<u>81,905</u>	<u>94,879</u>
Total Assets	92,341	1,03,917
EQUITY AND LIABILITIES		
(1) Equity		
Equity Share capital	14,583	14,583
Other Equity	(1,24,632)	(1,17,161)
Equity component of Compound Financial Instruments	(1,10,049)	(1,02,578)
(2) Non-current liabilities		
Financial Liabilities	18	29
(a) Provisions	111	116
	<u>129</u>	<u>145</u>
(3) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	50,712	61,696
(ii) Trade payables	11,723	14,827
(iii) Other current financial liabilities	64,418	47,204
(b) Other current liabilities	73,756	81,882
(c) Provisions	15	16
(d) Current Tax Liabilities, net	1,637	726
	<u>2,02,261</u>	<u>2,06,350</u>
Total Equity & Liabilities	92,341	1,03,917
	(0)	(0)



- The above consolidated financial results have been reviewed by the Audit committee and approved by the Board of Directors of the Company at its meeting held on 28th April, 2023. The statutory auditors have conducted the statutory audit of the Consolidated Financials Results of the Company for the year ended 31st March 2023. The figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year upto 31st March, 2023 and the unaudited published year-to-date figures upto 31st December, 2022, being the date of the end of the third quarter of the financial year which were subject to limited review by the statutory auditors.
- These results include the result of the following subsidiaries.

Subsidiaries: Northroof Ventures Private Limited (formerly known as NHDPL South Private Limited), Marathalli Ventures Private Limited (formerly known as NUDPL Ventures Private Limited), LOB Facilities Management Private Limited (Formerly known as Lob Property Management Private Limited)
- These consolidated financial results information presented above is prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015. These results are uploaded on the Company website i.e. www.satchmoholdings.in and on the Stock Exchanges where the shares of the Company are listed i.e. www.bseindia.com.
- Group is analysing the implications of Companies (Indian Accounting Standards) Amendment Rules, 2023 to amend the provisions of Companies (Indian Accounting Standards) Rules 2015. Accordingly Ind AS 101, Ind AS 12, and Ind AS 103 is not applicable to the Company. Ind AS 107 and Ind AS 1 will be implemented as per Business transaction of the Company in future.
- The operating segment of the Company has extended from "Residential projects" & "Facility Management" to complete incomplete residential projects and to the "Service business of facilities / manpower / catering / restaurants activities", "Trading in land and plotted development", "Proptech and related Internet Technology Services", "Long term investment and trading in equities". All operations are in India and hence there is no geographical segment.
- During the year one of the lender (YES Bank) pursuant to execution of assignment agreement have absolutely assigned and transferred in favour of M/s J C FLOWER Asset Reconstruction Private Limited (JCF ARC), the loans and all the amounts due and moneys stipulated in or payable under the financing documents by the Company to YES Bank together with all underlying security interests (including pledges, undertakings and guarantees thereto) and rights ,title and interests in relation to the same
- Figures for audited standalone financial results of the company for the quarter and year ended March 31, 2023

Sl. No	Particulars	Quarter ended			Year ended	
		3 months ended 31-03-2023	Preceeding 3 months ended 31-12-2022	Corresponding 3 months ended 31-03-2022	Year to date figures for current period ended 31.03.2023	Year to date figures for previous year ended 31.03.2022
		Audited	Unaudited	Audited	Audited	Audited
a	Total income	14,921	162	159	17,023	20,325
b	Profit/(Loss) before tax	6,856	(789)	(17,676)	(5,693)	(988)
c	Profit/(Loss) after tax	6,911	(807)	(17,719)	(5,693)	(1,044)

- The Group has defaulted on payment to two lenders, Principal (Rs. 50,712 lakhs) as on 31st March, 2023 as the facilities have been called off by the banks & financial institutions and entire facility has become due for payment. The penal interest has not been provided for which Management is confident to get the waiver of penal interest as the request is being made to lenders to take haircut of principal & normal interest outstanding also whenever a project exit is being discussed.
- The Group has signed the MOU to exit from British Columbia project as on 7th July 2022 with a new developer and the land owners. The Company has settled all customer refunds and is in the process of transfer of project to the new developer post signing of MOU.
- During the year, The Group has exited Chelsea project and has cleared the loan in relation to the project. The company had earlier intended to convert this project from residential to commercial and accordingly classified as Capital WIP. As said conversion did not happen till the time of exit, the company has reclassified the CWIP as inventory at the time of exit.
- During the year, The Company has commenced business of trading in equities in line with its amended main object clause of Memorandum of Association
- (i) The group has exited Knightsbridge, Virgin Island, Napa Valley, Melbourne Park and Cape Cod projects and entered in to one time settlement with the lenders against loan outstanding for said projects. Accordingly the company has classified Rs. 472.55 crores as disputed liability as the bank has released its charge on such projects but the lender has not provided any confirmation to the effect.
- (ii) The Group has been engaged with Yes Bank in relation to closure of Commissariat road project Loan or which Yes bank has principally agreed for a settlement of the said loan for Rs. 30 Crs. In view of this, Company has classified the interest of Rs. 14.43 crores as disputed liability.
- (iii) In respect of Plaza project, the group has reclassified the outstanding interest amount of Rs. 37.28 crs as disputed liability in previous year
- With the one time settlements and exists of projects the standalone debt of the company stands at Rs. 507.11 crores.
- The Group has provided for Expected credit loss amount of Rs. 10.87 Crs during the year towards old outstanding sundry debtors.
- Going concern**
These consolidated financial statements have been prepared on a going concern basis notwithstanding accumulated losses as at the balance sheet date and a negative net current assets situation. As per the management with these exits of residential projects and the debt coming down, the company is hopeful of revival in the coming years.
- These financial statements therefore do not include any adjustments relating to recoverability and classification of asset amounts or to classification of liabilities that may be necessary if the Company is unable to continue as a going concern.
- The figures in respect of previous period have been regrouped/recast wherever necessary.

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

Rajeev Khanna
DIN : 07143405
Director Finance & Chief Financial Officer

Place: Bengaluru, India
Date : 28th April 2023



Satchmo Holdings Limited

(formerly known as NEL Holdings South Limited)

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

CIN: L93000KA2004PLC033412, website - www.satchmoholdings.in

Phone Number: +91 80 2227 2220

Consolidated Segment wise revenue, results for the period ended March 31, 2023

(Rs in lakh except EPS)

No	Particulars	Quarter ended			Year ended	
		3 months ended 31-03-2023	Preceeding 3 months ended 31-12-2022	Corresponding 3 months ended 31-03-2022	Year to date figures for current period ended 31.03.2023	Year to date figures for previous year ended 31.03.2022
		Audited	Unaudited	Audited	Audited	Audited
1	Segment revenue					
	(a) Residential	6,096	1,892	7,785	9,874	9,430
	(b) Facility Management	(106)	215	(23)	106	-
	(c) Investment and trading in equities	4	-	-	4	-
	Total	5,994	2,107	7,762	9,984	9,430
	Less: Inter-segment revenue	-	-	-	-	-
	Net income from operations	5,994	2,107	7,762	9,984	9,430
2	Segment results					
	Profit/(loss) before tax and interest					
	(a) Residential	(1,955)	1,425	(15,092)	(11,568)	(15,784)
	(b) Facility Management	(119)	166	15	47	-
	(c) Investment and trading in equities	(1)	-	-	(1)	-
	Total	(2,075)	1,591	(15,077)	(11,522)	(15,784)
	Add: Other income	10,497	97	18,637	10,816	18,760
	Less: Interest	1,474	1,399	7,075	6,244	9,168
	Total profit/(loss) before tax	6,948	289	(3,514)	(6,950)	(6,192)
3	Segment Assets					
	(a) Residential	61,924	60,428	73,515	61,924	73,515
	(b) Facility Management	610	616	610	610	610
	(c) Investment and trading in equities	15	-	-	15	-
	(d) Unallocated	29,792	29,793	29,792	29,792	29,792
	Total	92,341	90,837	1,03,917	92,341	1,03,917
4	Segment Liabilities					
	(a) Residential	1,48,720	1,52,652	1,52,825	1,48,720	1,52,825
	(b) Facility Management	1,560	1,611	1,560	1,560	1,560
	(c) Investment and trading in equities	-	-	-	-	-
	(c) Unallocated	52,110	53,112	52,110	52,110	52,110
	Total	2,02,390	2,07,365	2,06,495	2,02,390	2,06,495



2 Statement of Cash Flows

(Rs in lakh)

Particulars	Year ended	Year ended
	31.03.2023	31.03.2022
	Audited	Audited
Cash flow from operating activities		
Profit/ (Loss) before tax	-6,950	-6,192
Other Comprehensive Income	0	-81
Non-cash adjustment to reconcile profit before tax to net cash flows		
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	15	14
Write off of Liability	-	-3,764
Write off of Debtors	8	36
Provisions no longer required written back	-9,080	-18,692
(Gain)/ loss on disposal of investments	-	18,272
Finance income	0	11
Finance costs (including fair value change in financial instruments)	6,481	8,499
Expected Credit Loss Allowance against Advances	285	250
Operating profit before changes in working capital	-9,240	-1,648
Adjustments for:		
(Increase)/ decrease in trade receivables	1,775	-711
(Increase)/ decrease in other financial and non-financial assets	11,794	9,056
(Increase)/ decrease in Inventories	3,627	56,238
Increase/ (decrease) in trade payables	9,993	-19,334
Increase/ (decrease) in provisions	215	34
Increase/ (decrease) in other non-financial liabilities	-16,013	-43,986
Cash generated from / (used in) operating activities	2,151	-351
Income tax paid (net of refund)	359	103
Net cash flows from / (used in) operating activities (A)	2,510	-247
Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	-	-36
Proceeds from sale of Investment	-0	0
Net cash flows from / (used in) investing activities (B)	-0	-35
Cash flow from financing activities		
Proceeds from short-term borrowings	-2,287	250
Net cash flows from / (used in) financing activities (C)	-2,287	250
Net increase/ (decrease) in cash and cash equivalents	223	-33
Cash and cash equivalents at the beginning of the year	81	114
Cash and cash equivalents at the end of the year	304	81

Components of cash and cash equivalents	Year ended	Year ended
	31.03.2023	31.03.2021
	Audited	Audited
Reconciliation of cash and cash equivalents with Balance Sheet		
Cash and cash equivalents as per Balance Sheet	304	81
Cash and cash equivalents at the end of the year as per the above cash flow statement	304	81
Cash on hand	0	5
Balance with banks		
- on current account	216	52
- on deposit account	65	-
Other Bank Balances	23	24
Total cash and cash equivalents	304	81
	-0	0





Holdings Limited

Annexure I (Consol)

Statement of impact of Audit Qualifications (for audit report with modified opinion) submitted along with Annual Audited Financial Results – Statement of impact of Audit Qualifications for the Financial Year ended 31st March 2023.

I. Pursuant to Regulations 33 and 52 of SEBI (LODR) (Amendment) Regulations 2016

Amount in Lakhs

Sl. No	Particulars	Audited figures (as reported before adjusting for qualifications)	Adjusted figures (audited figures after adjusting for qualifications)
1	Turnover / Total Income	20,800	20,800
2	Total Expenditure	28,272	28,525
3	Net loss	-7,472	-7,725
4	Earnings Per share	-5.12	
5	Total assets	92,341	92,088
6	Total Liabilities	2,02,390	2,02,390
7	NETWORTH	-1,10,049	-1,10,302

II. Audit Qualification (each Audit Qualification separately)

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

The Group has transferred/sold certain projects through Memorandum of Understanding or Business Transfer Agreement and repaid some portion loans from banks and financial institution.

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

Satchmo Holdings Limited

(Formerly known as NEI Holdings South Limited)

CIN - L9300KA2004PLC033412

Regd. Office: No. 110, A Wing, Level I, Andrews Building, M.G. Road, Bangalore - 560 001 Tel: 91-080-2227 2220, W: www.satchmoholdings.in, Email: info@satchmoholdings.in

For SATCHMO HOLDINGS LIMITED

For SATCHMO HOLDINGS LIMITED

Chairman & Managing Director

Chief Financial Officer





As the Group has not recognized this fact and has prepared the consolidated financial statements on going concern assumption basis without carrying out any adjustments, in our opinion, the consolidated financial statements may not give a true and fair view. (Refer to note no. 15 of the Statement)

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Fourth 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 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: 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, Yes Bank Limited ("Yes Bank") has absolutely assigned and transferred all the rights, title and interest in the financial assets pertaining to the Group together with the security created thereof in favour of J.C. Flowers Assets Reconstruction Private Limited (JCF ARC) vide assignment agreement executed in favour of JCF ARC, acting in its capacity as trustee of JCF YES Trust 2022-23/15 Trust ("JCF ARC") on December, 2022. No additional demand/notice has been received by the Group during the year. (Refer to note no. 6 of the Statement)

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Fourth Time Qualification

Satchmo Holdings Limited

(Formerly known as NEL Holdings South Limited)

CIN: L23000KA2004PLC 053412

Regd. Office: No. 110, A Wing, Level 1, Andrews Building, M.G. Road, Bangalore - 560 001. Tel: +91-080-27721171. Website: www.satchmoholdings.in, Email: info@satchmoholdings.in





Holdings Limited

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 comment

3. a. **Detail of Audit Qualification:** The Group has accounted Principal of Rs. 50,712 Lakhs, Accrued Interest of Rs. 16,478 Lakhs and Disputed Liability of Rs. 56,418 in its books of account as total outstanding to banks and financial institution as on 31st March, 2023. All the banks and financial institution have declared the outstanding loan accounts of the group as Non-Performing Accounts (NPA) in the earlier years. Pending confirmations and correspondence the outstanding balance and status of demand raised by the respective banks and financial institutions has not been verified by us. Further, penal interest on default on payment to banks and financial institution has neither been ascertained nor provided for in the books of account of the Group. (Refer to note 8 of the Statement)

a. In relation to a loan taken from Yes Bank for the Commissariat Road (Soho) Project, the Bank has principally agreed for settlement of the loan for Rs. 3,000 Lakhs. The Group has not provided any further interest on this loan since April, 2020. Further, the Group had earlier been written back accrued interest amounting to Rs. 1,443 Lakhs as income in the quarter ended September 30, 2021, has been reversed in the quarter ended March 31, 2022 and classified as Disputed Liability without any confirmation from the Bank in this regard. (Refer to note 12(ii) of the Statement).

b. The Group has not provided interest for the loan outstanding from Yes Bank against the Plaza Project. Further, the Company has classified the interest outstanding as on March 31, 2022 amounting to Rs. 3,728 Lakhs, to the extent allocated to the project, as a disputed liability without any confirmation from the Bank in this regard. (Refer to note 12(iii) of the Statement).

Satchmo Holdings Limited

(Formerly known as NEI Holdings South Limited)

CIN : L93000KA2004PLC034412

Regd. Office: No. 110, A Wing, Level I, Andrews Building, M.G. Road, Bangalore - 560 001. Tel: +91-080-2227 2220, W: www.satchmaholdings.in, Email: info@satchmaholdings.in

For SATCHMO HOLDINGS LIMITED For SATCHMO HOLDINGS LIMITED

Chief Financial Officer





- c. During the previous year, the Group has sold/disposed of Knightsbridge and Virgin Island and Napa Valley. The remaining balance of the term loan related to these projects amounting to Rs 23,822 Lakhs in respect of the borrowing from HDFC Limited had earlier been written back as income in the quarter ended June 30, 2021, has now been reversed in the quarter ended March 31, 2022 and classified as Disputed Liability disclosed under 'Other Financial Liabilities'. (Refer note to 12(i) of the statement).
- d. The Group has transferred the project "Nitesh Cape Cod", on an ongoing basis during the previous year through an unregistered Business Transfer Agreement. In this respect, the Group had borrowed Rs. 18,500 Lakhs from YES Bank for various projects including Nitesh Cape Cod. During the year, on receipt of Rs. 1132 Lakhs, charge created for the project 'Nitesh Cape Cod' was released by YES Bank Limited on a condition that the same shall not be construed as settlement of any kind. The Group has accounted for Rs. 5,363 Lakhs and Rs. 3,800 Lakhs respectively as disputed liability, being the estimated carrying value of borrowings and interest accrued thereon. (Refer note to 12(i) of the statement)
- e. During the year, the Group has exited and transferred the Investment Property Chelsea to Landowners after converting the same into Inventory on payment of Rs. 1100 Lakhs to HDFC Ltd. by Landowners. Pursuant to this, HDFC Limited has released the charge created for the Chelsea project on the condition that the same shall not be construed as a settlement of any kind. The Company has accounted for Rs. 3,334 Lakhs and Rs. 3,280 Lakhs respectively as disputed liability, being the estimated carrying value of borrowings and interest accrued thereon. (Refer note to 10 of the statement).
- f. During the previous year the Group has exited 'Nitesh Melbourne Park', on an ongoing basis through Memorandum of Understanding. As explained to us, the sale consideration of the project has been fixed by the Group on the basis of market realizable value. However, no document could be provided to us in this respect. Further, the Company is still under the process for execution of certain documents for disposal of the project.

Satchmo Holdings Limited

(Formerly known as NEI Holdings South Limited)
CIN : L9900KA2004PLC033412

Regd. Office: No. 110, A Wing, Level 1, Andrews Building, M.G. Road, Bangalore - 560 001, Tel: 01-080-2227 2220, W : www.satchmoholdings.in, Email : info@satchmoholdings.in

For SATCHMO HOLDINGS LIMITED / SATCHMO HOLDINGS LIMITED

Chairman & Managing Director

Chief Financial Officer





Further, the charge created for the project 'Nitesh ~~Holdings~~ ~~Private~~ ~~Limited~~ has been released by YES Bank Limited on a condition that the same shall not be construed as settlement of any kind. Consequently, the Group has accounted for Rs. 6,500 Lakhs and Rs. 5,147 Lakhs respectively, being the estimated carrying value of borrowings and interest accrued thereon as disputed liability in its books of account. (Refer to note 12 (i) of the Statement)

The basis and documentation for such non provisions of interest and classifications as a disputed liability was not made available for our verification.

The Group has already filed defense appeal before Debt Recovery Tribunal on 23.08.2021 against the borrowings from Yes Bank, for which, the final order has not yet received by the Group.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Fourth Time Qualification

d. For Audit qualification where the impact is quantified by the Auditor
Balance sheet reclassification. No impact in P & L

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: Interest not calculated on classification of Borrowing as a disputed liability.

4. a. Detail of Audit Qualification: Inventories amounting to Rs 24,420 Lakhs (Net of "Payable to land owner for land under JDA") has not been tested impairment for ascertaining the realizable value as on 31st March, 2023. To the extent of any possible diminution of value not accounted for, the consolidated financial results may not give a true and fair view as per the requirement of Ind AS 2.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Fourth Time Qualification

Satchmo Holdings Limited

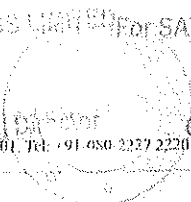
(Formerly known as NEL Holdings South Limited)

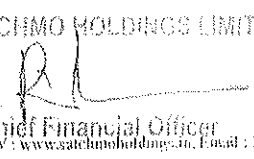
CIN : L93000KA2004PLC033412

Regd. Office: No. 110, A Wing, Level I, Andrews Building, MG Road, Bangalore - 560 001, Tel: +91-080-2227 2220, W: www.satchmoholdings.in, Email: info@satchmoholdings.in

SATCHMO HOLDINGS LIMITED For SATCHMO HOLDINGS LIMITED


R. Manjunath, Director




Chief Financial Officer





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: In our opinion, the status of recovery is uncertain under present scenario.

5. a. Detail of Audit Qualification: Year-end balance confirmation in respect of trade receivables, trade payables, vendor advances, advance from customers and other advances have not been provided for our verification and record for all the parties. 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.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Fourth Time Qualification

d. For Audit qualification where the impact is quantified by the Auditor

For Audit qualification where the impact is quantified by the Auditor -

The Company has posted the letter of balance confirmations to vendors and customers and auditors have received only few confirmations at their office.

- i. Not Applicable as impact is not 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: The Company is yet to reconcile the balances with confirmations received. Hence, the impact of such reconciliation is not ascertainable at this stage.


6. a. Detail of Audit Qualification: 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, duty of custom, duty of excise, value added tax, Goods and Services tax, cess. The GST department has suo moto cancelled the GST

Satchmo Holdings Limited

(Formerly known as NFI Holdings South Limited)

CIN : L93000K A 7004 PL C 03 1412

Regd. Office: No. 110, A Wing, Level I, Andrews Building, M.G. Road, Bangalore - 560 001, Tel: 91-080-2227 2301, E-mail: info@satchmoindia.com

SATCHMO HOLDINGS LIMITED or SATCHMO HOLDINGS
 Chairman & Managing Director
 Financial Officer




registration of the Company on October 31, 2020. The Group also has a balance of Rs.1,773 Lakhs and payable balance of Rs. 9,593 Lakhs (excluding interest) from various government authorities. Due to such statutory non compliances, we are unable to comment on the actual recoverability and payment dues against such balances.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Fourth Time Qualification

d. For Audit qualification where the impact is quantified by the Auditor

For Audit qualification where the impact is 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
- 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 violation of income tax and other applicable statutory acts.

7) a. Detail of Audit Qualification: The Company has an outstanding liability of Rs. 241 Lakhs towards employees payable as on 31st March, 2023. Due to the non-availability of additional information and aging, we are unable to comment on the applicability of related statutory compliances or on the requirement of any further provision.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Fourth Time Qualification

d. For Audit qualification where the impact is quantified by the Auditor

For Audit qualification where the impact is quantified by the Auditor

Satchmo Holdings Limited

(Formerly known as NGL Holdings South Limited)

CIN : L93000KA2004PLC013412

Regd. Office: No. 110, A Wing, Level 1, Andrews Building, M.G. Road, Bangalore - 560 001. Tel : 91-080-2227 2220, W : www.satchmoholdings.in, Email : info@satchmoholdings.in

For SATCHMO HOLDINGS LIMITED For SATCHMO HOLDINGS LIMITED

Chariman & Managing Director

Chief Financial Officer





Holdings Limited

- i. Not Applicable as impact is quantified.
- ii. If Management is unable to estimate the impact, reasons for the same-
Not applicable
- ii. If Management is unable to estimate the impact, reasons for the same-
Not applicable
- iii. Auditor's comment on (i) or (ii) above: The amount is outstanding for Rs. 241 Lakhs and the dues should be settled at an earliest.

LOB Facilities Management Pvt. Ltd.

1. a. Detail of Audit Qualification: Statutory Liabilities:

- a. The Company has been irregular in depositing undisputed dues with respect to TDS, ESI, PF, PT, Service Tax and GST and outstanding of such statutory liabilities as at 31st March 2023 as given below.

Nature of Dues	Amount (Figures in Rs.)
Tax Deducted at Source	2,56,384
Service Tax	83,94,250
Goods and Service Tax	39,12,409
Provident Fund	4,11,586
Professional Tax	12,600

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Fourth 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 is quantified -
- ii. If Management is unable to estimate the impact, reasons for the same-
- iii. Auditor's comment on (i) or (ii) above: It is violation of Income Tax Act.

2) A. Detail of Audit Qualification: The Company has not accrued for penalty/ late / Interest on defaults u/s 201 of Income Tax Act, 1961 for TDS

Satchmo Holdings Limited

(Formerly known as NBL Holdings South Limited)

CIN : L93000KA2003PLC033412

Regd. Office: No. 110, A Wing, Level 1, Andrews Building, M.G. Road, Bangalore - 560 001. Tel.: 91-080-2227 2220, W: www.satchmoholdings.in, Email: info@satchmoholdings.in

Chariman & Managing Director

Chief Financial Officer



liabilities (details in table above). As per details available on the website maintained by the Income Tax Department, this amount is approximately Rs.1,229 thousands till the financial year end 31st March 2023.

Summary of table give below:

Amount (Figures in Rs.)

Financial Year	Short Payment	Short Deduction	Interest on Payments default u/s 201	Interest on deduction u/s 201	Late filing fee u/s 234E	Interest u/s 220(2)	Total Defaults
2022-23	-	-	2,155	-	-	-	2,155
2021-22	-	-	4,254	-	31,800	-	36,041
2020-21	-	-	13,857	-	80,770	-	94,627
2019-20	-	-	1,677	-	14,995	-	16,672
Prior Years	6,306	83,528	1,65,027	3,830	7,82,515	37,927	10,79,133
Total	6,306	83,528	1,82,240	3,830	9,10,080	37,927	12,28,911

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

- This impact cannot be quantified until component wise deferred tax is determined.
- If Management is unable to estimate the impact, reasons for the same- Not applicable
- Auditor's comment on (i) or (ii) above: Management comment is self-explanatory.

2. a. Detail of Audit Qualification: We have not received confirmation of balances with respect to Trade Payables, advance from customers or other balances received from Customers towards sinking fund, most of which has been outstanding from prior years. In the absence of adequate audit evidence, we are unable to determine the adequacy or inadequacy of such liabilities.

For SATCHMO HOLDINGS LIMITED

Chairman & Managing Director

Satchmo Holdings Limited

(Formerly known as NEI Holdings South Limited)

CIN : I 930004 A2004PLC03412

Regd. Office: No. 110, A Wing, Level 1, Andrews Building, M.G. Road, Bangalore - 560 001. Tel: +91-080-2227 2220. W: www.satchmoholdings.in, Email: info@satchmoholdings.in

For SATCHMO HOLDINGS LIMITED

Chief Financial Officer





Holdings Limited

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Third Time Qualification

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

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-

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

7. a. Detail of Audit Qualification: We draw attention to note 30 of the Financial Statements wherein it is stated that the advance received from customers which includes Rs. 731.89 thousands which pertains to maintenance charges collected in advance for first year of maintenance as a part of the maintenance agreement. Further, during the year, the company has written back of Rs 11,190.61 thousands to the Statement of profit and loss and also the company transferred Rs. 4,653.52 thousands from advance from customer to sinking fund and other general ledgers. These amounts are to be recognized as revenue in respective financial year in which services has been rendered as per the maintenance agreements. Based on the information reviewed by us, from the projects for which such advances have been received have been completed and hence the amount of Rs.9,444.67 thousands may be required to be recognised as income in the previous years. In the absence of supporting evidence, we are unable to comment on the amount that needs to be recognized as income and therefore the balance that needs to be carried as liability.

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.

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-

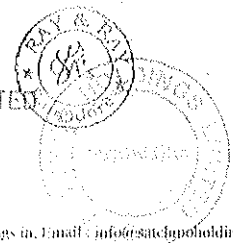
Satchmo Holdings Limited

(Formerly known as NEI Holdings South Limited)
CIN : L93000KA2004PLC033412

Regd. Office: No. 110, A Wing, Level I, Andrews Building, M.G. Road, Bangalore - 560 001. Tel: +91-080-2227 2220, W: www.satchmoholdings.in, Email: info@satchmoholdings.in

For SATCHMO HOLDINGS LIMITED
Chairman & Managing Director

For SATCHMO HOLDINGS LIMITED
Chief Financial Officer





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

Holdings Limited

3. a. We draw attention to note 31 of the financial statements wherein it is stated that the Company has received amounts from customers for approved capital expenditures for projects under maintenance and accounted as sinking fund balance of Rs. 65,777 thousands. Over the years, the company has been utilizing this balance towards miscellaneous expenses pertaining to such projects, without adequate approvals and authorizations from customers. The Company does not have details of how much of this sinking fund balance is payable to customers or to be maintained towards future capital expenses. Additionally, the company transferred Rs. 4,653.52 thousands from advance from customer to sinking fund and other general ledgers during the year which is included in the closing balance. Hence the adequacy of this liability cannot be ascertained.

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.

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

Signatories

For SATCHMO HOLDINGS LIMITED
Chairman & Managing Director
For SATCHMO HOLDINGS LIMITED
Chief Financial Officer

Audit Committee Chairman

Statutory Auditor: Supta RAY & RAY Bangalore

Bangalore
Date : 28th April 2023

Digitally signed by
SUBRAMANIAN
ANANTHANARAYANAN
Date: 2023.04.29 00:34:09 +05'30'

Satchmo Holdings Limited

(Formerly known as SGL Holdings South Limited)

CIN : L29300RJ A2004PLC031312

Regd. Office: No. 110, A Wing, Level I, Andrews Building, M.G. Road, Bangalore - 560 001. Tel: +91-080-2227 2220, W: www.satchmoholdings.in, Email: info@satchmoholdings.in