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Auditor's Report on the audit of the consolidated 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 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

Adverse Opinion

We have audited the accompanying consolidated Financial Results of SATCHMO HOLDINGS LIMITED ("Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") for the quarter ended March 31, 2024 and for the period April 01, 2023 to March 31, 2024 ("the Statement"), being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

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:

List of Subsidiaries:

- 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) (up to November 30, 2023)



- b) except for the matters dealt with in the Basis for Adverse Opinion Para given below, the financial result is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, as amended; and
- c) *because of the reasons described in the basis for Adverse Opinion para, and based on the audited report of other auditor referred below, the accompanying consolidated financial results do not give a true and fair view of the financial position of the entity, in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS), and other accounting principles generally accepted in India, of consolidated net profit and consolidated other comprehensive income and other financial information of the Group for the quarter ended March 31, 2024 and for the period from April 01, 2023 to March 31, 2024.*

Basis for Adverse Opinion

The Group has incurred losses over the years resulting in negative net worth and negative working capital. The default in payment of dues to bank and financial institution and creditors etc. are the identified events that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern. The Statement does not adequately disclose this fact.

The Group has stepped back / separated from the certain projects under development and has transferred those projects to other developers/landowners through Memorandum of Understanding (MOU) or Business Transfer Agreement (BTA). Although these transactions have reduced the liability of the Group to bank and financial institution, the ability of the Group to continue as a going concern continues to remain uncertain in view of the negative net worth.

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 12 of the Statement)

Other matters that require a modification to the opinion;

1. 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 the absence of such confirmation, we are unable to ascertain any consequential effect of the above to the consolidated financial results for the year. As explained, necessary mails have been sent to some of the parties for confirmation. However, no replies have been received in this regard except in few cases.
2. 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, income-tax, value-added tax, Goods and Services tax, cess, etc.
The Group also has a receivable balance of Rs. 1,010 Lakh and a payable balance of Rs. 315 Lakh (excluding interest and disputed VAT liability under appeal) from/ to



various government authorities. Due to such statutory non-compliance, we are unable to comment on the actual recoverability and payment of the dues against such balances.

3. Necessary documents for imprest transactions taken place during the financial year 2023-24 are not made available for our verification. In the absence of adequate audit evidence, we are unable to ascertain any consequential effect of the above to the financial results for the year.
4. Inventories amounting to Rs 21,816 Lakh (Net of "Payable to land owner for land under JDA") has not been tested impairment for ascertaining the realizable value as on 31st March, 2024. To the extent of any possible diminution of value not accounted for, the standalone financial results may not give a true and fair view as per the requirement of Ind AS 2.
5. The Group has entered into One-time Settlements (OTS) with JCF ARC (assigned by YES Bank) and HDFC Limited as per which, the Group has to repay the amounts mentioned in the settlement letters in a time-bound manner. In the event the Group defaults on the mentioned timelines or any other payment terms, the said settlement approvals shall stand revoked.

On this basis, the Group has disclosed Rs. 13,385 Lakh under Current Borrowing (being the OTS outstanding balance of JCF ARC and HDFC) and Rs. 1,11,664 Lakh under Disputed Liability (being the difference between original loan and interest liability and OTS outstanding balance) as on 31st March, 2024. (Refer to Note 7 of the Statement)

However, the Group has defaulted on the timelines of the payment under OTS with respect to both the lenders. Subsequently, the Group has received a notice from JCF ARC revoking the above-mentioned OTS and called upon to repay outstanding dues along with applicable interest charges, costs, etc. with immediate effect.

As explained, the Group is in communication with the lenders for seeking an extension for the balance payment therefore has not booked any further liability on the basis of such demand from JCF ARC.

No information / document is made available for subsequent correspondence after the revocation in case of HDFC Limited.

6. The subsidiary company, Lob Facilities Management Private Limited has been reviewed by other auditor. The auditor has reported the following in their review report for the period ended November 30, 2023:
 - i. The Company has incurred losses over the years resulting in negative net worth. Such losses, negative net worth and other indicators such as delays and defaults in statutory dues and payables individually and collectively may cast significant doubt about the company's ability to continue as a going concern.
 - ii. As per the records of the company and information and explanation provided to us, the company has been irregular in depositing Provident Fund, Employee's State Insurance, Income Tax, Sales-Tax, Service Tax, Value Added Tax, Goods and Service Tax, Cess.



- iii. The Company has recognized revenue in the current year pertaining to past years in respect of past projects amounting to INR 3,907 thousand. In the absence of proper information, the other auditor was unable to comment on the correctness of the same and its consequent impact on the financial position.
- iv. The company has written back the following amounts as these amounts are considered no longer payable.

(In thousands)

Sl. No.	Particulars	Amount
1	Advance from customers	1,366.93
2	Sinking Fund	53,588.37
3	Other Written Backs	28,732.82
4	Provision of Debtor no longer required	11,957.70
5	Misc. Income	39.32
	Total	95,685.14

Refer to Note 4 of the report and Note 3 of the financial results of LOB, this balance has been written off in lieu of the divestment of 100% of their holdings in LOB Facilities Management Private Limited for which the approval was granted. In the absence of adequate audit evidence and confirmations from the parties, the other auditors are unable to comment on the correctness of this writeback of liabilities.

The Company does not have details of amounts payable to customers or to be maintained towards future capital expenses in the sinking fund. Over the years, the company has been utilizing this balance towards miscellaneous expenses pertaining to such projects, without adequate approvals and authorizations from customers. Consequently, the other auditor are also unable to comment on the correctness of the sinking fund balance of INR 11,388 thousand. Hence the adequacy of this liability cannot be ascertained.

- v. The other auditor has not received confirmation of balances with respect to Trade Payables, vendor advances, 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, other auditor unable to determine the adequacy or inadequacy of such liabilities.
- vi. During the year the company has written off accounts receivable and vendor advance amounting to INR 14,492 thousand of past projects. In the absence of adequate evidence and confirmation from the debtors, other auditor are unable to comment on the same and its recoverability.
- vii. During the period the company has created an impairment loss of 39,165.44 thousand pertaining to an entity under the same group management which the company believes is no longer receivable. However, other auditor has not been



given any audit evidence or confirmation and hence they are unable to comment on the same.

- viii. According to the information and explanations given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

(Refer Note 8 of the Statement)

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results 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 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 and other auditors in terms of their report, is sufficient and appropriate to provide a basis for our adverse opinion.

Emphasis of Matter

We draw attention to the fact that:

- a) During the year, the Holding Company has divested its interest in its Wholly Owned Subsidiary- LOB Facilities Management Private Limited (LOB) and hence LOB is no longer a subsidiary with effect from December 01, 2023. The Group has consolidated the results of LOB for the period ended November 30, 2023.

Pursuant to the Holding Company's object clause to carry out the business of all types of facility management services, including all kinds and types of security services, and on approval from shareholders, the Group has taken over two projects, maintenance charges of which were earlier billed by LOB, without any consideration. (Refer to Note 9 of the Statement)

During the year, on account of divestment of subsidiary LOB, the employees of LOB has been taken over by the Group along with all pending balances in respect of these employees.

As of the reporting date, the balance receivable from LOB is Rs. 524 Lakhs, which has been impaired due to the negative net worth of LOB.

- b) During the previous financial year, the Group had impaired the entire amount of CWIP in the second quarter, by further provision of Rs. 8,835 Lakh 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.

Towards the end of the previous financial year, the Group transferred the Chelsea project to the landowner via a memorandum of settlement. Accordingly, the provision



for impairment accounted for earlier in the books of account amounting to Rs. 3,177 Lakh with respect to the Chelsea project had been written back.

However, the cancellation agreement and release of charge etc. with respect to Plaza and Soho are yet to be executed by the Group. Further, the necessary valuation reports in respect of these projects were not provided to us.

- c) The Group has not renewed the registration of project "Rio", "Hyde Park" and "Columbus Square" under the provisions of Real Estate (Regulation and Development) Act, 2016 since 31st March 2019, resulting in non-compliance under the relevant rules and regulations of the Real Estate (Regulation and Development) Act, 2016.
- d) According to the information and explanation provided to us, the Gratuity plan of the Group is unfunded as at 31st March, 2024 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.
- e) Certain managerial personnel duly appointed by members of Holding Company have intimated the Board in the current year that they would be foregoing their remuneration from their respective date of appointment in order to comply with the provisions of section 197(1) of the Companies Act, 2013, since lender's approval prior to such appointment was not obtained. Accordingly, no managerial remuneration has been accounted for in the books of account in respect of those personnel. The board has noted the "Letter of Undertaking" received from the personnel for non-acceptance of salary and other remuneration.
- f) The Group has written off/ written back several outstanding dues, including employee related liabilities of Rs. 46 Lakh, no longer required to be paid. As explained, such outstanding dues were lying in the books since long, which is ratified by the Board.
- g) Deferred tax has neither been ascertained nor accounted for due to the uncertainty of the taxable profit as estimated by the Management of the Group. (Refer to note 11 of the Statement)
- h) Security Deposit liability amounting to Rs. 17.50 Lakh against lease agreement is lying in the books. However, the Group has not discounted the same as per requirement of Ind AS 109 since the matter is sub-judice.
- i) During the previous financial year, the Group had acquired JDA Rights in the Project at Commissariat Road in exchange for advance receivable along with its subsidiaries for an amount of Rs. 10,311 Lakh.
This Right has been classified as a Right of Use asset at the acquisition cost, and based on the management estimate, the carrying cost is below the net realizable value. The Group has yet to ascertain the period for necessary amortization.

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



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

These quarterly financial results as well as the year to date consolidated financial results have been prepared on the basis of the interim financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 results 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 results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, 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 the respective Board of Directors 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 are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 results.



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

- Identify and assess the risks of material misstatement of the consolidated financial results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results 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 auditor's 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 results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entities included in the consolidated Financial Results, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results 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.

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

Other Matters

- a) During the previous financial year, the Group entered into a Memorandum of Understanding (MOU) with the Landowner and another Developer "Sattva Real Estate Private Limited" to exit the project "British Columbia" on repayment of Rs. 600 Lakh to HDFC Bank and settlement of customer dues by the Landowner. Pursuant to this, HDFC Limited has released the charge on the said project and all customer refunds in relation to this project were made by the end of the year. Accordingly, the transfer of the project has been recorded in the Books of accounts as given below: (Refer to Note 10 of the Statement)

Particulars	Amount (Rs. In Lakh)	Note No. Reference
Sales:		
Repayment of Term Loan by Landowner	600	13 – Borrowings
Amount refunded to customers by the Landowner	384	16 – Other Current Liabilities
Revenue on sale of projects (A)	984	19 - Revenue from operations
Cost of Sales:		
<u>Assets transferred</u>		
Refundable deposit towards joint development agreement	450	10 - Other Assets
Advance against Property	195	10 - Other Assets
Properties under development	3,326	7 - Inventories
Net Cost of Sales (B)	3,971	21 - Land and construction cost
Net Loss (A) - (B)	(2,987)	

- b) During the current financial year, the GST department has reinstated the GST registration vide form Reg 22 dated May 12, 2023 for Holding Company. Pursuant to this, the Holding Company has ascertained certain GST liabilities for previous years and deposited to the department. However, during the current year, the Holding Company has received an order for cancellation of GST registration on account of failing to furnish the returns for prescribed periods.

On verification of documents and according to the explanation provided to us, the Group is raising GST invoices in order to deposit GST liability to the department as and when GST registration will stand valid.



- c) As reported earlier, the Holding Company in its earlier Annual General Meeting had declared its intention to enter into new areas of business. Accordingly, the Holding Company notified the SEBI of its revised main object for future businesses. (Refer to note 6 of the Statement)
- d) In case of Holding Company, necessary prior approval / omnibus approval from the Audit Committee as per requirement of Section 177 of the Companies Act, 2013 are not made available for advance against property amounting to Rs. 586 Lakh received from one related party viz. NIRPL Ventures Pvt Ltd. However, the same was subsequently ratified by the Audit Committee and Board.
- e) The consolidated Financial Results include the unaudited Financial Results of LOB Facilities Management Private Limited (LOB), a subsidiary included in the consolidated financial results, whose financial results reflect total revenues of Rs. 134 Lakh, total net profit after tax of Rs. 123 Lakh and total comprehensive income of Rs. 124 Lakh for the period ended on November 30, 2023, as considered in the consolidated financial results. That financial results have been reviewed by other auditors whose reports have been furnished to us by the Board of Directors and our opinion on the consolidated financial results, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the reports of the other auditor and the procedures performed by us as stated in paragraph above. In our opinion and according to the information and explanations given to us by the Board of Directors, these interim Financial Results are not material to the Group. Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.
- f) The Statement includes the results for the quarter ended 31st March, 2024 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.

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

Place: Bengaluru

Date: 10.05.2024

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


Shipra Gupta
Partner

Membership No. 436857
UDIN: 24436857BKFOGY6020

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, 2024

(Rs in lakhs except EPS)

No	Particulars	Quarter ended			Year ended	
		3 months ended 31-03-2024	Preceeding 3 months ended 31-12-2023	3 months ended 31-03-2023	Year to date figures for current period ended 31.03.2024	Year to date figures for current period ended 31.03.2023
		Audited	Unaudited	Audited	Audited	Audited
1	Segment revenue					
	(a) Investment and trading in equities	-0	18	4	47	4
	(b) Service business of facilities / manpower / catering / restaurants activities	32	31	-106	171	106
	(c) Proptech and related Internet Technology Services	-	-	-	-	-
	(d) Others	604	2,148	6,096	4,183	9,874
	Total	636	2,197	5,994	4,401	9,984
	Less: Inter-segment revenue	-	-	-	-	-
	Net income from operations	636	2,197	5,994	4,401	9,984
2	Segment results					
	Profit/(loss) before tax and interest					
	(a) Investment and trading in equities	(0)	1	(1)	2	(1)
	(b) Service business of facilities / manpower / catering / restaurants activities	127	428	(119)	136	47
	(c) Proptech and related Internet Technology Services	-	-	-	-	-
	(d) Others	(1,436)	(3,520)	(1,955)	(7,514)	(11,568)
	Total	(1,309)	(3,091)	(2,075)	(7,376)	(11,522)
	Add: Other income	1,967	285	10,497	8,947	10,816
	Less: Interest	7	28	1,474	100	6,244
	Total profit/(loss) before tax	651	(2,834)	6,948	1,471	(6,950)
3	Segment Assets					
	(A) Investment and trading in equities	-	-	15	-	15
	(B) Service business of facilities / manpower / catering / restaurants activities	59	59	610	59	610
	(C) Proptech and related Internet Technology Services	-	-	-	-	-
	(D) Others	50,732	51,362	61,924	50,732	61,924
	(d) Unallocated	28,825	28,825	29,792	28,825	29,792
	Total	79,616	80,246	92,341	79,616	92,341
4	Segment Liabilities					
	(a) Investment and trading in equities	-	-	-	-	-
	(b) Service business of facilities / manpower / catering / restaurants activities	1,055	1,049	1,560	1,055	1,560
	(c) Proptech and related Internet Technology Services	-	-	-	-	-
	(d) Others	1,34,024	1,36,879	1,48,720	1,34,024	1,48,720
	(d) Unallocated	52,011	52,011	52,110	52,011	52,110
	Total	1,87,090	1,89,939	2,02,390	1,87,090	2,02,390



Satchmo Holdings Limited

(formerly known as NEL Holdings South Limited)

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CIN: L93000KA2004PLC033412, website - www.satchmoholdings.in
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Statement of audited Consolidated financial results for quarter and year ended on March 31, 2024

(Rs in lakhs except EPS)

No	Particulars	Quarter ended			Year ended	
		3 months ended 31-03-2024	Preceding 3 months ended 31-12-2023	Corresponding 3 months ended 31-03-2023	Year to date figures for current period ended 31.03.2024	Year to date figures for previous year ended 31.03.2023
		Audited	Unaudited	Audited	Audited	Audited
1	Income					
	(a) Revenue from operations	635	620	5,993	4,401	9,984
	(b) Other Income	1,967	285	10,496	8,947	10,816
	Total Income	2,602	905	16,489	13,348	20,800
2	Expenses					
	(a) Land and construction cost	52	628	7,728	6,553	9,492
	(b) Employee benefits expense	168	184	149	720	692
	(c) Finance costs	7	28	1,474	100	6,244
	(d) Depreciation and amortization expense	4	4	8	13	15
	(e) Other Expenses	1,711	2,097	183	4,482	11,307
	Total Expenses	1,942	2,941	9,542	11,868	27,750
3	Profit/(Loss) before exceptional items and tax (1-2)	660	(2,036)	6,947	1,480	(6,950)
4	Exceptional items	401	(534)	-	(10)	-
5	Profit/(Loss) before tax (3+4)	1,061	(2,570)	6,947	1,470	(6,950)
6	Tax expenses					
	i) Current Tax	(110)	-	411	(110)	522
	ii) Deferred tax	-	-	-	-	-
7	Profit/(Loss) after tax for the period (3-6)	1,171	(2,570)	6,536	1,580	(7,472)
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)	1,171	(2,570)	6,536	1,580	(7,472)
	Attributable to:					
	(i) owners of the parent Group	1,171	(2,570)	6,536	1,580	(7,472)
	(ii) non-controlling interests	-	-	-	-	-
10	Other Comprehensive Income					
	(i) Items that will not be reclassified to profit & Loss					
	(ii) Remeasurement of Defined Benefit Plan	(5)	0.07	(62)	(4)	1
	(iii) Tax on above items that will not be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income	(5)	0.07	(62)	(4)	1
11	Total Comprehensive Income for the period [Comprising profit/(loss) and Other Comprehensive Income for the period (9+10)]	1,166	(2,570)	6,474	1,576	(7,471)
	Attributable to:					
	(i) owners of the parent Group	1,166	(2,570)	6,474	1,576	(7,471)
	(ii) non-controlling interests	-	-	-	-	-
11	Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.) (not annualised)					
	(a) Basic	0.80	(1.76)	4.48	1.08	(5.12)
	(b) Diluted	0.80	(1.76)	4.48	1.08	(5.12)
12	Paid up equity share capital (Face Value of 10/- each)	14,583	14,583	14,583	14,583	14,583

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Notes to the financial results:

1 Statement of Assets & Liabilities

(Rs in lakh)

Particulars	As on 31-Mar-24 audited	As on 31-Mar-23 audited
ASSETS		
(1) Non-current assets		
a) Property, Plant and Equipment	10,390	10,390
b) Intangible assets	3	5
c) Capital work in progress	-	0
	10,393	10,395
d) Financial Assets		
(i) Investments	-	-
(ii) Other Financial assets	25	25
e) Other non-current assets	66	30
	91	55
(2) Current assets		
a) Inventories	50,485	59,843
b) Financials Assets		
(i) Trade receivables	55	162
(ii) Cash and bank balances	56	290
c) Other current assets	18,536	21,595
	69,132	81,891
Total Assets	79,616	92,341
EQUITY AND LIABILITIES		
(1) Equity		
Equity Share capital	14,583	14,583
Other Equity	(1,22,057)	(1,24,632)
	(1,07,474)	(1,10,048)
(2) Non-current liabilities		
(a) Financial Liabilities		
Other non-current financial liabilities	18	18
(b) Provisions	120	111
	138	129
(3) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	13,386	50,712
(ii) Trade payables		
(a) outstanding dues of micro enterprises and small enterprises	36	195
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	10,088	11,528
(iii) Other current financial liabilities	1,11,822	62,919
(b) Other current liabilities	49,827	75,255
(c) Provisions	17	15
(d) Current Tax Liabilities, net	1,776	1,637
	1,86,952	2,02,261
Total Equity & Liabilities	79,616	92,341



2 Statement of Cash Flows

(Rs in lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
	Audited	Audited
Cash flow from operating activities		
Profit/ (Loss) before tax	1,470	(6,950)
Other Comprehensive Income	0	-
Non-cash adjustment to reconcile profit before tax to net cash flows		
Adjustments to reconcile profit before tax to net cash flows:		
Profit and Loss from Subsidiary lost control	(123)	-
Depreciation of property, plant and equipment	11	15
Impairment of CWIP	674	-
Write off of Liability	-	-
Write off of Debtors	1,727	8
Provisions no longer required written back	(7,234)	(9,080)
(Gain)/ loss on disposal of Assets	(33)	-
Finance income	(0)	0
Finance costs (including fair value change in financial instruments)	89	6,481
Exceptional Item	110	-
Impairment provision for Subsidiary Balances	-	-
Expected Credit Loss Allowance against Advances	-	285
Operating profit before changes in working capital	(3,309)	(9,240)
Adjustments for:		
(Increase)/ decrease in trade receivables	97	1,775
(Increase)/ decrease in other financial and non-financial assets	1,204	11,794
(Increase)/ decrease in Inventories	8,684	3,627
Increase/ (decrease) in trade payables	(2,008)	9,993
Increase/ (decrease) in provisions	6,579	215
Increase/ (decrease) in other non-financial liabilities	(8,023)	(16,013)
Cash generated from / (used in) operating activities	3,224	2,151
Income tax paid (net of refund)	129	359
Net cash flows from/ (used in) operating activities (A)	3,353	2,510
Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(48)	-
Proceeds from sale of investment	23	(0)
Dividend / Interest Received	0	-
Profit on sale of assets	-	-
Net cash flows from/ (used in) investing activities (B)	(25)	(0)
Cash flow from financing activities		
Proceeds from short-term borrowings	(3,479)	(2,287)
Interest paid (gross)	(71)	-
Net cash flows from/ (used in) financing activities (C)	(3,550)	(2,287)
Net increase/ (decrease) in cash and cash equivalents	(223)	223
Cash and cash equivalents at the beginning of the year	304	81
Cash and cash equivalents at the end of the year	81	304

Components of cash and cash equivalents	Year ended 31.03.2024	Year ended 31.03.2023
	Audited	Audited
Reconciliation of cash and cash equivalents with Balance Sheet		
Cash and cash equivalents as per Balance Sheet	81	304
Cash and cash equivalents at the end of the year as per the above cash flow statement	81	304
Cash on hand	0	0
Balance with banks		
- on current account	48	214
- on deposit account	8	65
Other Bank Balances	25	25
Total cash and cash equivalents	81	304

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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 10th May, 2024. The statutory auditors have conducted the statutory audit of the Consolidated Financials Results of the Company for the year ended 31st March 2024. The figures for the last quarter are the balancing figures between the audited figures in respect of the full financial year upto 31st March, 2024 and the unaudited published year-to-date figures upto 31st December, 2023, being the date of the end of the third quarter of the financial year which were subject to limited review by the statutory auditors.

2. These results include the result of the following subsidiaries.

Subsidiaries: Northroof Ventures Private Limited (formerly known as NNDPL 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) upto 30 November 2023, the date of divestment of this subsidiary.

3. 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, as amended. 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.

4. The 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 Group.

5. Provision for impairment of a Subsidiary balance amounting to Rs 1,045 lakhs which was shown as Exception item in the standalone financial statements has been eliminated at the consolidation level.

6. The Group is in process of completing the incomplete residential projects and pursuant to Change in its object clause, is focussing on the segments namely the "Service business of facilities / manpower / catering / restaurants activities", "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.

7. The Group has accepted onetime settlement proposal (OTS) dated 14th April 2023, as given by 1st Lender for an amount of Rs. 8,500 lakhs. The Group has already paid Rs. 1,500 lakhs out of the said amount of 8,500 in first quarter. As per the OTS, the amount is to be settled within 180 days from the date of OTS. The Group has also received OTS from 2nd Lender dated 6th June 2023 for an amount of Rs. 4,590 lakhs and Group has already paid Rs. 3,079 lakhs against the said OTS till the first quarter. Accordingly the Group has not provided for any interest in this quarter. The Group has received Revocation letter from the first lender in November 2023 and is in the process of negotiation for extension of OTS. Post receipt of onetime settlement proposal (OTS) from the two lenders, Group has reclassified the loans payable at the OTS and the balance outstanding along with accrued interest for an aggregate amount of Rs. 55,246 lakhs has been classified as Disputed Liability in the first quarter.

8. Figures for audited standalone financial results of the company for the quarter and year ended March 31, 2024

Sl. No	Particulars	Quarter ended			Year ended	
		3 months ended 31-03-2024	Preceding 3 months ended 31-12-2023	Corresponding 3 months ended 31-03-2023	Year to date figures for current period ended 31.03.2024	Year to date figures for previous year ended 31.03.2023
		Audited	Unaudited	Audited	Audited	Audited
a	Total income	801	493	14,921	9,510	17,023
b	Profit/(Loss) before tax	68	(2,587)	6,856	246	(5,693)
c	Profit/(Loss) after tax	178	(2,587)	6,911	356	(5,693)

9. The Group has obtained approval of its Board for 100% divestment of its shareholding in LOB Facilities Private Limited (LOB) (subsidiary) and also received its shareholders approval on 26th October 2023. Post receipt of said approval, Group has closed the divestment on 30th Nov 2023. Hence, LOB is no longer subsidiary effective 1st December 2023 and the Group has consolidated the results for the period upto November 2023.

10. The Holding Company has exited British Columbia project in the 1st quarter of this year post payment of settlement amount of loan to the lender and has also settled all pending Customer Refunds of this project.

11. Deferred Tax has not been accounted for due to the uncertainty of taxable profit as estimated by the management against which the Deferred tax assets can be adjusted / utilised in near future.

12. 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.

13. 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 Satchm Holdings South Ltd)

Ramesh Karur
DIN: 03572425
Whole time director

Place: Bengaluru, India
Date : 10th May 2024



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 2024.

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	13,348	13,348
2	Total Expenditure	11,772	11,772
3	Net loss	1,576	1,576
4	Earnings Per share (Rs.)	1.08	1.08
5	Total assets	79,616	79,616
6	Total Liabilities	1,87,089	1,87,089
7	Networth	(1,07,474)	(1,07,473)

II. Audit Qualification (each Audit Qualification separately)

a) Detail of Audit Qualification:

The Group has incurred losses over the years resulting in negative net worth and negative working capital. The default in payment of dues to bank and financial institution and creditors etc. are the identified events that, individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern. The Statement does not adequately disclose this fact.

The Group has stepped back / separated from the certain projects under development and has transferred those projects to other developers/landowners through Memorandum of Understanding (MOU) or Business Transfer Agreement (BTA). Although these transactions have reduced the liability of the Group to bank and financial institution,



For SATCHMO HOLDINGS LIMITED



Satchmo Holdings Limited

(Formerly known as NEL Holdings South Limited)

CIN : L93000KA2004PLC033412

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

the ability of the Group to continue as a going concern continues to remain uncertain in view of the negative net worth.

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 12 of the Statement)

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Fifth 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** - Comprehensive approaches focused on identifying root causes with strategical planning have been put in place to revive with potential business diversification. This was already a part of the previous year AGM agenda too. Efforts are being made to close the borrowings through OTS and it's in final stages of conclusion and closure. Considering these the Management is of the view the impact of Going concern would not be of concern anymore in future.

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.

1. 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 the absence of such confirmation, we are unable to ascertain any consequential effect of the above to the consolidated financial results for the year. As explained, necessary mails have been sent to some of the parties for confirmation. However, no replies have been received in this regard except in few cases.



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For SATCHMO HOLDINGS LIMITED

Chief Financial Officer



b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Fifth 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 not quantified.

ii. **If Management is unable to estimate the impact, reasons for the same:** – Balance confirmation letters have been sent to the vendors & customers on RPAD basis for the samples selected by the Audit team. However from the books of accounts point of view all controls are in place to ensure that the balances of customers and vendors which are a part of financial statements are stated correct.

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.

2. **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, value-added tax, Goods and Services tax, cess, etc.

The Group also has a receivable balance of Rs. 1010 Lakh and a payable balance of Rs. 315 Lakh (excluding interest and disputed VAT liability under appeal) from/ to various government authorities. Due to such statutory non-compliance, we are unable to comment on the actual recoverability and payment of the dues against such balances.

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



2.

For SATCHMO HOLDINGS LIMITED

Chief Financial Officer



Not applicable as impact is not quantified.

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

i. Not applicable as impact has already been recorded in financial statements.

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

i. Auditor's comment on (i) or (ii) above: It is violation of income tax act and other applicable statutory acts.

3. a. Detail of Audit Qualification:

Necessary documents for imprest transactions taken place during the financial year 2023-24 are not made available for our verification. In the absence of adequate audit evidence, we are unable to ascertain any consequential effect of the above to the financial results for the year.

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:** Amounts are already reflecting in books of accounts.

i. Auditor's comment on (i) or (ii) above: Necessary documents should be made available for the verification to form an audit opinion.

4. a. Detail of Audit Qualification:

- Inventories amounting to Rs 21,816 Lakh (Net of "Payable to land owner for land under JDA") has not been tested impairment for ascertaining the realizable value as on 31st March, 2024. To the extent of any possible



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←

SATCHMO HOLDINGS LIMITED
Harshad
Joint Managing Director



diminution of value not accounted for, the standalone 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: Fifth 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 cannot be quantified.

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

– Valuation of Inventories for the JDA agreement/projects to ascertain NRV is not practical for the unfinished or early stage projects. However, as per Management, considering the market value of similar projects in that area and the balance cost to be incurred the value will be higher than the cost incurred in the books of accounts. Hence as per the Management the books of accounts have been fairly stated at cost which is generally lower than the NRV.

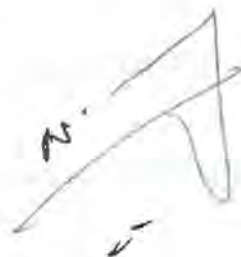
iii. Auditor's comment on (i) or (ii) above: Necessary document should be available in this regard to substantiate that market value is higher than the cost for the purpose of inventory valuation as per IndAS 2.

5. a. Detail of Audit Qualification:

The Group has entered into One-time Settlements (OTS) with JCF ARC (assigned by YES Bank) and HDFC Limited as per which, the Group has to repay the amounts mentioned in the settlement letters in a time-bound manner. In the event the Group defaults on the mentioned timelines or any other payment terms, the said settlement approvals shall stand revoked.

On this basis, the Group has disclosed Rs. 13,385 Lakh under Current Borrowing (being the OTS outstanding balance of JCF ARC and HDFC) and Rs. 1,11,664 Lakh under Disputed Liability (being the difference between original loan and interest liability and OTS outstanding balance) as on 31st March, 2024. (Refer to Note 7 of the Statement)

However, the Company has defaulted on the timelines of the payment under OTS with respect to both the lenders. Subsequently, the Group has received a



SATCHMO HOLDINGS LIMITED

Chief Financial Officer



notice from JCF ARC revoking the above-mentioned OTS and called upon to repay outstanding dues along with applicable interest charges, costs, etc. with immediate effect.

As explained, the Group is in communication with the lenders for seeking an extension for the balance payment therefore has not booked any further liability on the basis of such demand from JCF ARC.

No information / document is made available for subsequent correspondence after the revocation in case of HDFC Limited.

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**
– Liability is already recorded in books of accounts. Hence, no impact.

iii. **Auditor's comment on (i) or (ii) above:** Settlement along with payment should be done at the earliest as per the requirements of the terms of the OTS.

LOB Facilities Management Pvt. Ltd.

a) Detail of Audit Qualification:

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

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 Auditor has not quantified the impact

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



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BY SATCHMO HOLDINGS LIMITED



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 –**

LOB Facilities Management Pvt. Ltd., is not a subsidiary as of 31st March 2024
Hence, no comments required.

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

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

- i. As per the records of the company and information and explanation provided to us, the company has been irregular in depositing Provident Fund, Employee's State Insurance, Income Tax, Sales-Tax, Service Tax, Value Added Tax, Goods and Service Tax, Cess.

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Fifth 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 -

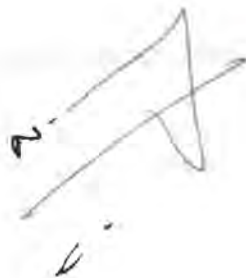
ii. If Management is unable to estimate the impact, reasons for the same-

LOB Facilities Management Pvt. Ltd., is not a subsidiary as of 31st March 2024.
Hence, no comments required.

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

2) A. Detail of Audit Qualification:

The Company has recognized revenue in the current year pertaining to past years in respect of past projects amounting to INR 3,907 thousand. In the absence of proper information, the other auditor was unable to comment on



For SATCHMO HOLDINGS LIMITED
Chief Financial Officer



the correctness of the same and its consequent impact on the financial position.

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. No Impact

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

LOB Facilities Management Pvt. Ltd., is not a subsidiary as of 31st March 2024. Hence, no comments required.

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

i.a. Detail of Audit Qualification: The company has written back the following amounts as these amounts are considered no longer payable.

(In thousands)		
Sl. No.	Particulars	Amount
1	Advance from customers	1,366.93
2	Sinking Fund	53,588.37
3	Other Written Backs	28,732.82
4	Provision of Debtor no longer required	11,957.70
5	Misc. Income	39.32
	Total	95,685.14

Refer to Note 4 of the report and Note 3 of the financial results of LOB, this balance has been written off in lieu of the divestment of 100% of their holdings in LOB Facilities Management Private Limited for which the approval was granted. In the absence of adequate audit evidence and confirmations from the parties, the other auditors are unable to comment on the correctness of this writeback of liabilities.



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For SATCHMO HOLDINGS LIMITED

Chief Financial Officer



The Company does not have details of amounts payable to customers or to be maintained towards future capital expenses in the sinking fund. Over the years, the company has been utilizing this balance towards miscellaneous expenses pertaining to such projects, without adequate approvals and authorizations from customers. Consequently, the other auditor are also unable to comment on the correctness of the sinking fund balance of INR 11,388 thousand. Hence the adequacy of this liability cannot be ascertained.

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-

LOB Facilities Management Pvt. Ltd., is not a subsidiary as of 31st March 2024. Hence, no comments required.

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

ii. **a. Detail of Audit Qualification:** The other auditor has not received confirmation of balances with respect to Trade Payables, vendor advances, 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, other auditor unable to determine the adequacy or inadequacy of such liabilities.

6.

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-

LOB Facilities Management Pvt. Ltd., is not a subsidiary as of 31st March 2024. Hence, no comments required.

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

- i. a. During the year the company has written off accounts receivable and vendor advance amounting to INR 14,492 thousand of past projects. In the absence of adequate evidence and confirmation from the debtors, other auditor are unable to comment on the same and its recoverability.
- ii. During the period the company has created an impairment loss of 39,165.44 thousand pertaining to an entity under the same group management which the company believes is no longer receivable. However, other auditor has not been given any audit evidence or confirmation and hence they are unable to comment on the same.
- iii. According to the information and explanations given to us, the Company has not established its internal financial control over financial reporting on criteria based on or considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

(Refer Note 8 of the Statement)

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



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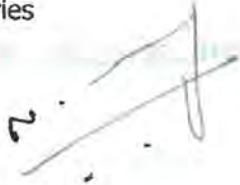
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CHARTERED ACCOUNTANTS
BANGALORE

- i. Not Applicable as impact is quantified
- ii. If Management is unable to estimate the impact, reasons for the same – Not applicable

LOB Facilities Management Pvt. Ltd., is not a subsidiary as of 31st March 2024. Hence, no comments required.

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

Signatories



Chairman & Managing Director

For SATCHMO HOLDINGS LIMITED

Chief Financial Officer



CFO



Audit Committee Chairman



Statutory Auditor

Bangalore
Date: 10th May 2024

**SUBRAMA
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NAN**

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SUBRAMANIAN
ANANTHANARAYANAN
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