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Auditor's Report on Quarterly Financial Results and Year to Date Results of SATCHMO HOLDINGS LIMITED (formerly known as NEL Holdings South Limited) pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

TO THE BOARD OF DIRECTORS OF SATCHMO HOLDINGS LIMITED (Formerly known as NEL HOLDINGS SOUTH LIMITED)

Report on the audit of the Standalone Financial Results

Adverse Opinion

We have audited the accompanying Statement ("the Statement") containing Standalone quarterly financial results of SATCHMO HOLDINGS LIMITED (formerly NEL Holdings South Limited) ("the Company") for the quarter ended March 31, 2024 and the year to date results for the period from April 01, 2023 to March 31, 2024, attached herewith, being submitted by the 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, these standalone financial results:

- a) 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 in this regard; and
- b) *due to the significance of matters described in the Basis for Adverse Opinion Para given below, the accompanying standalone financial results do not give a true and fair view of the financial position of the Company, in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standard and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information of the Company for the quarter ended March 31, 2024 as well as the year to date results for the period from April 01, 2023 to March 31, 2024.*

Basis for Adverse Opinion

The Company has incurred losses over the years resulting in negative net worth and negative working capital. The default in payment of dues to banks and financial institutions and creditors etc. are the identified events that, individually or collectively, may cast significant doubt on the



Company's ability to continue as a going concern. The Statement does not adequately disclose this fact.

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

As the Company has not recognized this fact and has prepared the standalone financial statements on a going concern assumption basis without carrying out any adjustments, in our opinion, the Statement may not give a true and fair view. (Refer to Note 9 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, advances 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 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 Company and information and explanations provided to us, the Company has been irregular in depositing the undisputed statutory dues, including provident fund, income-tax, value-added tax, Goods and Services tax, cess, etc.
The Company also has a receivable balance of Rs. 768 Lakh and a payable balance of Rs. 177 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 1,450 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 Company has entered into One-time Settlements (OTS) with JCF ARC (assigned by YES Bank) and HDFC Limited as per which, the Company has to repay the amounts mentioned in the settlement letters in a time-bound manner. In the event the Company



defaults on the mentioned timelines or any other payment terms, the said settlement approvals shall stand revoked.

On this basis, the Company has disclosed Rs. 8,507 Lakh under Current Borrowing (being the OTS outstanding balance of JCF ARC and HDFC) and Rs. 48,233 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 4 of the Statement)

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

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 Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results 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 we have obtained 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 Company has divested its interest in its Wholly Owned Subsidiary - LOB Facilities Management Private Limited (LOB). Pursuant to the 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 Company has taken over two projects, maintenance charges of which were earlier billed by LOB, without any consideration. (Refer to Note 5 of the Statement)

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

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



- b) The opening balance of advances given to one of its subsidiaries, Northroof Ventures Private Limited, amounted to Rs. 229 Lakh. Further, during the year, the Company has disbursed (net of realization) fresh advances amounting to Rs. 816 Lakh to meet the working capital requirements. This amount has been fully impaired due to the negative net worth of this subsidiary.
- c) During the previous financial year, the Company 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 Company 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 Company. Further, the necessary valuation reports in respect of these projects were not provided to us.
- d) The Company has not renewed the registration of project "Rio" under the provisions of Real Estate (Regulation and Development) Act, 2016 since 31st March 2019, resulting in non-compliance under the relevant rules and regulations of the Real Estate (Regulation and Development) Act, 2016.
- e) According to the information and explanation provided to us, Gratuity plan of the Company is unfunded as at 31st March, 2024 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.
- f) Certain Managerial personnel duly appointed by members have intimated the Board that they would be foregoing their remuneration from their respective date of appointment in order to comply with the provisions of section 197(1) of the Companies Act, 2013 since lender's approval prior to such appointment was not obtained. Accordingly, no managerial remuneration has been accounted for in the books of account in respect of those personnel. The board has noted the "Letter of Undertaking" received from the personnel for non-acceptance of salary and other remuneration.
- g) The Company 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.



- h) Deferred tax has neither been ascertained nor accounted for due to the uncertainty of the taxable profit as estimated by the Management of the Company. (Refer to Note no. 8 of the Statement)
- i) Security Deposit liability amounting to Rs. 17.50 Lakh against lease agreement is lying in the books. However, the Company has not discounted the same as per requirement of Ind AS 109 since the matter is sub-judice.
- j) During the previous financial year, the Company 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 Company 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 standalone financial results have been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit for the year ended March 31, 2024 and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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



The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 financial 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 such controls.
- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.



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

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

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

Other Matters

- a) During the previous financial year, the Company 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 7 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. Pursuant to this, the Company has ascertained certain GST liabilities for previous years and deposited to the department. However, the Company has received an order subsequently 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 Company 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 Company in its earlier Annual General Meeting had declared its intention to enter into new areas of business. Accordingly, the Company had notified the SEBI on its revised main object for future businesses (refer Note 6 of the Statement).

d) Necessary prior approval / omnibus approval from the Audit Committee as per requirement of Section 177 of the Companies Act, 2013 are not made available in case of 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 Statement includes the results for the quarter ended March 31, 2024 and the corresponding quarter ended in the previous year being the balancing figures 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 relevant financial year which were subject to limited review.

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

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


(Shipra Gupta)

Partner

Membership No. 436857

UDIN: 24436857BKFOGX1159

Place: Bengaluru

Date: 10.05.2024

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

Standalone Segment wise revenue, results for the period ended March 31, 2024

(Rs in lakh 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	-	18	-	47	-
	(b) Service business of facilities / manpower / catering / restaurants activities	32	10	4	42	4
	(c) Proptech and related Internet Technology Services	-	-	-	-	-
	(d) Others	243	123	5,973	1,840	7,602
	Total	275	151	5,977	1,929	7,606
	Less: Inter-segment revenue	-	-	-	-	-
	Net income from operations	275	151	5,977	1,929	7,606
2	Segment results					
	Profit/(loss) before tax and interest					
	(a) Investment and trading in equities	0	1	(1)	2	-
	(b) Service business of facilities / manpower / catering / restaurants activities	(1)	7	-	6	-
	(c) Proptech and related Internet Technology Services	-	-	-	-	(1)
	(d) Others	(450)	(2,938)	(1,602)	(7,326)	(13,082)
	Total	(451)	(2,930)	(1,602)	(7,318)	(13,083)
	Add: Other income	526	342	8,945	7,581	9,417
	Less: Interest	7	(0)	486	17	2,028
	Total profit/(loss) before tax	68	(2,588)	6,857	246	(5,694)
3	Segment Assets					
	(A) Investment and trading in equities	-	(13)	15	-	15
	(B) Service business of facilities / manpower / catering / restaurants activities	-	-	-	-	-
	(C) Proptech and related Internet Technology Services	-	-	-	-	-
	(D) Others	27,321	28,372	39,351	27,321	39,351
	(d) Unallocated	-	-	-	-	-
	Total	27,321	28,359	39,366	27,321	39,366
4	Segment Liabilities					
	(a) Investment and trading in equities	-	-	-	-	-
	(b) Service business of facilities / manpower / catering / restaurants activities	6	-	-	6	-
	(c) Proptech and related Internet Technology Services	-	-	-	-	-
	(d) Others	1,23,567	1,24,785	1,35,971	1,23,567	1,35,971
	(d) Unallocated	-	-	-	-	-
	Total	1,23,573	1,24,785	1,35,971	1,23,573	1,35,971



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Statement of audited standalone financial results for the quarter and year ended 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	275	151	5,976	1,929	7,606
	(b) Other Income	526	342	8,945	7,581	9,417
	Total Income	801	493	14,921	9,510	17,023
2	Expenses					
	(a) Land and construction cost	220	76	7,540	4,594	9,081
	(b) Employee benefits expense	168	175	140	677	665
	(c) Finance costs	7	(0)	486	17	2,028
	(d) Depreciation and amortization expense	3	3	6	11	10
	(e) Other Expenses	831	1,688	(107)	2,910	10,932
	Total Expenses	1,229	1,942	8,065	8,209	22,716
	Exceptional items	496	(1,138)	-	(1,055)	-
3	Profit/(Loss) before tax (1-2)	68	(2,587)	6,856	246	(5,693)
4	Tax expenses					
	i) Current Tax	(110)	-	(55)	(110)	-
	ii) Deferred tax	-	-	-	-	-
5	Profit/(Loss) after tax for the period (3-4)	178	(2,587)	6,911	356	(5,693)
6	Other Comprehensive Income					
	(i) Items that will not be reclassified to profit & Loss	-	-	-	-	-
	(ii) Remeasurement of Defined Benefit Plan	(5)	0.07	(60)	(4)	-
	(iii) Tax on above items that will not be reclassified to profit or loss	-	-	-	-	-
	Total Other Comprehensive Income	(5)	0.07	(60)	(4)	-
7	Total Comprehensive Income for the period [Comprising profit/(loss) and Other Comprehensive Income for the period (5+6)]	173	(2,587)	6,851	352	(5,693)
8	Earnings/(Loss) Per Share ('EPS') (of Rs. 10 each) - (Rs.) (not annualised)					
	(a) Basic EPS	0.12	(1.77)	4.74	0.24	(3.90)
	(b) Diluted EPS	0.12	(1.77)	4.74	0.24	(3.90)
9	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

(Rs in lakh)

Particulars	As on	As on
	31-Mar-24	31-Mar-23
	Audited	Audited
ASSETS		
(1) Non-current assets		
a) Property, Plant and Equipment	10,388	10,353
b) Intangible assets	3	3
c) Capital work in progress	0	0
	10,391	10,357
e) Financial Assets		
(i) Investments	0	0
(ii) Other financial assets	11	11
f) Other non-current assets	15	18
	26	29
(2) Current assets		
a) Inventories	2,903	12,380
b) Financial Assets		
(i) Trade receivables	55	118
(ii) Cash and cash equivalents	48	271
c) Other current assets	13,898	16,213
	16,904	28,982
Total Assets	27,321	39,368
EQUITY AND LIABILITIES		
(1) Equity		
Equity Share capital	14,583	14,583
Other Equity	(1,10,836)	(1,11,187)
	(96,253)	(96,604)
(2) Non-current liabilities		
a) Financial Liabilities		
(i) Other financial liabilities	18	18
b) Provisions	120	106
	138	124
(3) Current liabilities		
a) Financial Liabilities		
(i) Borrowings	8,507	30,020
(ii) Trade payables		
a) Total outstanding dues of micro and small enterprises	3	50
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	6,601	8,309
(iii) Other current financial liabilities	1,01,535	76,483
a) Other current liabilities	5,638	19,964
b) Provisions	17	15
c) Current tax liabilities (net)	1,135	1,006
	1,23,436	1,35,847
Total Equity & Liabilities	27,321	39,367
	-0	(0)



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	246	(5,693)
<u>Adjustments to reconcile profit before tax to net cash flows:</u>		
Depreciation of property, plant and equipment	11	10
Gain/ (loss) on disposal of property, plant and equipment	(16)	-
Write off of Liability	(612)	-
Provisions & Liabilities no longer required, written back	(6,467)	(8,748)
Interest income on Preference shares of NHDPL	(326)	(285)
Impairment Provision against Preference shares of NHDPL	326	285
Impairment Provision against Advances	1,045	-
Finance costs	17	1,991
Sundry Advances written off	1,609	-
Exceptional Item	110	-
Operating profit before changes in working capital		
<u>Adjustments for:</u>		
(Increase)/ decrease in Inventories	9,477	3,702
(Increase)/ decrease in trade receivables	63	1,720
(Increase)/ decrease in other financial and non-financial assets	1,272	6,721
Increase/ (decrease) in trade payables and other financial liabilities	(2,746)	7,696
Increase/ (decrease) in provisions	6,483	20
Increase/ (decrease) in other non-financial liabilities	(7,321)	(6,383)
Cash generated from / (used in) operating activities	3,172	1,036
Income tax paid (net of refund)	129	356
Net cash flows from/ (used in) operating activities (A)	3,301	1,392
Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(52)	(20)
Sale of Fixed asset	-	3
Proceeds from sale of property, plant and equipment	23	-
Purchase of Investments	-	(0)
Net cash flows from/ (used in) investing activities (B)	(29)	(17)
Cash flow from financing activities		
Proceeds/(Repayments) from short-term borrowings	(3,478)	(1,142)
Interest paid (gross)	(17)	-
Net cash flows from/ (used in) financing activities (C)	(3,495)	(1,142)
Net increase/ (decrease) in cash and cash equivalents	(223)	233
Cash and cash equivalents at the beginning of the year	282	49
Cash and cash equivalents at the end of the year	59	282

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 on hand	0	-
Balance with banks		
- on current account	48	271
- on deposit account	11	11
Total cash and cash equivalents	59	282

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- 1 The above standalone financial results have been reviewed by the Audit committee and approved by the Board of Directors of the Company at its meeting held on 10th May, 2024. The statutory auditors have conducted a statutory audit of the standalone Financial Results of the Company for the period year 31st March, 2024.
- 2 These standalone financial results information presented above is prepared in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, 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.
- 3 The Company has analyzed 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, and Ind AS 103 is not applicable to the Company.
- 4 The Company has accepted onetime settlement proposal (OTS) dated 14th April 2023 ,as given by Ist Lender for an amount of Rs. 8,500 lakhs. Company has already paid Rs. 1,500 lacs out of the said amount of 8,500 lakhs in first quarter. As per the OTS, the amount is to be settled within 180 days from the date of OTS. Company has also received OTS from 2nd Lender dated 6th June 2023 for an amount of Rs. 4,590 lakhs and Company has already paid Rs. 3,079 lakhs against the said OTS till the first quarter. Accordingly Company has not provided for any interest in this quarter. Company has received Revocation letter from first lender in November 2023 and is in process of negotiation for extension of OTS. Post receipt of onetime settlement proposal (OTS) from the two lenders, Company has reclassified the loans payable at the OTS and the balance outstanding along with accrued interest for an aggregate amount of Rs. 48,233 lakhs has been classified as Disputed Liability in the this year.
- 5 The Company has obtained approval of its Board for 100% divestment of its sharholding in LOB Facilities Private Limited (LOB) (subsidiary) and also received its shareholders approval on 26th October 2023. Post receipt of said approval, Company has closed the divestment on 30th November 2023. Hence, LOB is no longer subsidiary effective 1st December 2023.
- 6 The Company 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 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.
- 8 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.
- 9 **Going concern**
These financial statements have been prepared on a going concern basis notwithstanding accumulated losses as at the balance sheet date and a negative net current assets situation. As per the management with these exits of residential projects and the debt coming down, the company is hopeful of revival in the coming years.
These financial statements therefore do not include any adjustments relating to recoverability and classification of asset amounts or to classification of liabilities that may be necessary if the Company is unable to continue as a going concern.
- 10 The figures for the quarter ended 31st March, 2024 are the derived balancing figures between the unaudited figures in respect of nine months ended 31st December 2023.
- 11 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 SCL Holdings South Limited)


Ramesh Karur
Whole-time Director
DIN: 03572425

Place: Bengaluru, India
Date : 10th May, 2024



Annexure I (Standalone)

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

Rs 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	9,510	9,510
2	Total Expenditure	9,158	9,158
3	Net profit	352	352
4	Earnings Per share (Rs.)	0.24	0.24
5	Total assets	27,321	27,321
6	Total Liabilities	1,23,573	1,23,573
7	Networth	(96,252)	(96,252)

II. Audit Qualification (each Audit Qualification separately)

a. Detail of Audit Qualification:

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

The Company has stepped back / separated from certain projects under development and has transferred those projects to other developers/ landowners through the Memorandum of Understanding (MOU) or Business Transfer Agreement (BTA).

For SATCHMO HOLDINGS LIMITED

Chief Financial Officer

Satchmo Holdings Limited

(Formerly known as NEL 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 : satchmoholdings.in, Email : info@satchmoholdings.in



Although these transactions have reduced the liability of the Company to banks and financial institutions, the ability of the Company to continue as a going concern continues to remain uncertain in view of the negative net worth.

As the Company has not recognized this fact and has prepared the standalone financial statements on a going concern assumption basis without carrying out any adjustments, in our opinion, the Statement may not give a true and fair view. (Refer to Note 9 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 not quantified by the Auditor

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

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

b. Type of Audit Qualification: Qualified Opinion

c. Frequency of Qualification: Fifth Time Qualification



[Handwritten signature]
Chairman & Managing Director

For SATCHMO HOLDINGS LIMITED

[Handwritten signature]
Chief Financial Officer



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 Company and information and explanations provided to us, the Company has been irregular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income-tax, value-added tax, Goods and Services tax, cess, etc.

The Company also has a receivable balance of Rs. 768 Lakh and a payable balance of Rs. 177 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**
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



For SATCHMO HOLDINGS LIMITED

Chief Financial Officer



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.

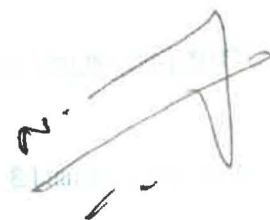
4) **a. Detail of Audit Qualification:** Inventories amounting to Rs 1,450 Lakh (Net of "Payable to land owner for land under JDA") has not been tested impairment for ascertaining the realizable value as on 31st March, 2024. To the extent of any possible diminution of value not accounted for, the standalone financial results may not give a true and fair view as per the requirement of Ind AS 2.

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



For SATCHMO HOLDINGS LIMITED

Chief Financial Officer



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

On this basis, the Company has disclosed Rs. 8,507 Lakh under Current Borrowing (being the OTS outstanding balance of JCF ARC and HDFC) and Rs. 48,233 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 4 of the Statement)

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



[Handwritten signature]

For SATCHMO HOLDINGS LIMITED

Chief Financial Officer



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.

Signatories

[Handwritten signature]
Chairman & Managing Director



Chairman & Managing Director

For SATCHMO HOLDINGS LIMITED

[Handwritten signature]
Chief Financial Officer



CFO



Audit Committee Chairman

[Handwritten signature]
Statutory Auditor



Bangalore
Date: 10th May 2024

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ANAN**

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