

To,

Members of Adarsh Nest Private Limited

*Report on the Audit of the Financial Statements*

**Opinion:**

We have audited the financial statements of Adarsh Nest Private Limited, ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2023, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to the financial statement including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of state of affairs of the Company as at 31<sup>st</sup> March 2023 and the Loss and its profit and loss statement for the year ended on that date.

***Basis for Opinion***

We conducted our audit in accordance with the Standards on Auditing (SAs) specified U/s. 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 Financial Statements section of our report. / We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 opinion.

***Responsibilities of Management's for the Financial Statements.***

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified u/s 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

***Auditor's Responsibility for the Audit of the Financial Statements***



Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

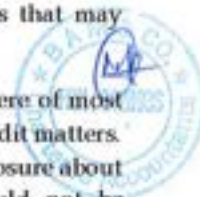
As part of an audit in accordance with SA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial statement, 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 omission, misrepresentation 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 U/s. 14B(3)(i) of the 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial control systems in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



### ***Report on Other Legal and Regulatory Requirements***

1. This report does not include a statement on the matters specified in paragraph 3 of the Companies (Auditor's Report) Order, 2016, issued by the Ministry of Corporate Affairs, in terms of Sec.143(11) of the Act, since in our opinion and according to the information and explanations given to us, the said Order is not applicable to the company.
2. As required by Sec. 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified u/s. 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2023 from being appointed as a director in terms of Sec. 164(2) of the Act.
  - f. *The company has accepted loan Rs 197.71 Cr (PY 162.08 Cr) from partnership firm in which directors are partner to which the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under and the directions issued by the RBI are applicable.*
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position
    - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company



h. According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, Goods and Service tax, service tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31st March, 2023 for a period of more than six months from the date they become payable except TDS as under.

a. According to the information and explanations given to us, the following dues of TDS as on 31<sup>st</sup> March 2023 and Rs 22,89,336 has been paid after balance sheet.

**TDS Payable Summary**

Row Labels	Amount (Rs.)
2018-19	14,58,426.00
2019-20	15,000.00
2020-21	18,750.00
2021-22	10,98,200.00
2022-23	8,58,459.00
<b>Grand Total</b>	<b>34,48,835.00</b>

B A M & Co  
Chartered Accountants  
FRN: 012893S  
UDIN - 23220945BGVHND3443



Mahesh B S  
Partner  
Membership No. 220945  
Date – September 23, 2023  
Place: Bangalore



**M/s ADARSH NEST PRIVATE LIMITED**  
**CIN:U45202KA2009PTC051267**  
**No. 2/4, Langford Garden, Richmond Town Bangalore 560025**  
**BALANCE SHEET AS AT 31ST MARCH 2023**

Particulars	Note No	Amount in Lakhs	
		As at 31st March, 2023	As at 31st March, 2022
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	II	4.00	4.00
(b) Reserves and Surplus	III	(296.47)	(95.86)
(c) Money received against share warrants		-	-
<b>(2) Share Application money pending allotment</b>			
<b>(3) Non-Current Liabilities</b>			
(a) Long-Term Borrowings	IV	19,771.00	16,207.35
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
<b>(4) Current Liabilities</b>			
(a) Short-Term Borrowings		-	-
(b) Trade Payables	V	0.18	0.81
(c) Other Current Liabilities	VI	1,517.77	2,140.90
(d) Short-Term Provisions		-	-
<b>Total Equity &amp; Liabilities</b>		<b>20,996.48</b>	<b>18,257.19</b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible assets		-	-
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments		-	-
(c) Deferred tax assets (net)		-	-
(d) Long term loans and advances		-	-
(e) Other non-current assets	VII	-	17.30
<b>(2) Current Assets</b>			
(a) Current investments		-	-
(b) Inventories	VIII	78.46	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	IX	0.81	0.41
(e) Short-term loans and advances	X	696.97	484.01
(f) Other current assets	XI	20,220.23	17,755.48
<b>Total Assets</b>		<b>20,996.48</b>	<b>18,257.19</b>

**NOTES TO ACCOUNTS**

I

Notes referred to above and notes attached there to form an integral part of Balance Sheet  
This is the Balance Sheet referred to in our Report of even date.

For BAM AND CO  
Chartered Accountants  
Firm No:012893S

Mahesh B S  
Partner  
Membership No. 220945

Date:23.09.2023  
Place: Bangalore



FOR M/s ADARSH NEST PRIVATE LIMITED

B.M. JAYESHANKAR  
DIRECTOR  
DIN: 00745118

B.M. KARUNESH  
DIRECTOR  
DIN: 00693174



## M/s ADARSH NEST PRIVATE LIMITED

CIN:U45202KA2009PTC051267

No. 2/4, Langford Garden, Richmond Town Bangalore 560025

## STATEMENT OF PROFIT &amp; LOSS FOR THE YEAR ENDED 31ST MARCH 2023

(Amount in Lakhs)

(Amount in Lakhs)

PARTICULARS	Note	For the year ended 31st March 2023	For the year ended 31st March 2022
I Revenue from operation	XII	-	252.50
II Other Income		-	-
<b>IV Total Revenue</b>		-	<b>252.50</b>
<b>V Expenses</b>			
Land Cost		-	268.83
Employee Benefits Expenses		-	-
Financial Cost	XIII	0.48	0.02
Other Expenses	XIV	278.58	79.52
		<b>279.07</b>	<b>348.36</b>
Less : Expenses Transferred to Work in progress	XV	78.46	-
		<b>200.61</b>	<b>348.36</b>
Profit/(Loss) Before Depreciation & Taxation		(200.61)	(95.86)
Depreciation			
Profit/(Loss) Before Taxation		(200.61)	(95.86)
Tax expenses			
Current Tax			
Deferred Tax			
Net Profit During the year		(200.61)	(95.86)
<b>Other Comprehensive Income</b>			
(i) Item that will not be reclassified to Profit or Loss			
(ii) Item that will be reclassified to Profit or Loss			
Total Comprehensive Income for the year		(200.61)	(95.86)
Earning per Share of face value of Rs 10 Each			
Basic & Diluted (In Rs)		(501.51)	(239.66)
No of Equity Shares (In Rs)		40000	40000

Notes referred to above and notes attached there to form an integral part of statement of Profit &amp; Loss

For BAM AND CO  
Chartered Accountants  
Firm No:012893S

Mahesh B S  
Partner  
Membership No. 220945

Date:23.09.2023  
Place: Bangalore



FOR M/s ADARSH NEST PRIVATE LIMITED

B M JAYESHANKAR  
DIRECTOR  
DIN: 00745118

B M KARUNESH  
DIRECTOR  
DIN: 00693174

**M/s ADARSH NEST PRIVATE LIMITED**  
**CIN:U45202KA2009PTC051267**  
**No. 2/4, Langford Garden, Richmond Town Bangalore 560025**  
**Cash Flow Statement for the year ended March 31, 2023**

PARTICULARS	31-Mar-23		31-Mar-22	
<b>A. Cash Flow From Operating Activities</b>				
Net Profit Before Tax and extraordinary items		(200.61)		(95.86)
Adjustments For :				
Depreciation / Amortisation	-			
(Profit) / Loss on sale of investments	-			
(Profit) / Loss on sale of fixed assets	-			
Dividend Income	-			
Interest Paid	-			
<b>Cash Operating Profit before working capital changes</b>		(200.61)		(95.86)
Adjustments For :				
Trade and Other Receivables	(2,660.42)		(2,680.18)	
Inventories	(78.46)		-	
Trade Payables	(623.76)		810.09	
		(3,362.64)		(1,870.09)
<b>Cash Generated from Operating Activities</b>		(3,563.25)		(1,965.96)
Interest Paid				
Direct Taxes Paid				
<b>Net Cash From Operating Activities</b>		(3,563.25)		(1,965.96)
<b>B. Cash Flow From Investing Activities</b>				
Purchase of Fixed Assets	-		-	
Sale of Fixed Assets	-		-	
Purchase of Investments	-		-	
Sale of Investments	-		-	
Interest Received	-		-	
Dividend Received	-		-	
<b>Net Cash Used In Investing Activities</b>				
<b>C. Cash Flow From Financing Activities</b>				
Warrants				
Proceeds from Borrowings	3,563.65		1,964.51	
Proceeds from securities premium	-		-	
Receipts from Share warrants	-		-	
Equity Share Capital	-		-	
Dividend Paid (Including tax on dividend)	-		-	
<b>Net Cash from Financing Activities</b>		3,563.65		1,964.51
<b>Net Change in cash and cash equivalents (A+B+C)</b>		0.40		(1.44)
<b>Net cash and cash equivalent at the beginning of the year</b>		0.41		1.85
<b>Net cash and cash equivalent at the closing of the year</b>		0.81		0.41

For BAM AND CO  
Chartered Accountants  
Firm No:012893S

*Mahesh B S*  
Mahesh B S  
Partner  
Membership No. 220945



FOR ADARSH NEST PRIVATE LIMITED

*B.M. Jayeshankar*  
B.M. JAYESHANKAR  
DIRECTOR  
DIN: 00745118

*B.M. Karunesh*  
B.M. KARUNESH  
DIRECTOR  
DIN:00693174

Date:23.09.2023  
Place: Bangalore

**M/s ADARSH NEST PRIVATE LIMITED**  
**CIN:U45202KA2009PTC051267**  
**SCHEDULES TO BALANCE SHEET**

(Amount in lakhs)

**Note II: SHARE CAPITAL**

Particulars	As at 31st March, 2023		As at 31 March, 2022	
	Number of shares	Amount in lakhs	Number of shares	Amount in lakhs
<b>(a) Authorised</b> 100000 Equity shares of Rs.10/- each having voting rights	1,00,000	10.00	1,00,000	10.00
<b>(b) Issued</b> 40,000 Equity shares of Rs.10/- each having voting rights	40,000	4.00	40,000	4.00
<b>Total</b>	<b>40,000</b>	<b>4.00</b>	<b>40,000</b>	<b>4.00</b>

The Company has only one class of equity shares having par value of Rs.10/- per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the equity share holders will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity shareholders. The dividend proposed by the Board of Directors if any is subject to the approval of the shareholders in the ensuing annual general meeting except in the case of interim dividend

The company has neither allotted any bonus shares not allotted any shares against consideration other than cash till date.  
The company has not bought back any shares till date.

**Note 2.1 :Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	Opening Balance	Fresh issue	Buy Back	Closing Balance
Equity shares with voting rights				
Period ended 31st March, 2023				
- Number of shares	40,000	-	-	40,000
- Amount in Lakhs	4.00	-	-	4.00
Year ended 31 March, 2022				
- Number of shares	40,000	-	-	40,000
- Amount in Lakhs	4.00	-	-	4.00

**Note 2.2 :Shareholders holding more than 5% Shares:**

Name of shareholders	31st March 2023		31st March 2022	
	Number of Shares	% holding	Number of Shares	% holding
Adarsh Developers rep. by B.M.jayeshankar	30,000	75.000%	30,000	75%
B.M.jayeshankar	9,998	24.995%	9,998	25%
	<b>39,998</b>	<b>100%</b>	<b>39,998</b>	<b>100%</b>

**Note 2.3 :Details of equity shares held by Promoters in the Company at the End of the Year: :**

Name of the Pramoter	As at				
	31st March 2023		31st March 2022		% changes during year
	Number of Shares	% holding	Number of Shares	% holding	
Adarsh Developers rep. by B.M.jayeshankar	30,000	75.00%	30,000	75.00%	-
B.M.jayeshankar	9,998	25.00%	9,998	25.00%	-
Sudha Shanker	1	0.00%	1	0.00%	
B.M. Karunesh	1	0.00%	1	0.00%	
	<b>40,000</b>	<b>100%</b>	<b>40,000</b>	<b>100%</b>	-

**2.4.: Aggregate number and class of shares allotted as fully paid pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date: Nil**



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## M/s ADARSH NEST PRIVATE LIMITED

CIN:U45202KA2009PTC051267

No. 2/4, Langford Garden, Richmond Town Bangalore 560025

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2023

Note No	PARTICULARS	(Amount in Lakhs)	(Amount in Lakhs)
		As at 31st March, 2023	As at 31st March, 2022
III	<b>Reserves and Surplus</b>		
	Opening balance	(95.86)	
	(+) Net Profit/(Net Loss) For the current year	(200.61)	(95.86)
	<b>Total</b>	<b>(296.47)</b>	<b>(95.86)</b>
IV	<b>Long Term Borrowings-Unsecured</b>		
	Loans and Advances from Related Parties: Adarsh Developers	19,771.00	16,207.35
	<b>Total</b>	<b>19,771.00</b>	<b>16,207.35</b>
V	<b>Trade Payables</b>		
	Service Vendors	0.18	0.81
	<b>Total</b>	<b>0.18</b>	<b>0.81</b>
VI	<b>Other Current Liabilities</b>		
	TDS Payable	34.49	32.19
	Audit Fee Payable	0.18	0.53
	Bank of Baroda	1,291.83	1,916.55
	HDFC Bank-3346	181.27	181.63
	Land Advances Received	10.00	10.00
	<b>Total</b>	<b>1,517.77</b>	<b>2,140.90</b>



## M/s ADARSH NEST PRIVATE LIMITED

CIN:U45202KA2009PTC051267

No. 2/4, Langford Garden, Richmond Town Bangalore 560025

NOTES TO BALANCE SHEET AS AT 31ST MARCH 2023

Note No	PARTICULARS	(Amount in Lakhs)	(Amount in Lakhs)
		As at 31st March, 2023	As at 31st March, 2022
VII	<b>Other Non Current Assets</b>		
	<b>Others</b>		
	Preliminary and Pre- operative Expenditure	-	17.30
	<b>Total</b>	-	17.30
VIII	<b>Inventories Work in Progress</b>		
	Opening:	-	-
	Add: WIP For the Period	78.46	-
		78.46	-
	Add: Raw Materials	-	-
	<b>Total</b>	78.46	-
IX	<b>Cash &amp; Cash Equivalent</b>		
	<b>Cash-in-Hand</b>		
	Cash Balance	0.81	0.41
	<b>Sub Total (A)</b>	0.81	0.41
	<b>Bank Balance</b>		
	Bank of Baroda	-	-
	HDFC Bank	-	-
	<b>Sub Total (B)</b>	-	-
	<b>Total   A + B  </b>	0.81	0.41
X	<b>Short Term loans and Advances</b>		
	Land Advance	683.32	469.75
	Advance to suppliers	0.08	0.08
	GST Account	1.17	0.03
	TDS Receivable	2.50	2.50
	Shreshtha Apartments Private Limited	9.90	11.65
	<b>Total</b>	696.97	472.36
XI	<b>Other current assets</b>		
	Land	13,469.48	13,198.94
	Land Related Expenses	6,741.39	4,556.54
	Registration Charges (CA)	9.37	-
	<b>Total</b>	20,220.23	17,755.48



**M/s ADARSH NEST PRIVATE LIMITED**

**Break-up of Items appearing in Notes to Balance Sheet as at 31st March , 2023**

<b>Schedule : Other Non Current Assets</b>			
		(Amount In Lakhs)	(Amount In Lakhs)
Sr. No	Particulars	As at 31st March, 2023	As at 31st March, 2022
	<u>Preliminary and Pre- operative Expenditure</u>		
1	Preliminary Expenditure	-	17.30
	<b>Total</b>	-	<b>17.30</b>
<b>Schedule : Short-term loans and advances</b>			
		(Amount In Lakhs)	(Amount In Lakhs)
Sr. No	Particulars	As at 31st March, 2023	As at 31st March, 2022
	<b>Land Advance-Bhoganahalli</b>		
1	Bhagyamma	69.90	29.90
2	Abhishek.M	2.02	-
3	B.C.Rajappa	20.80	-
2	B.S Narayanaswamy	1.00	-
3	B.V.Muralidhar	5.00	-
4	B.V.Venkataraju	5.00	-
3	Babu Reddy.V	15.00	15.00
4	Balakrishnappa B N	29.00	29.00
5	Bhavani.M	2.00	-
4	Durgamma	3.03	-
5	Govindaraju B	90.00	90.00
6	J Srinivas Reddy	1.00	1.00
5	Jayamma	2.00	2.00
6	K Venkataswamy Reddy	100.00	100.00
7	Manjula	6.06	-
6	Manjunath	4.00	-
7	Munilakshamma	8.08	-
8	Muniraju	28.35	-
7	Munirathamma	-	(0.05)
8	Muniyappa	-	(0.20)
9	Nagesh B N	29.00	29.00
8	Nandish B N	29.00	29.00
9	Narayana Swamy	20.00	20.00
10	P T Ramakrishnappa	38.93	34.93
9	Parvathamma	2.00	2.00
10	Prakash	9.91	9.91
11	Ramachandrappa T	10.00	10.00
10	Shankamma	-	(0.05)
11	Somashekar	-	(0.10)
12	Sunil Kumar B K	50.50	-
11	Thimma Reddy	5.67	20.42
12	V Geetha	-	11.00
13	V.Suresh Reddy	85.00	35.00
12	Vajramma	8.08	-
13	Yallamma	1.00	-
14	Yashodamma	2.00	2.00
	<b>Total</b>	<b>683.32</b>	<b>469.75</b>



**M/s ADARSH NEST PRIVATE LIMITED**  
**Break-up of Items appearing in Notes to Balance Sheet as at 31st March , 2023**

Schedule : Land		(Amount In Lakhs)	(Amount In Lakhs)
Sr. No	Particulars	As at 31st March, 2023	As at 31st March, 2022
	<b>Land</b>		
1	Land - Bhoganahalli	12,460.99	12,182.04
2	Land - Doddakannelli	994.40	994.40
3	Land JD-Bhoganahalli	22.50	22.50
	<b>Total</b>	<b>13,477.89</b>	<b>13,198.94</b>
Schedule : Land Advance Received		(Amount In Lakhs)	(Amount In Lakhs)
Sr. No	Particulars	As at 31st March, 2023	As at 31st March, 2022
	<b>Land</b>		
1	Jethalal Ramji Patel Limbani	10.00	10.00
	<b>Total</b>	<b>10.00</b>	<b>10.00</b>



## M/s ADARSH NEST PRIVATE LIMITED

CIN:U45202KA2009PTC051267

No. 2/4, Langford Garden, Richmond Town Bangalore 560025

## NOTES TO PROFIT &amp; LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2023

(Amount in Lakhs) (Amount in Lakhs)

Note	PARTICULARS	For the year ended 31st March 2023	For the year ended 31st March 2022
XII	<b>Revenue from Operations</b> Land Sale	-	252.50
	<b>Total</b>	-	252.50
XIII	<b>Financial Cost</b> Bank Charges Financial Charges	0.26 0.23	0.02 -
	<b>Total</b>	0.48	0.02
XIV	<b>Other Expenses</b> Audit Fees Advertisement Documents & Other Expenses Professional & Legal Fees Rates & Taxes GST Expenses Property Tax Katha Charges Miscellaneous Expenses Consultancy Charges Forex Gain/(Loss) - Others TDS Late Payment Interest AMC Charges Labour Charges Professional & Legal Fees Security Charges Commissions Building Work Plan Approval & Conversion Charges Hire Charges Electricity Charges-Project Priliminary Expenses Written Off	0.18 9.23 4.65 0.21 0.40 0.50 0.00 0.00 0.04 77.14 1.32 1.70 7.08 23.60 6.47 90.89 1.50 35.60 7.03 2.07 0.06 8.89	0.18 8.04 0.12 1.16 0.12 0.46 21.36 48.07 0.00 - - - - - - - - - - - -
	<b>Total</b>	278.58	79.52



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**M/s ADARSH NEST PRIVATE LIMITED**  
**No. 2/4, Langford Garden, Richmond Town Bangalore 560025**

Note XV Work in progress Schedule (In Lakhs)

SL No	Particulars	Amount
1	Consultancy Charges	77.14
2	Forex Gain/(Loss) - Others	1.32
	<b>Total</b>	<b>78.46</b>



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## Note - I Notes To Accounts

### SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS:

#### Significant Accounting Policies:

##### **a) Background:**

**Adarsh Nest Private Limited** ('the Company') was incorporated on 22nd October 2009 under the provisions of the Companies Act, 1956. The Company is engaged in the business of property development and land acquisition activities.

##### **b) Basis of Preparation:**

The financial statements of the Company is prepared in accordance with the Generally Accepted Accounting Principles in India ("GAAP") under the historical cost convention using the accrual method of accounting and complied with the mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and with the relevant provisions of the Companies Act 1956 and 2013 (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

##### **c) Use of Estimates:**

The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from these estimates, difference between the actual results and estimates are recognised in the year in which the results are known / materialised.

##### **d) Revenue Recognition:**

Revenue from real estate under development/ sale of developed property will be recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts/ agreements, except for contracts where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards. In such cases, the revenue will be recognised on percentage of completion method, when the stage of completion of each project reaches a significant level which is estimated to be atleast 25% of the total estimated construction cost of the Project. Revenue is recognised in proportion that the contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs.

##### **e) Fixed Assets & Depreciation:**

The company as on date, the company does not own any fixed assets.



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## **f) Taxes on Income**

There are no tax expenses for the year, since the company is yet to commence the commercial activity.

## **g) Cash flow statement:**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## **h) Impairment of Assets:**

The Company assess at each Balance Sheet date whether there is any indication that any of the assets may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an Impairment loss and is recognized in the profit and loss account. As on the Balance Sheet date the Company assessed for impairment of assets and found no indication of impairment of assets as per Accounting Standard (AS-28).

## **i) Provisions and Contingent Liabilities/ Assets:**

The company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **j) Foreign Currency Transactions:**

Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of the transaction.

All foreign currency liabilities and assets are restated at the rates ruling at the year end. Exchange differences arising on restatement / settlement of foreign currency balances are adjusted in the profit and loss account.

## **k) Earnings/(Loss) per Share:**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes by the average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.





2. Notes to Accounts:

a) Contingent Liabilities & Provisions:

CG Details:

Rs. in Lakhs.  
31.03.2023

Shreshta Infra Projects Private Limited	Edelweiss	23,441.00
Alekhya Property Developments Private Limited	Edelweiss	20,907.00
Adarsh Nivaas Private Limited	Oaktree	16,508.00
Adarsh Realty and Hotels Private Limited	Oaktree & HDFC	58,121.00
Shreshta Apartments Private Limited	H Care 3	12,340.00
Adarsh Ecstasy Projects Private Limited	H Care 3	2,006.00
Shivakar Developers Private Limited	H Care 3	5,259.00
Akarsha Realty Private Limited	H Care 3	25,784.00

b) Accounting Ratios

The following are analytical ratios for the year ended March 31, 2023 and March 31, 2022

Particulars	Numerator	Denominator	(Rs. In Lakhs)	(Rs. In Lakhs)	Variance %
			March 31, 2023	March 31, 2022	
(a) Current ratio	Current assets	Current liabilities	13.78	8.52	62%
(b) Debt-equity ratio <sup>(1)</sup>	Total Debt	Shareholder's Equity	-67.60	-176.43	-62%
(c) Debt service coverage ratio <sup>(2)</sup>	Earnings available for debt service	Debt Service	-0.01	-0.01	72%
(d) Return on equity ratio <sup>(1)</sup>	Net Profits after taxes	Average Shareholder's Equity	0.69	1.04	-34%



(e) Inventory turnover ratio	Sales	Average Inventory	0.00	0.00	Na
(f) Trade receivables turnover ratio <sup>(2)</sup>	Net Credit Sales	Avg. Accounts Receivable	0.00	0.00	NA
(g) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	NA	NA	NA
(h) Net capital turnover ratio <sup>(3)</sup>	Net Sales	Working Capital	0.00	29.65	-0.34
(i) Net profit ratio <sup>(2)</sup>	Net Profit	Net Sales	NA	NA	NA
(j) Return on capital employed <sup>(1) (2)</sup>	Earning before interest and taxes	Capital Employed	0.69	1.04	-34%
(k) Return on investment on Quoted Instruments	Income Generated from Invested Funds	Avg Investments	NA	NA	NA

**c) Related Party Disclosure:**

As per Accounting Standard (AS-18) on "Related Party Disclosures", the disclosure of transactions with the related party as defined in the Accounting Standard is given below:

i. List of Related parties with whom transactions have taken place and relationship:

Parent Company	➤ M/s. Adarsh Developers (A partnership firm)
Key Management Personnel	➤ B M Jayeshankar ➤ B M Karunesh
Enterprises owned or significantly influenced by KMP or their relatives	➤ M/s. Adarsh Developers ➤ M/s. Shreshtha Apartments Pvt Ltd



ii. Transactions during the year with related party:

In Rs. Lakhs

Particulars	Name of Related Party	Year ended 31-03-2023	Year ended 31-03-2022
Loans and Advances Received	M/s. Adarsh Developers	3747.45	1849.20
Loans and Advances given/repaid	M/s. Adarsh Developers	183.80	3813.72
Loans and Advances Given	M/s Shreshtha Apartments Pvt Ltd	3.52	-
Loans and Advances Received	M/s Shreshtha Apartments Pvt Ltd	1.77	-

iii. Balances with the related parties

In Rs. Lakhs

Particulars	Name of Related Party	Year ended 31-03-2023	Year ended 31-03-2022
Loans & Advances	M/s. Adarsh Developers	19,771.00	16,207.35
Short Term Loans & Advances	M/s Shreshta Apartments Private Limited	9.90	11.65

**Note:** Related parties are as identified by the Management and relied upon by the auditors.

d) Earnings per Share (in Rs.):

Particulars	Current Year (Amount in Lakhs.)	Previous Year (Amount in Lakhs.)
Net Profit as Per Statement of Profit and Loss attributable to Equity Shareholders.	(200.61)	(95.86)
Weighted Average Nos. of Equity Share Outstanding	40,000	40,000
Earnings Per Share (In Rs)	(501.51)	(239.66)
Basic and diluted Earnings per share (In Rs)	(501.51)	(239.66)



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**e) Disclosures under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 :**

To the extent information available with the company, Sundry Creditors include Rs nil, (Previous year Nil) due to Small Scale Industrial Undertaking.

The company has not received any information from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. To the extent information available with the company, the company does not owe any sum including interest required to be disclosed under the said Act.

**f) Preliminary & Pre-operative Expenditure:**

Preliminary and Pre-operative expenditure incurred till date amounting to Rs. **17,29,610/-** out of which Rs. 8,40,984 is Registration Charges of Bhoganahalli Land and has been capitalised. Balance Rs.8,88,625 is Preliminary Expenses which is written off during the year.

**g) Land and Land related costs:**

Land owned by the company and all other land advances given is classified under "Current Assets". Such land is held with an intention of development.

**h) Cost Recharge:**

The advances relating to their sister concern for furtherance of the business and accordingly the works were being executed by the sister concerns and company has charged the cost on those funds which are not utilised by the sister concerns on the assigned work as the same is interest bearing funds and vice versa in case of advances received by the Company.

Thus the company has charged cost of reimbursement on those unutilised advances in the execution of project works which compensate the excessive cost incurred by the company during the financial year against that of the revenue.

Since this arrangement is of the nature of reimbursement of the cost incurred by the company hence no Taxes are withheld in the form of Tax deducted at source by the sister concerns and thereby the company has maintained the accounting concept of appropriation of cost upon utilisation of the sources in the business.

**i) Events occurring after the date of Balance Sheet:** There are no Material Events occurring after the date of Balance Sheet. Hence the same has not been taken into cognizance.

**j) Benami Transactions:** There are no proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.

**k) Company Struck Off :** The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.



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- l) Undisclosed Income: The Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- m) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- n) Previous year's figures have been regrouped / reclassified wherever necessary to confirm to current year's classification.

**For B A M AND CO**  
Chartered Accountants  
Firm No. : 012893s



Mahesh B S  
Partner  
Membership No. 220945  
UDIN -  
Date: 23.09.2023  
Place: Bangalore



**For M/s Adarsh Nest Private Limited**



B.M Jayeshankar  
Director  
DIN No:00745118



B.M. Karunesh  
Director  
DIN No:00693174