

EARNEST CONSTRUCTIONS PRIVATE LIMITED
CIN: U45200KA2011PTC059905
No. 2/4, Langford Garden, Richmond Town, Bengaluru 560025 IN
Ph:080-41343400 EMAIL: control@adarshdevelopers.com

August 29, 2023

To,
BSE Limited,
Listing Department
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort Mumbai — 400001

Debt Scrip Code: 974942 ISIN : INE0HCI07011

Dear Sir/Madam,

Sub: Notice of 12th Annual General Meeting to be held on September 20, 2023

Please find enclosed the Notice convening the 12th Annual General Meeting (AGM) of shareholders for the financial year 2022-23 to be held on Wednesday, 20th September 2023 at 12.30 PM (IST) at the Registered Office of the Company situated at No. 2/4, Langford Garden, Richmond Town Bangalore KA 560025

We request you to take the above intimation on record.

Thanking You
Yours sincerely,

For Earnest Constructions Private Limited

B M Jayeshankar
Director
DIN: 00745118

Encl: As above

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NOTICE

Notice is hereby given that the 12th (Twelfth) Annual General Meeting of the Members of Earnest Constructions Private Limited will be held on Wednesday, 20th September 2023 at 12:30 P.M. at the Registered Office of the Company situated at No. 2/4, Langford Garden, Richmond Town Bangalore KA 560025 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended 31st March, 2023 together with the Reports of the Board of Directors and Auditors thereon;

By the order of the Board of Directors



B. M. Jayeshankar
Director
DIN: 00745118
New No 6 (old 245)18th cross,
Sadashivanagar
Bangalore- 560080

Place: Bangalore

Date: 29.08.2023

NOTES:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. Proxies in order to be effective must be received by the company not later than forty-eight (48) hours before the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. A person can act as a proxy on behalf of Members not exceeding fifty in number and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as a proxy and such person shall not act as proxy for any other person or shareholder.

3. Members are requested to bring their attendance slips duly completed and signed mentioning therein details of their Folio No.
4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote at the Meeting.
5. Relevant documents referred to in the accompanying Notice and in the Explanatory Statements are open for inspection by the Members at the Company's Registered Office on all working days of the Company, during business hours up to the date of the Meeting.
6. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified copy of the relevant Board Resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
7. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
8. Members holding shares in physical form should submit their PAN to the Company.
9. Members holding shares in single name and in physical form are advised to make a nomination in respect of their shareholding in the Company and those Members who hold shares singly in dematerialized form are advised to make a nomination through their Depository Participants.
10. The audited Financial Statements including Balance Sheet as on 31st March 2023 and Profit and Loss Account for the year ended as on that date and the reports of the Board of Directors and Auditors there on are attached herewith.

For and On behalf of the Board of Directors




B. M. Jayeshankar
Director

DIN: 00745118

New No 6 (old 245) 18th cross,
Sadashivanagar
Bangalore- 560080

Place: Bangalore

Date: 29.08.2023

Form No. MGT-11**Proxy form**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3)
of the Companies (Management and Administration) Rules, 2014]

CIN: U45200KA2008PTC046956

Name of the Company: **EARNEST CONSTRUCTIONS PRIVATE LIMITED** Registered Office: No. 2/4 Langford
Garden, Richmond Town, Bengaluru – 560025, Karnataka

E-Mail: **CONTROL@adarshdevelopers.com**

Name of the member(s)	:	
Registered address	:	
Registered email id	:	
Folio No	:	
No. of shares held	:	

I/We, being the member (s) of the above named company, hereby appoint

1. Name:

Address:

E-mail Id:

Signature:....., or failing him

2. Name:

Address:

E-mail Id:

Signature:....., or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company, to be held on Wednesday, 20th September 2023 at 12:30 P.M. at No. 2/4 Langford Garden, Richmond Town, Bengaluru – 560025, and at any adjournment thereof in respect of such resolutions as are indicated below:

I direct my Proxy to vote on the Resolutions in the manner indicated below:

Sl. No.	Resolution(s)	For	Against
Special Business			
1.	To Approve and Adopt the Audited Annual Financial Statements for the Year ended March 31, 2023.		

Signed this... day of..... 2023.

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Attendance Slip
Annual General Meeting

Registered Folio Number

--	--	--	--

Number of Shares held

--	--	--	--	--	--	--

I certify that I am a member/proxy for the member of the company.

I hereby record my presence at the Annual General Meeting of the Company held Wednesday, 20th September 2023 at 12:30 P.M. (IST) at No. 2/4 Langford Garden, Richmond Town, Bengaluru – 560025, Karnataka.

.....

Name of the Member/Proxy

(In BLOCK letters)

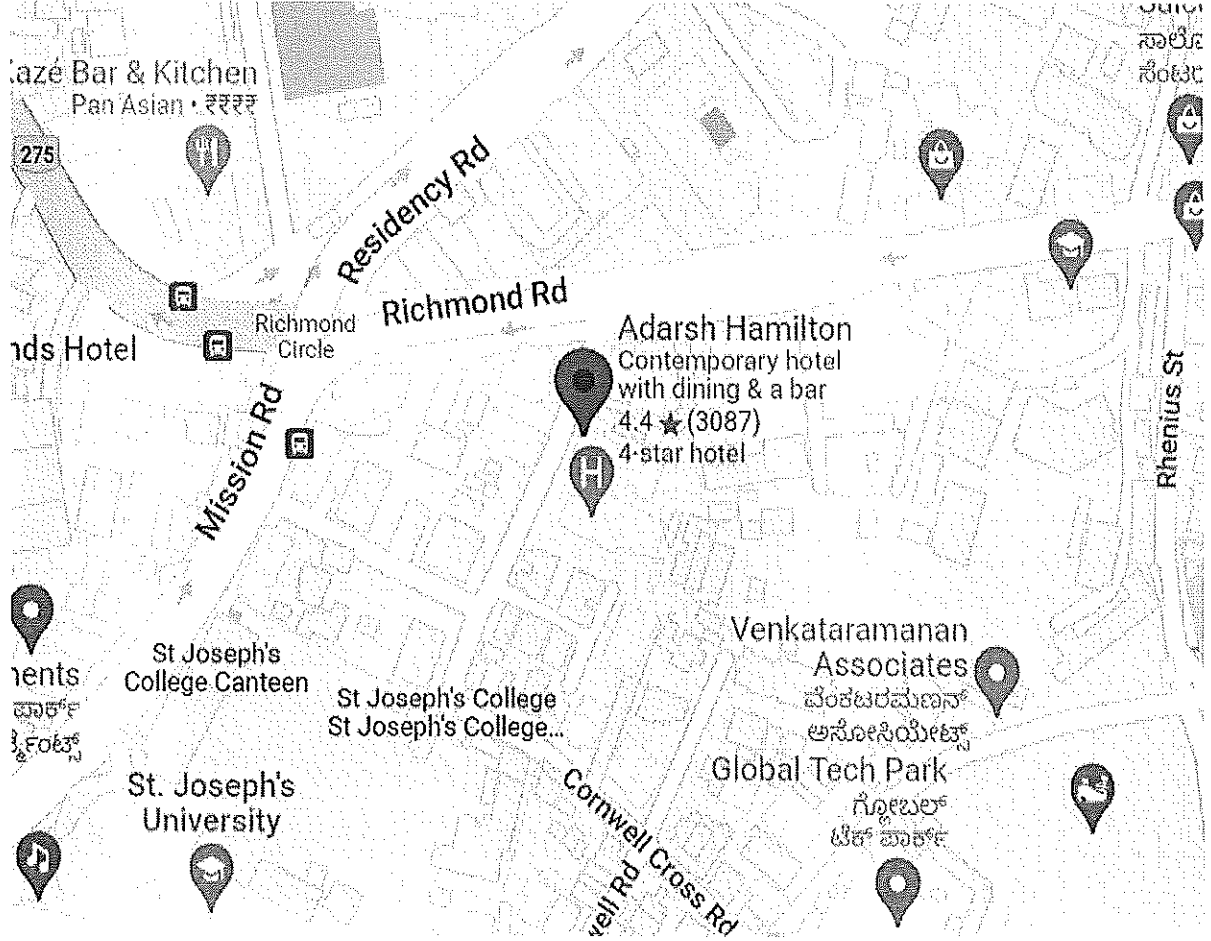
.....

Signature of the Member/Proxy

Note: Please fill this Attendance Slip and hand it over at the entrance of Meeting Hall, Members are requested to bring their copies of Notice to the AGM.

Route Map:

Address: No. 2/4 Langford Garden, Richmond Town, Bengaluru – 560025, Karnataka



EARNEST CONSTRUCTIONS PRIVATE LIMITED

2/4, Langford Garden, Richmond Town, Bengaluru - 560 025, India.

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CIN-U45200KA2011PTC059905

DIRECTORS' REPORT

To

The Members,

Earnest Constructions Private Limited

Your Directors hereby present the 12th Annual Report of the Company together with the Audited Statement of Accounts and the Auditors' Report for the financial year ended, March 31, 2023.

1. FINANCIAL/ OPERATIONAL HIGHLIGHTS

Your Company's financial highlights for the year ended March 31, 2023, are summarized below:

(Amount in Rs.)

Particulars	Year ended 31st March 2023	Year ended 31st March 2022
Total Revenue	1,29,459	1,42,19,191
Less: Total Expenses	45,24,312	1,56,24,417
Profit Before Tax	(43,94,853)	(14,05,226)
Less: Tax Expenses Current Tax Deferred Tax	-	-
Profit/(Loss) after tax	(43,94,853)	(14,05,226)

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK

The Company has suffered a loss of Rs. 43,94,853/- as compared to the previous year's loss of Rs. 14,05,226/- and total revenue of Rs. 1,29,459/- for the Current Year when compared to the previous year's revenue of Rs. 1,42,19,191/-. There was no change in the nature of business of the company.

3. TRANSFER TO RESERVE

The Board does not recommend any amount to be transferred to General Reserves for this Financial Year.

4. DIVIDEND

The Board does not recommend any dividend for the current year due to losses suffered.

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5. MEETINGS

The Company conducted 5 board meetings during the Financial Year 2022-23 in adherence with Section - 173 of the Companies Act, 2013 which is summarized as below:

S. No.	Date of Meeting	Board Strength	No. of Directors Present
1.	21.05.2022	2	2
2.	06.09.2022	2	2
3.	17.11.2022	2	2
4.	20.01.2023	2	2
5.	22.02.2023	2	2

6. DIRECTORS AND KEY MANAGERIAL PERSONNEL

The present Directors of the Company are:

Sl. No	Directors	Designation
1.	B M Karunesh	Director
2.	B M Jayeshankar	Director

There are no changes in the present Directors of the Company.

The Company was not required to appoint any Whole Time Key Managerial Personnel as the paid up capital of the Company is less than Rs. 10,00,00,000 as per the provisions of Section 203 of The Companies Act, 2013 and the Company is a Private Limited Company.

7. STATUTORY AUDITORS

M/s. P.D. Sarang & Associates, Chartered Accountants, (Firm Registration No. 013423S) was appointed as the Statutory Auditors of the Company to hold office for period of five years from the conclusion of the Annual General Meeting held for the financial year March 31, 2021, till the conclusion of Annual General Meeting to be held for the Financial year to be ended on March 31,

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2026, pursuant to provisions of Section 139 of the Companies Act 2013 read with Companies (Audit and Auditors) Rules, 2014

The Company has received a certificate from the above Auditors to the effect that their appointment is in the accordance with the provisions of Section 141 of the Companies Act, 2013.

8. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There are no frauds reported by the Auditors.

9. BOARD'S COMMENTS ON AUDITORS' REPORT

The observations of the Auditors in their report read together with the Notes on Accounts are self-explanatory and therefore, in the opinion of the Directors, do not call for any further explanation.

10. COMMENT ON QUALIFICATION, RESERVATION & ADVERSE REMARKS, OR DISCLAIMER MADE BY:

Cost Audit and records:

As per the Cost Audit Rules, cost audit or maintenance of cost records is not applicable to the Company's any products/ business of the Company for F.Y. 2022-23.

11. RISK MANAGEMENT POLICY

The management of the Company has duly adopted the Risk Management Policy as per the requirement of the Companies Act, 2013. Further, they had taken adequate care in its implementation by identifying various element of risk which may cause serious threat to the existence of the Company.

12. THE DETAILS OR SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

During the year under review, there has been no any such significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

13. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board of Directors of the company has adopted various policies, procedures and risk-based control measures for assurance of key procedures and efficient control of business, for safeguarding

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of its assets, for prevention and detection of frauds and errors, the accuracy and completeness of the accounting statements and records.

In the opinion of the Board, the existing internal control measures and policies are adequate.

14. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

1. In preparation of the Annual Accounts for the financial year ended March 31, 2023, the applicable Accounting Standards have been followed along with proper explanation to material departures;
2. The Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company, for that period.
3. The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors have prepared the Annual Accounts on a going concern basis.
5. The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. SHARE CAPITAL

The Company has not altered its Authorized Capital during the financial year.

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. ISSUE OF SHARES WITH DIFFERENTIAL RIGHTS

The Company under the provision of Section 43 read with Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014 [Chapter IV] has not issued any shares with Differential Rights.

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16. DEPOSIT

During the year the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 from the public.

17. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The particulars of the loans, Guarantees or investments made by the Company forms part of the notes to Financial Statements. The Company being involved in providing infrastructural facilities read with Schedule VI of Companies Act, 2013, the provisions of Section 186 are not applicable.

18. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

There are no such related party transaction details of which are required to be disclosed under Section 134(3)(h) of the Companies Act, 2013 in form AOC-2.

All related party transactions that were entered into during the financial year ended March 31, 2023, were in the ordinary course of business.

19. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

A. Conservation of Energy,

Particulars	Explanations
(i) the steps taken or impact on conservation of energy	The Company has adopted such technology to ensure maximum conservation of energy
(ii) the steps taken by the company for utilizing alternate sources of energy	It makes timely maintenance of accessories used in providing services to make optimum utilization of electricity.
(iii) the capital investment on energy conservation equipment's	No capital investment been made of conservation of equipment

B. Technology Absorption

Particulars	Explanations
(i) the efforts made towards technology absorption	NIL
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution	NIL

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(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- (a) the details of technology imported; (b) the year of import; (c) whether the technology been fully absorbed; (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof;	NIL
(iv) the expenditure incurred on Research and Development	NIL

C. Foreign Exchange Earnings and Outgo

There was no foreign exchange inflow or Outflow during the year under review.

20. MANAGERIAL REMUNERATION

There were no employee remuneration falling under the provisions of the Companies (appointment and remuneration of Managerial Personnel) rules, 2014 and amendments made thereunder. The disclosure under the same is not required.

21. MATERIAL CHANGES AND COMMITMENT, IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATES AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relates and the date of this report.

22. CHANGE IN THE NATURE OF BUSINESS

No Change in the nature of the business of the Company

23. POLICY ON DIRECTOR'S APPOINTMENT

The provision of section 134(3) (e) relating to policy on Directors' appointment and Remuneration is not applicable to the company.

24. EXTRACT OF ANNUAL RETURN

Pursuant to amendment in section 92 (3) of the Companies Act, 2013 on 28th August 2020 the Company is not required to upload the Annual Return as it does not have its website.

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Pursuant to amendment in Rule 12 of the Companies (Management and Administration) Rules, 2014 on 05th March 2021, the extract of Annual Return in MGT 9 is not required to be attached to the Directors Report.

25. CORPORATE SOCIAL RESPONSIBILITY

The company does not fall under the criteria of Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. Hence complying with the provisions of this section does not apply. Therefore, the Annual Report of CSR is not required to be attached.

26. OBLIGATION OF THE COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013 READ WITH THE RULES

Your Directors hereby state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and no cases are pending for said year

27. COMMITTEES OF THE BOARD

The details of composition of the Committees of the Board of Directors are as under:-

- a. **Audit Committee:** The Company being a Private Limited Company, the Audit Committee is not required to be constituted.
- b. **Vigil mechanism:** The Company is a Private Limited Company not accepting public deposits nor the Company has any borrowing more than Rs. 50 crores, therefore the establishment of Vigil Mechanism is not required.
- c. **Nomination & Remuneration Committee:** The Company being a Private Limited Company, the Nomination & Remuneration Committee is not required to be constituted.
- d. **Corporate Social Responsibility Committee (CSR Committee):** The Company is not required to constitute a CSR committee as the Net worth was less than Rs. 500 Crores/-, Turnover was less than Rs. 1000 Crores/- and / or Net Profits was less than Rs. 5 Crores/- in immediate preceding financial year.
- e. **Stakeholders Relationship Committee:** The Company was not required to constitute the Stakeholders Relationship Committee as the number of shareholders during the financial year were less than 1000.

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28. OTHER DISCLOSURES

1. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
2. The provisions of Corporate Governance are not applicable to the Company.
3. Provisions of Vigil Mechanism under Section 177(9) and (10) of the Act are not applicable.
4. The provisions of Secretarial Audit Report under Section 204 of the Act are not applicable.
5. The Compliance of Secretarial Standards are being followed to an extent applicable.

29. TRANSFER OF AMOUNTS TO INVESTOR EDUCATION AND PROTECTION FUND

Your Company did not have any funds lying unpaid or unclaimed for a period of seven years. Therefore, there were no funds which were required to be transferred to Investor Education and Protection Fund (IEPF).

30. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149

The Company does not fall under the criteria of Section 149 of the Companies Act 2013, and there is no requirement of appointment and obtain declaration from Independent Director.

31. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR

The Company does not have any Subsidiaries, Joint Ventures or Associate Companies during the year.

32. THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR.

During the year, there have been no applications made or any proceeding pending under the insolvency and bankruptcy code, 2016 (31 of 2016) during the year along with their status as of the end of the financial year.

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33. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

During the year, there has been no difference between amount of the valuation done at the time of one-time settlement and the valuation done while taking loan from the banks or financial institutions along with the reasons thereof.

34. ACKNOWLEDGEMENTS

We Director place on record their sincere appreciation for the assistance and guidance provided by the Government agencies, customers, vendors, and investors for their wholehearted support during the year and look forward to their continued support in the years ahead. We Directors' also express their gratitude to our Companies' Employees and Clients for their support. The Directors' also acknowledge the outstanding performance, dedicated hard work and co-operation of the employees at all levels and look forward to your continuing trust in us.

For and on behalf of the board of directors



B.M. Jayeshankar
Director

Din: 00745118

Address: New No. 6, (Old No. 245), 18th
Cross, Upper Palace Orchards,
Sadashivanagar, Bangalore-560080



B.M. Karunesh
Director

Din: 00693174

Address: Villa No46, Phase I Adarsh
Palm Meadows Varthur road
Whitefield Bangalore-560066

Place: Bangalore

Date: 15.05.2023

INDEPENDENT AUDITOR'S REPORT

To the Members of
M/s. EARNEST CONSTRUCTIONS PVT LTD
CIN: U45200KA2011PTC059905
Bangalore.

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **M/s. EARNEST CONSTRUCTIONS PVT LTD., ("the Company")** which comprises the Balance Sheet as at March 31, 2023 the Statement of Profit and Loss, and statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 the state of affairs of the Company as at March 31, 2023, Loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statement as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters. We have not determined any matters described to be the key audit matters to be communicated in our report



Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexure to Board's Report, but does not include the financial statements and our auditor's report thereon.
- Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, (changes in equity)ⁱ and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement 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.

That Board of Directors is 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 SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not



detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 our 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 statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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

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

As required by Section 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 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 March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".ⁱⁱ
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any managerial remuneration during the year, accordingly the question of compliance with the provisions of section 197 of the Act does not arise.

- h. 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 has no pending litigation which could impact on the financial position in its financial statements.
- ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii The company is not required to transfer any amount to the Investor Education and Protection Fund.

For P D Sarang & Associates
Chartered Accountants
Firm No: 013423S



P D SARANG
Proprietor
M. No. 127268
Place: Bangalore
Date: 15.05.2023
UDIN- 23127268BGXAWM2639



Annexure to the Auditor's Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2023, we report that:

- (i) The company has no fixed assets. Thus the clause 3(i)(a), (b) & (c) of the order regarding physical verification of fixed assets and maintenance of records is not applicable.
- (ii) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification of stocks as compared to book records.
- (iii) In respect of the loans, secured or unsecured granted by the companies to companies, firms or other parties covered in the register maintained under section 189 of the Act.
 - a. In our opinion and according to the information given to us the terms and conditions of the loan given by the company are prima facie, not prejudicial to the interest of the company
 - b. The schedule of repayment of principal has been stipulated and repayment of the principal amount has been regular as per stipulation
 - c. There is no overdue amount as at the yearend in respect of principle
- (iv) In our opinion and according to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of the Act with respect to loan and investment made.
- (v) During the year the company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Companies Act 2013 and the rules framed there under apply.
- (vi) The maintenance of cost records has not been prescribed by the Central Government under sub sec. (1) of sec 148 of the Companies Act, 2013 for the year under report for any of the products of the Company
- (vii) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Sales Tax and other material statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Goods & Service Tax, were in arrears as 31st March 2023 for a period of more than six months from the date they became payable.

- (viii) The company has not defaulted in repayment of dues to a financial institution or bank.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loan availed during the year have been applied for the purpose for which they were availed.
- (x) According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us and based on examination of the records of the company, the company has not paid/provided for managerial remuneration.
- (xii) In our opinion and according to the information and explanation given to us, the company is not a nidhi company. Accordingly, paragraph 3 (xii) of the order is not applicable



- (xiii) According to the information and explanation given to us and based on examination of the records of the company, the transaction with the related parties are in compliance with section 177 & 188 of the act where applicable and details of such transaction has been disclosed in the financial statement as required by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and based on examination of the records of the company, the company has not made any private placement of shares and the requirement of section 42 of companies act 2013 have been complied with and the amount raised has been used for the purpose for which the funds were raised.
- (xv) According to the information and explanation given to us and based on examination of the records of the company, the company has not entered into non cash transaction with directors or person connected with him. Accordingly, paragraph 3 (xv) of the order is not applicable
- (xvi) The company is not required to register under section 45 IA of the Reserve bank of India Act 1934

For P D Sarang & Associates
Chartered Accountants
Firm No: 013423S



P D SARANG
Proprietor
M. No. 127268



Place: Bangalore
Date: 15.05.2023
UDIN: 23127268BGXAWM2639

Annexure B to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of **M/s.EARNEST CONSTRUCTIONS PVT LTD., ("the Company")** as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, based on the test checks conducted by us, the Company has, in all material respects, reasonably adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were prima facie operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For P D Sarang & Associates
Chartered Accountants
Firm No: 013423S



P D SARANG
Proprietor
M. No. 127268



Place: Bangalore
Date: 15.05.2023
UDIN: 23127268BGXAWM2639

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS:

Background:

Earnest Constructions Private Limited ('the Company') was incorporated on 08th August 2011 under the provisions of the Companies Act, 1956. The Company is engaged in the business of property development and land acquisition activities.

1. Significant Accounting Policies:

1.1 Basis of Preparation:

The Financial Statements of the Company is prepares 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 2013 (to the extent notified). The 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 change in the accounting policy hitherto in use.

The accounts are prepared on the basis of Going Concern concept only.

1.2 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.

1.3 Cash Flow Statement:

Cash Flow statement is reported using 'indirect method', whereby net profit before tax is adjusted for the effects of transaction of non cash nature. The cash flows from operating, investing & financing activities are segregated.

1.4 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 recognized 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 recognized in proportion that the



contract costs incurred for work performed up to the reporting date bear to the estimated total contract costs.

1.5 Fixed Assets & Depreciation:

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

1.6 Foreign Currency Transactions :

During the year, there were no foreign currency transactions.

1.7 Earnings Per Share :

Basic earnings per share will be calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and taxes) by the average number of equity shares outstanding during the year. Presently, the company is not generating any revenues.

1.8 Taxation:

Tax expenses for the year comprise current tax and deferred tax liability. Current tax is calculated in accordance with the provisions of section 115BAA of Income tax Act, 1961, where the income tax is calculated at the rate of 22%(Plus 10% Surcharges and 4 % education cess) of the taxable income by filing appropriate form 10 IC under Income Tax Act,1961.

1.9 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).






1.10 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

No contingent liabilities/assets estimated as on the balance sheet date.



EARNEST CONSTRUCTIONS PVT LTD U45200KA2011PTC059905 No. 2/4, Langford Garden, Richmond Town Bengaluru-560025 BALANCE SHEET AS AT 31ST MARCH, 2023 <div>(Amount in Lakhs) (Amount in Lakhs)</div>			
Particulars	Note No	As at 31st March 2023	As at 31st March 2022
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	II	4.00	4.00
(b) Reserves and Surplus	III	(83.11)	(39.17)
(c) Money received against share warrants		-	-
(2) Share Application money pending allotment		-	-
(3) Non-Current Liabilities			
(a) Long-Term Borrowings	III	19,050.74	16,806.87
(b) Deferred Tax Liabilities (Net)		-	-
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions		-	-
(4) Current Liabilities			
(a) Short-Term Borrowings		-	-
(b) Trade Payables		-	0.83
(c) Other Current Liabilities	IV	125.22	125.22
(d) Short-Term Provisions	V	3.22	18.81
Total Equity & Liabilities		19,100.06	16,916.57
II. ASSETS			
(1) Non-Current Assets			
(a) Fixed Assets			
(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	VI	3.53	3.53
(2) Current Assets			
(a) Current investments		-	-
(b) Inventories		-	-
(c) Trade receivables		-	-
(d) Cash and cash equivalents	VII	5.07	106.31
(e) Short-term loans and advances	VIII	306.16	231.28
(f) Other current assets	IX	18,785.30	16,575.45
Total Assets		19,100.06	16,916.57
NOTES TO ACCOUNTS Notes referred to above and notes attached there to form an integral part of Balance Sheet-I This is the Balance Sheet referred to in our Report of even date.			
FOR P.D.SARANG & ASSOCIATES Chartered Accountants Firm No :013423S  P.D.SARANG Proprietor Membership No. : 127268  Date:15.05.2023 Place: Bangalore UDIN : 23127268BGXAWM2639		For and on behalf of the Board of Directors of FOR EARNEST CONSTRUCTIONS PVT LTD  B.M. JAYESHANKAR DIRECTOR DIN.00745118  B.M. KARUNESH DIRECTOR DIN.00693174 	

EARNEST CONSTRUCTIONS PVT LTD U45200KA2011PTC059905 No. 2/4, Langford Garden, Richmond Town Bengaluru-560025 PROFIT & LOSS STATEMENT FOR THE YEAR ENDED ON 31ST MARCH 2023				
			(Amount in Lakhs)	(Amount in Lakhs)
Sr. No	Particulars	Sch. No.	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
I	Revenue from operations	XII	-	141.00
II	Other Income		1.29	1.19
	A. Total Revenue		1.29	142.19
	Expenses:			
	Cost of materials	XIII	-	150.64
	Purchase of Stock-in-Trade		-	-
	Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		-	-
	Employee Benefit Expense		-	-
	Financial Costs	XIV	-	0.01
	Depreciation and Amortization Expense		-	-
	Other Administrative Expenses	XV	45.24	5.59
	B. Total Expenses		45.24	156.24
III	Profit before exceptional and extraordinary items and tax (A-B)		(43.95)	(14.05)
IV	Exceptional Items		-	-
V	Profit before extraordinary items and tax (III - IV)		(43.95)	(14.05)
VI	Extraordinary Items		-	-
VII	Profit before tax (V - VI)		(43.95)	(14.05)
VIII	Tax expense: (1) Current tax (2) Deferred tax			
IX	Profit(Loss) for the Year from continuing operations (VII-VIII)		(43.95)	(14.05)
X	Profit/(Loss) from discontinuing operations		-	-
XI	Tax expense of discounting operations		-	-
XII	Profit/(Loss) from Discontinuing operations (XII - XIII)		-	-
XIII	Profit/(Loss) for the Year (XI + XIV)		(43.95)	(14.05)
IVX	Earning per equity share: (1) Basic (2) Diluted		(109.87) (109.87)	(35.13) (35.13)
Schedules referred to above and notes attached there to form an integral part of Profit & Loss Statement This is the Profit & Loss Statement referred to in our Report of even date.				
FOR P.D.SARANG & ASSOCIATES Chartered Accountants Firm No :0134235  P.D.SARANG Proprietor Membership No. : 127268  Date:15.05.2023 Place: Bangalore UDIN : 23127268BGXAWM2639			FOR EARNEST CONSTRUCTIONS PVT LTD  B.M. JAYESHANKAR DIRECTOR DIN.00745118  B.M. KARUNESH DIRECTOR DIN.00693174 	

EARNEST CONSTRUCTIONS PVT LTD
U45200KA2011PTC059905
No. 2/4, Langford Garden, Richmond Town Bengaluru-560025
Cash Flow Statement for the year ended March 31, 2023

PARTICULARS	(Amount in Lakhs)		(Amount in Lakhs)	
	31-Mar-23		31-Mar-22	
A. Cash Flow From Operating Activities				
Net Profit Before Tax and extraordinary items		(43.95)		(14.05)
Adjustments For :				
Depreciation / Amortisation	-	-	-	-
(Profit) / Loss on sale of investments	-	-	-	-
(Profit) / Loss on sale of fixed assets	-	-	-	-
Interest Paid	-	-	-	-
		-		-
Cash Operating Profit before working capital changes		(43.95)		(14.05)
Adjustments For :				
Increase/(Decrease) in Short Term Borrowings	-	-	-	-
Increase/(Decrease) in Trade Payables	(0.83)	0.83	0.83	0.83
Increase/(Decrease) in Short Term Provisions	(15.59)	(38.04)	(38.04)	(38.04)
Increase/(Decrease) in Other Non Current Assets	(2,209.85)	319.78	319.78	319.78
(Increase) /Decrease in Other Current Liabilities	-	(0.26)	(0.26)	(0.26)
(Increase) /Decrease in Short term Loans and Advances	(74.88)	0.18	0.18	0.18
		(2,301.16)		282.50
Cash Generated from Operating Activities		(2,345.11)		268.44
Interest Paid		-		-
Direct Taxes Paid		-		-
Net Cash From Operating Activities		(2,345.11)		268.44
B. Cash Flow From Investing Activities				
Purchase of Fixed Assets	-	-	-	-
Investment in Long Term Loans, advances and Deposits	-	(2,431.34)	(2,431.34)	(2,431.34)
Sale of Fixed Assets	-	-	-	-
Purchase of Investments	-	-	-	-
Sale of Investments	-	-	-	-
Interest Received	-	-	-	-
Dividend Received	-	-	-	-
Net Cash Used In Investing Activities		-		(2,431.34)
C. Cash Flow From Financing Activities				
Warrants				
Proceeds from Borrowings	2,243.87		2,261.88	
Proceeds from securities premium	-	-	-	-
Equity Share Capital	-	-	-	-
Dividend Paid (Including tax on dividend)	-	-	-	-
Net Cash from Financing Activities		2,243.87		2,261.88
Net Change in cash and cash equivalents (A+B+C)		(101.24)		98.98
Net cash and cash equivalent at the beginning of the year		106.31		7.33
Net cash and cash equivalent at the closing of the year		5.07		106.31

FOR P.D.SARANG & ASSOCIATES
Chartered Accountants
Firm No :0134235

P.D.SARANG
PROPRIETOR
M.No. : 127268



Date:15.05.2023
Place: Bangalore

for and on behalf of the Board of Directors of
FOR EARNEST CONSTRUCTIONS PVT LTD

B.M. JAYESHANKAR
DIRECTOR
DIN.00745118

B.M. KARUNESH
DIRECTOR
DIN.00693174



EARNEST CONSTRUCTIONS PVT LTD
U45200KA2011PTC059905
SCHEDULES TO BALANCE SHEET

Note II.i : SHARE CAPITAL

Particulars	As at 31st March, 2023		As at 31 March, 2022	
	Number of shares	Amount (Rs. in Lakhs)	Number of shares	Amount (Rs. in Lakhs)
(a) Authorised 1,00,000 Equity shares of Rs.10/- each having voting rights	100,000	10.00	100,000	10.00
(b) Issued 40,000 Equity shares of Rs.10/- each having voting rights	40,000	4.00	40,000	4.00
Total	40,000	4.00	40,000	4.00

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 nor allotted any shares against consideration other than cash till date.
The company has not bought back any shares till date.

Note II.ii :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 (Rs. in Lakhs)	4.00	-	-	4.00
Year ended 31 March, 2022				
- Number of shares	40,000	-	-	40,000
- Amount (Rs. in Lakhs)	4.00	-	-	4.00

Note II.iii :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%	30,000	75%
B.M.Jayeshankar	9,999	25%	9,999	25%
	39,999	100%	39,999	100%

Note II.iv :Details of equity shares held by Promoters in the Company at the End of the Year:

Note II.IV :Details of equity shares held by Promoters in the Company at the end of the year

As at					
Name of the Pramoter	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%	30,000	75%	-
B.M.Jayeshankar	9,999	25%	9,999	25%	-
	39,999	100%	39,999	100%	-

II.v : 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



EARNEST CONSTRUCTIONS PVT LTD U45200KA2011PTC059905 No. 2/4, Langford Garden, Richmond Town Bengaluru-560025 NOTES TO BALANCE SHEET AS AT 31st MARCH 2023			
		(Amount in Lakhs)	(Amount in Lakhs)
Note No	PARTICULARS	As at 31st March 2023	As at 31st March 2022
III	Reserves and Surplus		
	Opening balance	(39.17)	(25.11)
	(+) Net Profit/(Net Loss) For the current year	(43.95)	(14.05)
	Total	(83.11)	(39.17)
IV	Long Term Borrowings		
	Secured Borrowings:		
	Xander Finance Pvt Ltd	-	1,324.37
	Unsecured Borrowings:		
	Loans and advances from related parties:		
	Adarsh Developers	19,050.74	15,482.50
	Total	19,050.74	16,806.87
V	Trade Payable		
	Sundry Creditors		
	Dues to Micro and Small Enterprises	-	-
	Dues to Others	-	0.83
	Total	-	0.83
VI	Other Current Liabilities		
	Ambli Yogesh	125.22	125.22
	Total	125.22	125.22
VII	Short-Term Provisions		
	Others		
	Audit Fee Payable	0.15	0.15
	TDS Payable	3.07	18.66
	Total	3.22	18.81
VIII	Other Non Current Assets		
	Preliminary and Pre- operative Expenditure	3.53	3.53
	Total	3.53	3.53
IX	Cash & Cash Equivalent		
	Cash	0.63	0.75
	Bank Balance		
	HDFC Bank Ltd RR - CA	2.11	4.51
	Indian Bank - CA	2.32	101.05
	Total	5.07	106.31
X	Short-term loans and advances		
	Land Advances	281.70	211.70
	Deposits		
	Fixed Deposit-HDFC	24.46	19.58
	Total	306.16	231.28
XI	Other current assets		
	Land	18,771.73	16,557.72
	Interest Receivables	1.12	4.84
	Income Tax Refundable	10.91	-
	TDS Receivable	1.53	12.89
	Total	18,785.30	16,575.45



EARNEST CONSTRUCTIONS PVT LTD U45200KA2011PTC059905 Break-up of Items appearing in Notes to Balance Sheet as at 31st March, 2023 (Amount in Lakhs) (Amount in Lakhs)			
Sr. No	Particulars	As at 31st March 2023	As at 31st March 2022
1	<u>Schedule : Other Non Current Assets</u>		
	<u>Preliminary and Pre- operative Expenditure</u>		
	Preliminary Expenses	3.53	3.53
	Total	3.53	3.53
1	<u>Schedule : Other Current Assets</u>		
	<u>Land:</u>		
	Land - Bhoganahalli	1,700.53	1,700.53
	Land - Doddakanelli	206.58	206.58
	Land- GPA/Sale Agmt - B G Halli	432.43	432.43
	Land-Gunjur	4,154.78	4,154.78
	Land - Panathur	2,753.22	2,727.90
	Land Related Expenses	9,524.19	7,335.50
	Total	18,771.73	16,557.72
1	<u>Schedule : Loans & Advances -Others</u>		
	<u>Bhoganahalli:</u>		
	Anand	2.00	2.00
	Indrani	29.70	29.70
	Jayamma	39.60	39.60
	Jayaprakash	35.00	35.00
	Raghuram Reddy	20.00	20.00
	Rajshekhara Murthy M S	20.00	20.00
	Sridhar	29.70	29.70
	Chowdappa	1.00	1.00
	Nandish	5.00	5.00
	Gopala Krishna.P.V(Bhoganahalli)	15.00	-
	Rukmini.J (Bhoganahalli)	15.00	-
	Sathyanarayana.P.V(Bhoganahalli)	20.00	-
	Sheshagirish.B.R(Bhoganahalli)	20.00	-
14	<u>Gunjur:</u>		
	Shivalingamma	29.70	29.70
	Total	281.70	211.70



EARNEST CONSTRUCTIONS PVT LTD**U45200KA2011PTC059905****No. 2/4, Langford Garden, Richmond Town Bengaluru-560025****Schedules Forming Part of the Profit & Loss Accounts as at 31st March, 2023**

(Amount in Lakhs) (Amount in Lakhs)

SCH No	Particulars	For the Year Ended 31st March 2023	For the Year Ended 31st March 2022
XII	Revenue from operations		
	Land Sale	-	141.00
	Total	-	141.00
XIII	Cost of materials		
	Cost of Land	-	150.64
	Total	-	150.64
XIV	Financial Cost		
	Bank Charges	-	0.01
	Total	-	0.01
XV	Other Administrative Expenses		
	Audit Fee	0.18	0.12
	Rates & Taxes	0.12	3.40
	Professional Charges	1.18	1.77
	GST Expenses	-	0.30
	Financial Charges	0.04	-
	TDS Late Payment Interest	43.22	-
	Other Expenses	0.51	-
	Total	45.24	5.59



2. Notes on Accounts:

a) Taxes on income and Deferred tax:

The company has made nil provision for income tax during the year.

b) Additional Information to the financial Statements

i) Contingent Liabilities and commitments (to the extent not provided for):

(Rs. in Lakhs)

Particulars	2022-23	2021-22
Contingent Liabilities:		
A. Outstanding guarantees and Counter Guarantees to various banks, in respect of the guarantees given by those banks in favor of various government authorities and others :	Nil	Nil
i. Guarantees given by the company on behalf of subsidiaries		
ii. Aggregate value of other Guarantees outstanding as follows:	Nil	Nil
Guarantee/Security given to Other Entities		
1. Shreshta Infra Projects Private Limited	23,586.00	58,500.00
2. Alekhya Property Developments Pvt Ltd	21,036.00	31,500.00
3. B M Jayeshankar	-	4,500.00
4. Adarsh Developers	-	1,953.44
5. Shivkar Infra Private Limited	21,020.00	21,019.56
6. Varin Infra Projects Private Limited	26,000.00	29,601.96
7. Shreshta Apartments Private Limited	12,340.29	-
8. Adarsh Ecstasy Projects Private Limited	2,006.55	-
9. Shivakar Developers Private Limited	5,259.41	-
10. Akarsha Realty Private Limited	25,784.19	-
B. Other Money for which the company is contingently	Nil	Nil



liable		
Claims against the company, not acknowledged as debts	Nil	Nil
Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for :		
a. Tangible Assets	Nil	Nil
b. Intangible Assets	Nil	Nil

c) Payment to Auditors

(Rs in Lakhs)

Payment to Auditors	31.03.2023	31.03.2022
Statutory Audit Fee	0.18	0.15
Certificate & Other Consultancy Fee	-	-

d) Accounting Ratios:

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

(Rs in Lakhs)

Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	Variance %
(a) Current ratio	Current assets	Current liabilities	148.49	116.75	27%
(b) Debt-equity ratio	Total Debt	Shareholder's Equity	4762.68	4201.72	13%
(c) Debt service coverage ratio	Earnings available for debt service	Debt Service	0.00	0.01	-99%
(d) Return on equity ratio	Net Profits after taxes	Average Shareholder's Equity	-10.99	-3.51	213%
(e) Inventory turnover ratio	Sales	Average Inventory	NA	NA	NA
(f) Trade receivables turnover ratio	Net Credit Sales	Avg. Accounts Receivable	NA	NA	NA
(g) Trade payables turnover ratio	Net Credit Purchases	Average Trade Payables	NA	NA	NA
(h) Net capital turnover ratio	Net Sales	Working Capital	0.00	0.01	-99%
(i) Net profit ratio	Net Profit	Net Sales	-33.95	-0.10	34251%
(j) Return on capital	Earning before interest	Capital Employed	NA	NA	NA



employed	and taxes				
(k) Return on investment on Quoted Instruments	Difference of Market value at the end and beginning of the period	Market Value at the beginning of the Year	NA	NA	NA

- (1) Share Application Money received during the year – Nil
(2) Significant Less of Growth in revenue there by Net loss has been increased. During the Previous Year the company made turnover of Rs.142.19 Lakhs and in current Year the company made turnover of Rs.1.29 Lakhs.
(3) Long Term Borrowings availed from Xander Finance Pvt Ltd has fully been repaid.

e) 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 are given below :-

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

Key Management Personnel	➤ B.M. Jayeshankar ➤ B.M. Karunesh
Enterprises owned or significantly influenced by KMP or their relatives	➤ M/s. Adarsh Developers (A Partnership Firm)

- ii. Transactions during the year with related party:

Particulars	Name of Related Party	F.Y 2022-23 Rs. in lakhs	F.Y 2021-22 Rs. in lakhs
Loans and Advances Received	M/s. Adarsh Developers	3,668.24	3,838.60
Advance given	M/s. Adarsh Developers	100.00	747.50

- iii. Balances with the related parties

(Rs. in Lakhs)

Particulars	Name of Related Party	Year ended 31-03-2023	Year ended 31-03-2022
Loans and Advances payable	M/s. Adarsh Developers	19,050.73	15,482.50

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



f) Earnings per Share (in Rs.):

Particulars	For the Year Ended 31st March 2023 (Rs in Lakhs)	For the Year Ended 31st March 2022 (Rs in Lakhs)
Net Profit as Per Statement of Profit and Loss attributable to Equity Shareholders.	(43.95)	(14.05)
Weighted Average Nos. of Equity Share Outstanding	40,000	40,000
Earnings Per Share	(109.87)	(35.13)
Basic and diluted Earnings per share	(109.87)	(35.13)

g) Preliminary & Pre-operative Expenditure:

Preliminary and pre-operative expenditure incurred as on date amounting to **Rs. 3.53/- Lakhs.**

h) Due to Micro, Small and Medium Enterprises:

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.

i) 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.

j) Segment Reporting

The activity of the company is revolving around only one activity of business of Real Estate services. Hence no disclosure is required to be given as per the AS 17 "Segment Reporting" under business segment and Geographical Segment.

k) 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.



l) Debtors/Advances and Creditors/Retentions:

As on date closing date Balances of Debtors and Creditors are NIL. Hence we don't have anything to report in this Regard.

m) In the opinion of the management, Current Assets, Loans and Advances have a value not less than what is stated in the accounts if realized in the ordinary course of business.

n) 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 thereunder.

o) Company Struck Off :

The company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013.

p) 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)

q) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year

r) Compliance with layer of companies:

The company has made investments in Subsidiary Companies and Associate companies and had complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017.

s) Previous year's figures have been regrouped / reclassified wherever necessary to confirm with current year's classification.


For Earnest Constructions Private Limited


B.M. Jayeshankar
Director
Place: Bangalore
Date: 15.05.2023




B.M. Karunesh
Director

For P.D. Sarang & Associates
Chartered Accountants
Firm Reg No: 013423S


P.D. Sarang
Proprietor
Membership No. 127268
UDIN: 23127268BGXAWM2639

