**INDEPENDENT AUDITOR'S REPORT**

**To the Partners of**
**Prestige MRG Eco Ventures**,

**Opinion**

We have audited the financial statements of **M/s. Prestige MRG Eco Ventures** ("the Firm"), which comprise the Balance sheet as at 31st March 2023, and the Statement of Profit and Loss (including Other Comprehensive Income) and the Statement of changes in partner's fund and the Statement of Cash Flows for the period then ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements of the entity are prepared, in all material respects, in accordance with accounting principles generally accepted in India.

**Basis for Opinion**

We conducted our audit in accordance with Standards on Auditing (SAs). 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 entity in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation of the financial statements in accordance with accounting principles generally accepted in India and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the entity'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 entity or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the entity's financial reporting process.

**Auditor's Responsibilities 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, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. 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 entity'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 entity to cease to continue as a going concern.

- Obtain sufficient appropriate audit evidence regarding the financial results of the firm to express an opinion on the financial results.

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

**Basis of Accounting**

Without modifying our opinion, we draw attention to Note 2 to the financial statements, which describe the basis of accounting. The financial statements are prepared for the purpose of presenting the consolidated financial statements of Prestige Estates Projects Limited, the Ultimate Holding Company. As a result, the financial statements may not be suitable for another purpose.

*for* **MUV & Co.,**
Chartered Accountants
Firm Registration Number: 019097S

MANJUNATH N
Digitally signed by MANJUNATH N
Date: 2023.05.26 13:20:36 +05'30'

**Manjunath N**
Partner
Membership No. 253286

UDIN : 23253286BGYOGT5342
Place : Bengaluru
Date : May 26, 2023

**PRESTIGE MRG ECO VENTURES**
**BALANCE SHEET AS AT 31 MARCH 2023**

**Rs.**

| **Particulars** | **Note No.** | **As at 31 March 2023** |
|---|---|---|
| **A. ASSETS** | | |
| (a) Property, plant and equipment | **4** | 94,80,00,000 |
| | | **94,80,00,000** |
| **Total** | | **94,80,00,000** |
| **B. FUNDS AND LIABILITIES** | | |
| **(1) FUNDS** | | |
| **Partner's fund** | | |
| (a) Partners Capital Account | **5** | 10,00,000 |
| (b) Partners Current Account | **6** | 94,69,95,000 |
| **Sub-total** | | **94,79,95,000** |
| **(2) Current liabilities** | | |
| (a) Financial liabilities | | |
| (i) Other financial liabilities | **7** | 5,000 |
| **Sub-total** | | **5,000** |
| **Total** | | **94,80,00,000** |

See accompanying notes forming part of the Financial Statements

As per our report of even date

*for* **MUV & Co.**
Chartered Accountants
ICAI Firm Registration No.019097S

MANJUNATH N Digitally signed by MANJUNATH N Date: 2023.05.26 13:13:08 +05'30'

**Manjunath N**
Partner
Membership No.253286

Place: Bengaluru
Date: May 26, 2023

**For and on behlaf of**
**Prestige MRG Eco Ventures**

SAMEERA NOAMAN Digitally signed by SAMEERA NOAMAN

**Village De Nandi Private Limited**
Managing Partner
(Represented by Mrs. Sameera Noaman)

Place: Bengaluru
Date: May 26, 2023

**PRESTIGE MRG ECO VENTURES**
**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2023**

**Rs.**

| **Particulars** | **Note No.** | **Period ended 31 March 2023** |
|---|---|---|
| **Income** | | |
| Revenue from operations | | - |
| **Total income** | | **-** |
| | | |
| **Expenses** | | |
| Other expenses | **8** | 5,000 |
| **Total expenses** | | **5,000** |
| | | |
| **Profit / (loss) before tax** | | **(5,000)** |
| Less : Tax expense | | |
| Current tax | | - |
| Deferred tax | | - |
| **Profit / (loss) for the period/year** | | **(5,000)** |
| | | |
| **Transferred to partners current account** | | |
| M/s. Village De Nandi Private Limited | | (2,500) |
| M/s. Present Infra Private Limited | | (2,250) |
| M/s. Goldfinch Buildtech Private Limited | | (250) |

See accompanying notes forming part of the Financial Statements

As per our report of even date

*for* **MUV & Co.**
Chartered Accountants
ICAI Firm Registration No.019097S

MANJUNATH N
Digitally signed by MANJUNATH N
Date: 2023.05.26 13:13:37 +05'30'

**Manjunath N**
Partner
Membership No.253286

Place: Bengaluru
Date: May 26, 2023

**For and on behlaf of**
**Prestige MRG Eco Ventures**

SAMEERA NOAMAN
Digitally signed by SAMEERA NOAMAN

**Village De Nandi Private Limited**
Managing Partner
(Represented by Mrs. Sameera Noaman)

Place: Bengaluru
Date: May 26, 2023

**PRESTIGE MRG ECO VENTURES**
**STATEMENT OF CHANGES IN PARTNER'S FUND**

Rs.

| Particulars | Partners Fund | | Total Partners Fund |
|---|---|---|---|
| | Partners Capital Account | Partners Current Account | |
| **As at beginning of the period** | **-** | **-** | **-** |
| Profit/(loss) for the period | - | (5,000) | (5,000) |
| Other comprehensive income for the period, net of income tax | - | - | - |
| Contribution | 10,00,000 | 94,70,00,000 | 94,80,00,000 |
| Drawings | - | - | - |
| **As at 31 March 2023** | **10,00,000** | **94,69,95,000** | **94,79,95,000** |

See accompanying notes forming part of the Financial Statements

As per our report of even date

*for* **MUV & Co.**
Chartered Accountants
ICAI Firm Registration No.019097S

MANJUNATH N Digitally signed by MANJUNATH N Date: 2023.05.26 13:14:01 +05'30'

**Manjunath N**
Partner
Membership No.253286

Place: Bengaluru
Date: May 26, 2023

**For and on behlaf of**
**Prestige MRG Eco Ventures**

SAMEERA NOAMAN Digitally signed by SAMEERA NOAMAN

**Village De Nandi Private Limited**
Managing Partner
(Represented by Mrs. Sameera Noaman)

Place: Bengaluru
Date: May 26, 2023

**PRESTIGE MRG ECO VENTURES**
**STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023**

Rs.

| Particulars | Period ended 31 March 2023 |
|---|---|
| **CASH FLOW FROM OPERATING ACTIVITIES** | |
| **Net profit before taxation** | **(5,000)** |
| **Operating profit before working capital changes** | **(5,000)** |
| **Adjustments for** | |
| Increase / (decrease) in other financial liabilities | 5,000 |
| ***Cash generated from operations*** | - |
| Direct tax (paid) / refund | - |
| **Net cash generated from/(used in) operating activities - A** | - |
| **CASH FLOW FROM INVESTING ACTIVITIES** | |
| Capital expenditure on Property, plant and equipment | - |
| **Net cash from / (used in) investing activities -B** | - |
| **CASH FLOW FROM FINANCING ACTIVITIES** | |
| Capital account contribution from partners | - |
| Current account contribution from partners | - |
| Drawings by partner | - |
| **Net cash from / (used in) financing activities -C** | - |
| **Net Increase / (decrease) in cash and cash equivalents (A+B+C)** | - |
| Cash & cash equivalents opening balance | - |
| **Cash & cash equivalents closing balance** | - |

See accompanying notes forming part of the Financial Statements

As per our report of even date

*for* **MUV & Co.**
Chartered Accountants
ICAI Firm Registration No.019097S

MANJUNATH N Digitally signed by MANJUNATH N Date: 2023.05.26 13:14:22 +05'30'

**Manjunath N**
Partner
Membership No.253286

Place: Bengaluru
Date: May 26, 2023

**For and on behlaf of**
**Prestige MRG Eco Ventures**

SAMEERA NOAMAN Digitally signed by SAMEERA NOAMAN

**Village De Nandi Private Limited**
Managing Partner
(Represented by Mrs. Sameera Noaman)

Place: Bengaluru
Date: May 26, 2023

**PRESTIGE MRG ECO VENTURES**
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

**1 Background Information**

M/s. Prestige MRG Eco Ventures is a partnership firm incorporated on 29th March, 2023 with an objective to carry on the following business

i. To cultivate, grow, cure, prepare for the market, manufacture, sell and deal in Rubber, Coffee, Tea, Cocoa, Citronella grass, Ginger, Turmeric, Cinnamon, Cloves, Camphor, Pepper, Areca nut, coconut, Spices, Rice, Paddy, Cereals Flax, Grains, and other natural as well as artificial manure and agricultural and other products of all sorts and generally to carry on the business of planters and growers of dealers in produce and merchandise.

ii. To carry on the business of buying, selling, trading, dealing in, owing, leasing and sub-leasing of land, plot(s) of land, or any immovable property, or any right or interest therein and carry on business as real estate developers, promoters, builders, contractors, designers, planners, real estate agent, facility manager, and to purchase, acquire, build, construct, operate and establish hotels, resorts, villas, lodging, inns, motels, wellness centre, guest house interior designers and other ancillary and allied activities.

The profit/ loss sharing ratio between the partners is as follows:

| **Particulars** | **As at 31 March 2023** |
|---|---|
| M/s. Village De Nandi Private Limited | 50.00% |
| M/s. Present Infra Private Limited | 45.00% |
| M/s. Goldfinch Buildtech Private Limited | 5.00% |
| | **100.00%** |

**2 Significant accounting policies**

**2.1 Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS").

**2.2 Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Rupees, unless otherwise stated.

**2.3 Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires the partner to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities), income and expenses and accompanying disclosures. The partner believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

**2.4 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the firm takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**2.5 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

**Interest income**

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method.

**2.6 Borrowing Cost**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset, is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

A qualifying asset is an asset that necessarily takes a 12 months or more to get ready for its intended use or sale and includes the real estate properties developed by the firm.

**2.7 Foreign Currency Transactions**

All transactions in foreign currency are recorded on the basis of the exchange rate prevailing as on the date of transaction. The difference, if any, on actual payment / realisation is recorded to the Statement of Profit and Loss. Monetary assets and liabilities denominated in foreign currency are restated at rates prevailing at the year-end. The net loss or gain arising out of such conversion is dealt with in the Statement of Profit and Loss.

**2.8 Income Taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**a. Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

**b. Deferred tax**

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current tax and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**2.9 Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the firm and the cost of the item can be measured reliably.

*Depreciation method, estimated useful lives and residual values*

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on property, plant and equipment is provided using written-down value method over the useful lives of assets estimated by the Management. The Management estimates the useful lives for the property, plant and equipment as follows:

| **Particulars** | **Useful lives estimated by the management** |
|---|---|
| Building * | 58 Years |
| Plant and machinery * | 20 Years |
| Office Equipment* | 20 Years |
| Furniture and fixtures * | 15 Years |
| Vehicles* | 10 Years |
| Computers and Accessories* | 6 Years |

* For these class of assets, based on internal assessment and independent technical evaluation carried out by external values, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in statement of profit and loss.

**2.10 Capital work-in-progress**

Projects under which tangible assets are not yet ready for their intended use are carried at cost comprising direct cost, related incidental expenses and attributable interest.

Depreciation is not provided on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

**2.11 Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets, comprising of software are amortized on the basis of written down value method over a period of 6 years, which is estimated to be the useful life of the asset.

**Impairment of tangible and intangible assets other than goodwill**

At the end of each reporting period, the firm reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the firm estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

**2.12 Inventories**

**Related to contractual and real estate activity**

Direct expenditure relating to construction activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the Statement of Profit and Loss. Direct and other expenditure is determined based on specific identification to the construction and real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realisable value.

Finished goods - Flats & Plots: Valued at lower of cost and net realisable value.

Land inventory - Valued at lower of cost and net realisable value.

Inventory also comprises of stock of food and beverages and operating supplies and is carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, inventory held for use in production of finished goods is not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

**2.13 Provisions and contingencies**

A provision is recognised when the firm has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

**2.14 Financial Instruments**

**A Initial recognition**

The firm recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Management is of the view that Financial assets such as Refundable deposits, Current account in partnership firms and other advances arises under normal trade practices and are neither in the nature of loans nor advance in the nature of loans.

**B Subsequent measurement**

**Non-derivative financial instruments**

**Financial assets carried at amortised cost**

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Financial assets at fair value through other comprehensive income**

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Further, in cases where the firm has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

**Derecognition of financial instruments**

The firm derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from The firm's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

**Impairment of financial assets**

The firm recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit and loss.

**2.15 Operating cycle and basis of classification of assets and liabilities**

**a.** The real estate development projects undertaken by the firm is generally run over a period ranging upto 5 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of 5 years. Borrowings in connection with such projects are classified as short-term (i.e. current) since they are payable over the term of the respective projects.

**b.** Assets and liabilities, other than those discussed in paragraph (a) above, are classified as current to the extent they are expected to be realised / are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.

**Current versus non-current classification**

The firm presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

► Expected to be realised or intended to be sold or consumed in normal operating cycle
► Held primarily for the purpose of trading
► Expected to be realised within twelve months after the reporting period, or
► Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

► It is expected to be settled in normal operating cycle
► It is held primarily for the purpose of trading
► It is due to be settled within twelve months after the reporting period, or
► There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

**2.16 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the firm's cash partner.

**3 Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

**a. Ind AS 1 - Presentation of Financial Statements** - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Firm has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

**b**. **Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors** - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Firm has evaluated the amendment and there is no impact on its financial statements.

**c. Ind AS 12 - Income Taxes** - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Firm has evaluated the amendment and there is no impact on its financial statements.

**PRESTIGE MRG ECO VENTURES**
**NOTES FORMING PART OF FINANCIAL STATEMENTS**

## 4 Property, plant and equipment

Rs.

| Particulars | Land | Total |
|---|---|---|
| **<u>Gross Block</u>** | | |
| **At the beginning of period** | **-** | **-** |
| Additions | 94,80,00,000 | 94,80,00,000 |
| Adjustments/Deletions | - | - |
| **As at 31 March 2023** | **94,80,00,000** | **94,80,00,000** |
| | | |
| **Accumulated Depreciation** | | |
| **At the beginning of period** | **-** | **-** |
| Charge for the period | - | - |
| Deletion | - | - |
| **As at 31 March 2023** | **-** | **-** |
| | | |
| **<u>Net Block</u>** | | |
| **As at 31 March 2023** | **94,80,00,000** | **94,80,00,000** |

**5 Partner's Capital Account**

| Particulars | Rs. As at 31 March 2023 |
|---|---|
| M/s. Village De Nandi Private Limited | 5,00,000 |
| M/s. Present Infra Private Limited | 4,50,000 |
| M/s. Goldfinch Buildtech Private Limited | 50,000 |
| | **10,00,000** |

**6 Partner's Current Account**

| Particulars | Rs. As at 31 March 2023 |
|---|---|
| M/s. Village De Nandi Private Limited | (5,02,500) |
| M/s. Present Infra Private Limited | 85,25,47,750 |
| M/s. Goldfinch Buildtech Private Limited | 9,49,49,750 |
| | **94,69,95,000** |

**Movement in Partner's Current account is as under**

| Particulars | Rs. As at 31 March 2023 |
|---|---|
| **M/s. Village De Nandi Private Limited** | |
| At the beginning of the period | - |
| Add: Share of Profit/ (Loss) | (2,500) |
| Add: Receipts | - |
| Less: Transfer to Capital | (5,00,000) |
| Outstanding at the end of the period | **(5,02,500)** |
| **M/s. Present Infra Private Limited** | |
| At the beginning of the period | - |
| Add: Share of Profit/ (Loss) | (2,250) |
| Add: Contribution in the form of PPE | 85,30,00,000 |
| Add: Receipts | - |
| Less: Transfer to Capital | (4,50,000) |
| Outstanding at the end of the period | **85,25,47,750** |
| **M/s. Goldfinch Buildtech Private Limited** | |
| At the beginning of the period | - |
| Add: Share of Profit/ (Loss) | (250) |
| Add: Contribution in the form of PPE | 9,50,00,000 |
| Add: Receipts | - |
| Less: Transfer to Capital | (50,000) |
| Outstanding at the end of the period | **9,49,49,750** |

**7 Other financial liabilities**

| Particulars | Rs. As at 31 March 2023 |
|---|---|
| Other liabilities | 5,000 |
| | **5,000** |

**8 Other expenses**

| | | Rs. |
|---|---|---|
| **Particulars** | **Note No.** | **Period ended 31 March 2023** |
| Auditor's remuneration | **8a** | 5,000 |
| | | **5,000** |

**8a Auditors' Remuneration**

| | Rs. |
|---|---|
| **Particulars** | **Period ended 31 March 2023** |
| **Payment to Auditors as (Inclusive of applicable taxes) :** | |
| Statutory audit fee | 5,000 |
| | **5,000** |

**9 Tax expenses**

**a Income tax recognised in profit or loss**

| | Rs. |
|---|---|
| **Particulars** | **Period ended 31 March 2023** |
| **Current tax** | |
| In respect of the current period | - |
| **Deferred tax** | |
| In respect of the current period | - |
| | - |
| | - |

**b Reconciliation of tax expense and accounting profit**

| | Rs. |
|---|---|
| **Particulars** | **Period ended 31 March 2023** |
| Profit before tax from continuing operations | (5,000) |
| Applicable Income tax rate | 31.20% |
| Income tax expense | (1,560) |
| Effect of unused tax losses not recognized as deferred tax assets | 1,560 |
| Income tax expense recognised in profit or loss | - |

**10 Contingent liabilities (to the extent not provided for)**

| | Rs. |
|---|---|
| **Particulars** | **Period ended 31 March 2023** |
| **Claims against firm not acknowledged as debts** | |
| a. Disputed Indirect Taxes | - |
| b. Disputed Income Tax | - |
| c. Others | - |

The above amounts does not include penalties, if any, that may be levied by the authorities when the disputes are settled.

**11 Commitments**

| Particulars | Rs. Period ended 31 March 2023 |
|---|---|
| Capital commitments (Net of advances) | - |

**12** There are no employees employed by the firm and accordingly there are no employee costs and provision for employee benefits.

**13 Segment information**

The operations of the firm include real estate development constituting a single segment and has restricted to one geographical area. Hence the disclosure of segment information as per Ind AS 108 is not applicable.

**14 Fair values**

None of financial assets are measured at fair values.
The fair value of the financial assets and liabilities approximate to its carrying amounts.

**15 Financial risk management objectives and policies**

The Firm's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the acquisition and Firm's real estate operations. The Firm's principal financial assets include investments, trade and other receivables, cash and cash equivalents, land advances and refundable deposits that derive directly

The Firm is exposed to market risk, credit risk and liquidity risk. The Firm's senior management oversees the management of these risks. The senior management ensures that the Firm's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Firm's policies and risk objectives. It is the Firm's policy that no trading in derivatives for speculative purposes may be undertaken. The Management reviews and agrees policies for managing each of these risks, which are summarised below.

**I Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk. The Firm has no exposure to commodity prices as it does not deal in derivative instruments whose underlying is a commodity. Financial instruments affected by market risk include loans and borrowings and refundable deposits.

**a. Interest rate risk**

The firm has no borrowings and hence it is not exposed to interest rate risk.

**b. Commodity price**

The Firm has no exposure to commodity prices as it does not deal in derivative instruments whose underlying is a commodity.

**II Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Firm is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits and other financial instruments.

**Financial Instrument and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Firm's partners in accordance with the Firm's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Firm's Management on an annual basis, and may be updated throughout the year. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Firm's maximum exposure to credit risk for the components of the Balance Sheet at 31 March 2023 and 31 March 2022 is the carrying amounts.

**III Liquidity risk**

Liquidity risk is the risk that the firm will not be able to meet its financial obligations as they become due. The firm manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient funds to meet its liabilities as and when they are due. The firm's partners undertakes this responsibility and supervises the liquidity position at regular intervals.

**16 Capital management**

For the purpose of the Firm's capital management, capital includes Capital account and Current account of the firm. The primary objective of the Firm's capital management is to maintain strong credit rating and healthy capital ratios in order to support its business and maximise the partners value. The Firm manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the firm may adjust the payout to the partners or infuse new partners.

**17 Related party disclosure :**

**(i) Name of related parties and description of relationship**

**Controlling Enterprise**
Village De Nandi Private Limited

**Key Management Personnel**
Present Infra Private Limited
Goldfinch Buildtech Private Limited
Irfan Razack
Prakash Shetty Korangrapady

**(ii) Transactions with Related Parties during the period**

Rs.

| Particulars | Period ended 31 March 2023 |
|---|---|
| **Share of profit/ (loss) to partners** | |
| Village De Nandi Private Limited | (2,500) |
| Present Infra Private Limited | (250) |
| Goldfinch Buildtech Private Limited | (250) |
| | **(2,750)** |

**(iii) Balance Outstanding as at**

Rs.

| Particulars | As at 31 March 2023 |
|---|---|
| **Current account balance** | |
| Village De Nandi Private Limited | (5,02,500) |
| Present Infra Private Limited | 85,25,47,750 |
| Goldfinch Buildtech Private Limited | 9,49,49,750 |
| | **94,69,95,000** |

a) Related party relationships are as identified by the management which has been relied upon by the auditors.
b) No amount is / has been written back during the period in respect of debts due from or to related party.
c) Reimbursement of actual expenses in not considered in the above disclosure.

**18 Other Information**

(i) The Firm does not have any Benami property, where any proceeding has been initiated or pending against the Firm for holding any Benami property.

(ii) The Firm does not have any transactions with companies struck off.

(iii) The Firm has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(iv) The Firm has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Firm (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(v) The Firm has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Firm shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vi) The Firm does not have any such transaction which is 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

**19** The Firm was incorporated on March 29, 2023 and March 31, 2023 is the first year of financial statement. Hence, providing previous year numbers does not arise.

As per our report of even date

**for MUV & Co.**
Chartered Accountants
ICAI Firm Registration No.019097S

MANJUNATH N
Digitally signed by MANJUNATH N
Date: 2023.05.26 13:14:57 +05'30'

**Manjunath N**
Partner
Membership No.253286

Place: Bengaluru
Date: May 26, 2023

**For and on behlaf of**
**Prestige MRG Eco Ventures**

SAMEERA NOAMAN
Digitally signed by SAMEERA NOAMAN

**Village De Nandi Private Limited**
Managing Partner
(Represented by Mrs. Sameera Noaman)

Place: Bengaluru
Date: May 26, 2023