

M/s. APEX REALTY VENTURES LLP
No.2011, Embassy Habitat, Palace Cross Road, Vasanth Nagar
Bangalore-560052

BALANCE SHEET AS AT 31 MARCH 2019

Particulars	Note No.	As at 31 March 2019
A. ASSETS		
Current assets		
(a) Inventory work-in-progress		25,73,28,703
(b) Financial assets		
(i) Advances	4	64,09,96,664
(ii) Cash and cash equivalents	5	7,24,894
(C) Other current assets	6	1,01,81,300
		90,92,31,562
Total		90,92,31,562
B. EQUITY AND LIABILITIES		
I. EQUITY		
Partner's fund		
Partners Capital Account	7	1,00,00,000
Partners Current Account	8	34,56,29,016
		35,56,29,016
II. LIABILITIES		
Non-current liabilities		
(a) Borrowings	9	41,43,96,552
		41,43,96,552
Current liabilities		
(a) Sundry creditors	10	3,22,950
(b) Other current liabilities	11	13,88,83,043
		13,92,05,993
Total		90,92,31,562

for **MSSV & Co.**
Chartered Accountants
Firm Registration No.0019875

Shiv Shankar T.R
Partner
Membership No.220517

Place: Bengaluru
Date: 24 May, 2018



for **Apex Realty Ventures LLP**

Venkat Narayana K
Designated Partner

Place: Bangalore
Date: 24 May, 2018

APEX REALTY VENTURES LLP
No.2011, Embassy Habitat, Palace Cross Road, Vasanth Nagar
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STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH 2019

Particulars	Note No.	Period ended 31 March 2019
Revenue from operations		-
Other income		-
Total Revenue - (I)		-
Expenses		
Finance Costs	12	2,478
Other expenses	13	10,000
Total Expenses - (II)		12,478
Profit/(Loss) before tax (III= I-II)		(12,478)
Less : Tax expenses		
- Current tax		-
- Deferred Tax		-
Profit/(Loss) for the period		(12,478)
Transferred to partners current account		
Prestige Estates Projects Limited	59.94%	(7,479)
Venkat Narayana K	39.96%	(4,986)
Apex Realty Management Private Limited	0.10%	(13)

for **MSSV & Co.**
Chartered Accountants
Firm Registration No.0019875

Shiv Shankar T.R
Partner
Membership No.220517

Place: Bengaluru
Date: 24 May, 2018



for **Apex Realty Ventures LLP**

Venkat Narayana K
Designated Partner

Place: Bangalore
Date: 24 May, 2018

NOTES FORMING PART OF FINANCIAL STATEMENTS

1 Background Information

M/s. Apex Reality Ventures is a partnership firm ("the Firm") incorporated on 27th April, 2017 with an objective to carrying the business of construction, development and dealing in real estate in general and other ancillary and incidental activities in partnership with each other through the firm and to be any other business as may be mutually decided by the Partners, from time to time. The firm was converted into Limited Liability Partnership with effective from March 28, 2019.

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

Particulars	As at 31 March 2019
Prestige Estates Projects Limited	59.94%
Venkat Narayana K	39.96%
Apex Realty Management Private Limited	0.10%
	100.00%

2 Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with accounting policies disclosed below.

Ind AS 115 Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018, replaces existing revenue recognition requirements. The Company has applied the modified retrospective approach, impact of which is summarised in Note No. 24.

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 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 LLP 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

a. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, credits, concessions and incentives, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

Recognition of revenue from real estate developments

Revenue from real estate development of residential or commercial unit is recognised at the point in time, when the control of the asset is transferred to the customer, which generally coincides with either of the two conditions as stated below -

- i) on transfer of legal title of the residential or commercial unit to the customer; or
- ii) on transfer of physical possession of the residential or commercial unit to the customer and collection of complete transaction price by the Company from customer.

Sale of residential and commercial units consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated with each other.

In respect of Joint development ('JD') arrangements, revenue is recognised over time using percentage-of-completion method ('POC method') of accounting. In JD arrangements the land owner/ possessor provides land and the Company undertakes to develop properties on such land and in lieu of land owner providing land, the Company has agreed to transfer certain percentage of constructed area or certain percentage of the revenue proceeds. The project costs include fair value of land being offered for the project and revenue from the development and transfer of constructed area/ revenue sharing arrangement in exchange of such development rights/ land is being accounted on gross basis on launch of the project.

The revenue is measured at the fair value of the land received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the land received cannot be measured reliably, the revenue is measured at the fair value of the estimated construction service rendered to the landowner, adjusted by the amount of any cash or cash equivalents transferred. The fair value so estimated is considered as the cost of land in the computation of percentage of completion for the purpose of revenue recognition.

The stage of completion is arrived at with reference to the entire project costs incurred including land costs, and construction and development costs as compared to the estimated total costs of the project.

In case of JD arrangements, where performance obligation is satisfied over time, the Company recognises revenue only when it can reasonably measure its progress in satisfying the performance obligation. Until such time, the Company recognises revenue to the extent of cost incurred, provided the Company expects to recover the costs incurred towards satisfying the performance obligation.

b. Interest income

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method except for interest on delayed payment by customers are accounted on receipt basis.



2.5 Inventory

Work-in-progress are valued at lower of cost or net realisable value. Cost is aggregated of land cost, materials, contract works, direct expenses, provisions and apportioned borrowing costs and is net of material's scrap receipts.

2.6 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 income 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 income 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 income tax liability is settled.

Deferred income 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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.

2.7 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.

2.8 Operating cycle and basis of classification of assets and liabilities

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.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the firm has ascertained its operating cycle as 5 years for the purpose of current – non current classification of assets and liabilities.



2.9 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

3 Recent accounting pronouncements

a. Ind AS 116 Leases

On 30 March 2019, MCA notified Ind AS 116 Leases and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after 1 April 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17.

The Company will adopt Ind AS 116 effective from April 1, 2019. As at the date of issuance of the Company's standalone financial statements, the Company is in the process of evaluating the requirements of the said standard and the impact on its standalone financial statements in the period of initial application.

b. Amendments to existing issued Ind-AS

The MCA has also carried out amendments of the following accounting standards:

- i) Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment
- ii) Ind AS 109: Prepayment Features with Negative Compensation
- iii) Ind AS 19: Plan Amendment, Curtailment or Settlement

The amendment will come into force from April 1, 2019. The Company has evaluated the effect of this on the financial statements and the impact is not material.



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NOTES FORMING PART OF FINANCIAL STATEMENTS

4 Advances

Particulars	As at 31 March 2019
Advance to suppliers	75,000
Advances for purchase of land	64,09,21,664
	<u>64,09,96,664</u>

5 Cash and cash equivalents

Particulars	As at 31 March 2019
Cash	30,000
Balances with banks	6,94,894
- in current accounts	<u>7,24,894</u>

6 Other current assets

Particulars	As at 31 March 2019
Refundable Deposit	1,81,300
Other advances	1,00,00,000
	<u>1,01,81,300</u>

7 Partner's Capital Account

Particulars	As at 31 March 2019
Venkat Narayana K	39,60,000
Prestige Estates Projects Limited	59,40,000
Apex Realty Management Private Limited	1,00,000
	<u>1,00,00,000</u>

8 Partner's Current Account

Particulars	As at 31 March 2019
Venkat Narayana K	(9,57,86,503)
Prestige Estates Projects Limited	44,15,20,532
Apex Realty Management Private Limited	(1,05,013)
	<u>34,56,29,016</u>



Movement in Partner's Current account:

Particulars	As at 31 March 2019
Venkat Narayana K	
At the beginning of the year	(9,57,81,517)
Add: Share of Profit/ (Loss)	(4,986)
Add: Receipts	-
Less: Payments	-
Outstanding at the end of the year	(9,57,86,503)
Prestige Estates Projects Limited	
At the beginning of the year	44,15,28,011
Add: Share of Profit/ (Loss)	(7,479)
Add: Receipts	-
Less: Payments	-
Outstanding at the end of the year	44,15,20,532
Apex Realty Management Private Limited	
At the beginning of the year	-
Add: Share of Profit/ (Loss)	(13)
Add: Receipts	-
Less : Transferred to capital	(1,00,000)
Less : Payments	(5,000)
Outstanding at the end of the year	(1,05,013)

9 Borrowings

Particulars	As at 31 March 2019
Term loans (Secured)	
- From financials institutions	41,43,96,552
	41,43,96,552

10 Sundry creditors

Particulars	As at 31 March 2019
Trade payables	3,22,950
	3,22,950

11 Other current liabilities

Particulars	As at 31 March 2019
Payable to Ex-partner	(2,95,00,034)
Interest accrued but not due on borrowings	34,99,348
Withholding taxes and duties payable	22,89,026
Other liability	16,25,94,703
	13,88,83,043



12 Finance Costs

Particulars	Period ended 31 March 2019
Bank Charges	2,478
	2,478

13 Other expenses

Particulars	Period ended 31 March 2019
Auditor's Remuneration	10,000
	10,000



14 Fair values

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

15 Financial risk management objectives and policies

The entity's risk management is carried out by Board of directors in accordance with the policies laid down. The board of directors of the company identifies, evaluates and manages risk in close co-operation with the holding company's management. The objectives, policies and process of managing the each type of risk is detailed as below:

I Market risk

a. Interest rate risk

The Entity has sourced its fund requirements from financial institutions with fixed rate of interest and are repayable on demand. Hence, the company is not exposed to interest rate risk.

b. Foreign Currency exchange rate risk

The Entity doesn't have any transactions in foreign currency. Hence, it is not exposed to foreign currency exchange rate risk.

II Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The company's exposure is mainly with regard to advances paid to suppliers. The credit exposure is controlled by the Board of Directors through continuous review of the status of such advances.

III Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they become due. The company 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 Company's Board undertakes this responsibility and supervises the liquidity ratios at regular intervals.



16 Related party disclosure :

(i) List of related parties and relationships - Relationship

Designated Partner
Partner
Partner

Designated Partner

Related Parties

Venkat Narayana K
Prestige Estates Projects Limited
Apex Realty Management Private Limited

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(ii) Transactions with Related Parties during the year

Particulars	Period ended 31 March 2019
Share of profit/(loss) to partners	
Venkat Narayana K	(4,986)
Prestige Estates Projects Limited	(7,479)
Apex Realty Management Private Limited	(13)
	(12,478)

(iii) Balance Outstanding as at

Current account balances

Particulars	7,24,894
Venkat Narayana K	(9,57,86,503)
Prestige Estates Projects Limited	44,15,20,532
Apex Realty Management Private Limited	(1,05,013)
	34,56,29,016

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

- 17** There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding at the Balance Sheet date, computed on unit wise basis, determined to the extent such parties identified on the basis of information available with the entity. This has been relied upon by the auditors.

for **MSSV & Co.**

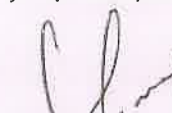
Chartered Accountants

Firm Registration No.0019875


Shiv Shankar T.R.
Partner
Membership No.220517

Place: Bengaluru
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