**Max Estates 128 Private Limited**
**Balance Sheet as at 31 March 2023**
**CIN- U55101DL2006PTC151422**

(Rs. in Lacs)

| Particulars | Notes | As at March 31, 2023 | As at March 31, 2022 | As at April 01, 2021 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 3 | 2.99 | 3.41 | 5.83 |
| Financial assets | | | | |
| (i) Investments | 4 | 448.95 | - | - |
| | | **9,343.54** | **2,262.10** | **2,264.52** |
| **Current assets** | | | | |
| Inventories | 5 | 8,891.60 | 2,258.69 | 2,258.69 |
| Financial assets | 6 | | | |
| (i) Cash and cash equivalents | | 30.04 | 16.18 | 13.89 |
| (ii) Loans | | 6,425.85 | - | - |
| (iii) Other financial assets | | 119.59 | - | - |
| Other current assets | 7 | 266.39 | 0.25 | 0.61 |
| | | **15,733.47** | **2,275.12** | **2,273.19** |
| **TOTAL ASSETS** | | **16,185.41** | **2,278.53** | **2,279.02** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| Equity share capital | 8 | 965.20 | 965.20 | 965.20 |
| Other equity | 8 | (130.36) | (49.76) | (41.77) |
| **Total equity** | | **834.84** | **915.44** | **923.43** |
| **LIABILITIES** | | | | |
| **Non-current liabilities** | | | | |
| Financial liabilities | | | | |
| (i) Borrowings | 9 | 14,839.09 | - | - |
| | | **14,839.09** | - | - |
| **Current liabilities** | | | | |
| Financial liabilities | | | | |
| (i) Borrowings | 10 | - | 1,362.12 | 1,355.12 |
| (ii) Trade payables | | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | | - | - | - |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 494.51 | 0.21 | 0.18 |
| Other current liabilities | 11 | 16.97 | 0.76 | 0.29 |
| | | **511.48** | **1,363.09** | **1,355.59** |
| **TOTAL LIABILITIES** | | **15,350.57** | **1,363.09** | **1,355.59** |
| **TOTAL EQUITY AND LIABILITIES** | | **16,185.41** | **2,278.53** | **2,279.02** |
| Summary of significant accounting policies | 2 | | | |
| Other notes on accounts | 3-35 | | | |

The accompanying notes are integral part of the financial statements

**DINESH KUMAR BACHCHAS**
*Partner*
Membership No. 097820
For and on behalf of
**K.K.MANKESHWAR & CO.,**
*Chartered Accountants*
FRN:- 106009W

K.K.Mankeshwar & Co.
Chartered Accountants

New Delhi, dated the
18th May, 2023

**For and on behalf of the Board of Directors of**
**Max Estates 128 Private Limited**

**Nitin Kumar**
(Director)
(DIN 03048794)

**Rishi Raj**
(Director)
(DIN 08490762)

**Max Estates 128 Private Limited**
**Statement of profit and loss for the year ended March 31, 2023**
**CIN- U55101DL2006PTC151422**

(Rs. In Lacs)

| Particuars | Notes | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | | - | - |
| Other income | | - | - |
| **Total income** | | - | - |
| **EXPENSES** | | | |
| Depreciation and amortization expense | 12 | 0.42 | 2.41 |
| Other expenses | 13 | 138.00 | 5.58 |
| **Total expenses** | | 138.42 | 7.99 |
| **Profit/(Loss) before tax** | | **(138.42)** | **(7.99)** |
| Tax expenses | | | |
| - Current tax | | - | - |
| - Deferred tax | | - | - |
| **Total tax expense** | | - | - |
| **Profit/(Loss) after tax** | | **(138.42)** | **(7.99)** |
| **Other comprehensive income** | | | |
| Other comprehensive income not to be reclassified to profit or loss in subsequent year: | | | |
| Income tax effect | | - | - |
| Re-measurement losses on defined benefit plans | | - | - |
| Other comprehensive income for the year, net of tax | | - | - |
| Total comprehensive income/(loss) for the year, net of tax | | **(138.42)** | **(7.99)** |
| **Earnings per equity share (Nominal Value of share Rs.10/-) (refer note 14)** | | | |
| Basic (Rs.) | | (1.43) | (0.08) |
| Diluted (Rs.) | | (1.43) | (0.08) |
| Summary of significant accounting policies | 2 | | |
| Other notes on accounts | 3-35 | | |

The accompanying notes are integral part of the financial statements

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(Director)
(DIN 03048794)

**Rishi Raj**
(Director)
(DIN 08490762)

**Max Estates 128 Private Limited**
**Statement of cash flows for the year ended March 31, 2023**
**CIN- U55101DL2006PTC151422**

(Rs. in Lacs)

| Particulars | for the year ended March 31, 2023 | for the year ended March 31, 2022 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit/(Loss) before tax | | |
| **Adjustments to reconcile profit before tax to net cash flows:** | (138.42) | (7.99) |
| Depreciation of property, plant and equipment | | |
| **Operating profit before working capital changes** | 0.42 | 2.41 |
| **Working capital adjustments:** | (137.99) | (5.58) |
| Increase / (Decrease) in other current finanacial liabilities | | |
| (Increase) / Decrease in Inventories | - | 0.47 |
| (Increase) / Decrease in other current assets | (6,626.28) | - |
| (Increase) / Decrease in other current financial assets | (214.97) | 0.36 |
| Increase / (Decrease) in trade and other payables | (119.59) | - |
| **Cash generated from operations** | 510.51 | 0.04 |
| Income tax paid | (6,588.32) | (4.71) |
| **Net cash flows used in operating activities** | - | - |
| | (6,588.32) | (4.71) |
| **Cash flow from investing activities** | | |
| Purchase of PPE | | |
| Investments in Mutual Funds | - | |
| Loan given | (448.95) | - |
| **Net cash flows used in investing activities** | (6,425.85) | |
| | (6,874.80) | - |
| **Cash flow from financing activities** | | |
| Equity Component on account of Financial Guarantee | | |
| Proceeds from borrowings | | - |
| Repayment of borrowings | 14,839.09 | 7.00 |
| Proceeds from term loan | (1,362.12) | |
| **Net cash flows from financing activities** | | - |
| | 13,476.98 | 7.00 |
| Net increase/(decrease) in cash and cash equivalents | | |
| Cash and cash equivalents at the beginning of the year | 13.86 | 2.29 |
| **Cash and cash equivalents at year end** | 16.18 | 13.89 |
| | 30.04 | 16.18 |

**Components of cash and cash equivalents :-**

(Rs. in Lacs)

| **Balances with banks:** | As at March 31, 2023 | As at March 31, 2022 |
|---|---|---|
| On current accounts | | |
| Cash on hand | 29.86 | 0.31 |
| | 0.18 | 15.87 |
| | 30.04 | 16.18 |

**Changes in liabilities arising from financing activities during the month 31st March 2023**

(Rs. in Lacs)

| Particulars | Investment ( Non-Current/ Current) | Borrowings ( Non-Current/ Current) |
|---|---|---|
| Opening Balance | | |
| Addition /Deletion(net) | - | 1,362.12 |
| Interest expense | 448.95 | 13,476.98 |
| Interest paid | - | - |
| Closing Balance | - | - |
| | 448.95 | 14,839.09 |

**Changes in liabilities arising from financing activities during the month 31st March 2022**

(Rs. in Lacs)

| Particulars | Current Borrowings | Non-Current Borrowings |
|---|---|---|
| Opening Balance | | |
| Addition /Deletion(net) | - | 1,355.12 |
| Interest expense | - | 7.00 |
| Interest paid | - | - |
| Closing Balance | - | - |
| | - | 1,362.12 |

K K Mankeshwar & Co.
Chartered Accountants

| | |
|---|---|
| Summary of significant accounting policies | 2 |
| Other notes on accounts | 3-35 |

The accompanying notes are integral part of the financial statements

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New Delhi, dated the
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**For and on behalf of the Board of Directors of**
**Max Estates 128 Private Limited**

**Nitin Kumar**
(Director)
(DIN 03048794)

**Rishi Raj**
(Director)
(DIN 08490762)

**Max Estates 128 Private Limited**
**Statement of changes in equity for the year ended March 31, 2023**
**CIN- U55101DL2006PTC151422**

**a) Equity share capital**

| Particulars | Nos. | (Rs. in Lacs) |
|---|---|---|
| **As at April 1, 2021** | 96,52,000 | 96.52 |
| Add: Equity share issued during the year | - | - |
| **As at March 31, 2022** | 96,52,000 | 96.52 |
| Add: Equity share issued during the year | - | - |
| **As at March 31, 2023** | 96,52,000 | 96.52 |

**b) Other equity**

(Rs. in Lacs)

| Particulars | Reserves and | | Total equity |
|---|---|---|---|
| | Retained earnings | Equity Component on account of Financial Guarantee provided by the Holding Company | |
| **As at March 31, 2021** | (41.77) | - | (41.77) |
| Profit / (Loss) for the year | (7.99) | - | (7.99) |
| **As at March 31, 2022** | (49.76) | - | (49.76) |
| Profit / (Loss) for the year | (138.42) | - | (138.42) |
| Equity Component on account of Financial Guarantee | - | 57.82 | 57.82 |
| **As at March 31, 2023** | (188.18) | 57.82 | (130.36) |

| | |
|---|---|
| Summary of significant accounting policies | 2 |
| Other notes on accounts | 3-35 |

The accompanying notes are integral part of the financial statements

**DINESH KUMAR BACHCHAS**
*Partner*
Membership No. 097820
For and on behalf of
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FRN:- 106009W

New Delhi, dated the
18th May, 2023

K.K.Mankeshwar & Co. Chartered Accountants

**For and on behalf of the Board of Directors of**
**Max Estates 128 Private Limited**

**Nitin Kumar**
(Director)
(DIN 03048794)

**Rishi Raj**
(Director)
(DIN 08490762)

**Max Estates 128 Private Limited**
**CIN- U55101DL2006PTC151422**

## 1 Corporate Information

Max Estates 128 Private Limited (the company) is a company registered under Companies Act, 2013 and incorporated on 29th July 2006. The Company engaged in the business of Real Estates developments. Registered office of the Company is located at Max House,1 Dr. Jha Marg, Okhla, New Delhi- 110020, India.

The financial statements were authorised for issue in accordance with a resolution of the directors on 18th May 2023.

## 2 Significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2022, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The financial statements for the year ended March 31, 2023 are the first the Company has prepared in accordance with Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value

(i) Certain financial assets and liabilities that are measured at fair value

Financial Statement are presented in INR and all values are rounded to nearest Lacs (INR 00,000) except when otherwise stated

### 2.2 Summary of significant accounting policies

#### a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
(i) Expected to be realized or intended to be sold or consumed in normal operating cycle
(ii) Held primarily for the purpose of trading
(iii) Expected to be realized within twelve months after the reporting period, or
(iv) 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:
(i) It is expected to be settled in normal operating cycle
(ii) It is held primarily for the purpose of trading
(iii) It is due to settled within twelve months after the reporting period, or
(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### b. Property, Plant and Equipment

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT credit and VAT credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

The company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset and has useful life that is materially different from that of the remaining asset.

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation on property, plant and equipment is provided on prorata basis on straight-line method using the useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013.

#### c. Investment property

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.
Investment property consist of capital work-in-progress relating to initial cost incurred for purchase of land and building. The Company will amortise the leasehold land on a straight line basis over the lease period and building will be depreciated using the straight line method over their estimated useful life.

#### d. Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provide on the revised carrying amount of the asset over its remaining economic life.

An assessments is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

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e. **Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(i) Financial assets**

The Company classified its financial assets in the following measurement categories :-
- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:
(i) Debt instruments at amortized cost
(ii) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

**Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
(i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and

(ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discount the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the effective interest rate the company estimate the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

**Debt instruments at FVTPL**

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e., removed from the Company's statement of financial position) when:

-the rights to receive cash flows from the asset have expired, or
-the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

(a) the Company has transferred the rights to receive cash flows from the financial assets or
(b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**Inventories**

Inventories comprise completed units for sale and property under construction (Work in progress):
(A) Completed Unsold inventory is valued at lower of cost and net realizable value. Cost is determined by including cost of land, materials, services and related overheads.
(B) Work in progress is valued at cost. Cost comprises value of land (including development rights), materials, services and other overheads related to projects under construction.

**Impairment of financial assets**

In accordance with IND AS 109, the Company applies expected credit losses (ECL) model for measurement and recognition of impairment loss on the following financial asset and credit risk exposure

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

**(ii) Financial liabilities**

**Initial recognition and measurement**

Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money and other payables.

The measurement of financial liabilities depends on their classification, as described below:

**Trade Payables**

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 90 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

K K Mankeshwar & Co. Chartered Accountants

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**Financial guarantee contracts**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of IND AS 109 and the amount recognised less cumulative amortization.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or medication is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

f. **Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

g. **Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 and the income computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate, if any.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporay differences

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside the statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

h. **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. 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.

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i. **Provision and Contingent liabilities**

**Provisions**

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

j. **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.

k. **Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

l. **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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

(i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
(ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

This note summarises accouting policy for fair value. Other fair value related disclosures are given in the relevant notes.
- Disclosures for valuation methords, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments ( including those carried at amortised cost)

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2.3 **Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

**Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(b) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(c) Impairment of non-Financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An assets recoverable amount is the higher of an asset's CGU'S fair value less cost of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

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**Max Estates 128 Private Limited**
**Notes forming part of the financial statements**
**CIN- U55101DL2006PTC151422**

**3. Property, plant and equipment (PPE)**

(Rs in Lakhs)

| Particulars | Plant and equipment | Furniture and fixture | Computers and data processing units | Total |
|---|---|---|---|---|
| **At cost** | | | | |
| **As at April 1, 2021** | 15.13 | 2.38 | 0.23 | 17.74 |
| Additions | - | - | - | - |
| Disposals/Adjustments | - | - | - | - |
| **As at March 31, 2022** | 15.13 | 2.38 | 0.23 | 17.74 |
| Additions | - | - | - | - |
| Disposals/Adjustments | - | - | - | - |
| **As at March 31, 2023** | 15.13 | 2.38 | 0.23 | 17.74 |
| **Depreciation** | | | | |
| **As at March 31, 2021** | 10.10 | 1.59 | 0.22 | 11.91 |
| Charge for the year | 2.36 | 0.06 | - | 2.42 |
| Disposals | - | - | - | - |
| **As at March 31, 2022** | 12.46 | 1.65 | 0.22 | 14.33 |
| Charge for the year | 0.37 | 0.05 | - | 0.42 |
| Disposals / Adjustments | - | - | - | - |
| **As at March 31, 2022** | 12.83 | 1.70 | 0.22 | 14.75 |
| **Net carrying amount** | | | | |
| **As at March 31, 2023** | 2.30 | 0.68 | 0.01 | 2.99 |
| **As at March 31, 2022** | 2.67 | 0.73 | 0.01 | 3.41 |
| **As at April 1, 2021** | 5.03 | 0.79 | 0.01 | 5.83 |

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**Max Estates 128 Private Limited**
**Notes forming part of the financial statements**
**CIN- U55101DL2006PTC151422**

(Rs. in Lacs)

| | Particuars | As at March 31, 2023 | As at March 31, 2022 | As at April 01, 2021 |
|---|---|---|---|---|
| 4. | **Non Current financial assets** | | | |
| | **Other investments** | | | |
| | Aditya Birla Sun Life Liquid Fund - Growth- Direct Plan Units 1,23,648.776 (March 31, 2022: Nil, April 01, 2021: Nil) | 448.95 | - | - |
| | | **448.95** | - | - |

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**Max Estates 128 Private Limited**
**Notes forming part of the financial statements**
**CIN- U55101DL2006PTC151422**

| Particulars | As at March 31, 2023 | As at March 31, 2022 | (Rs. in Lacs) As at April 01, 2021 |
|---|---|---|---|
| **5. Inventories** | | | |
| Cost of Development- Land | 8,891.60 | 2,258.69 | 2,258.69 |
| | **8,891.60** | **2,258.69** | **2,258.69** |
| **6. (i) Cash and cash equivalents** | | | |
| **Balances with banks:** | | | |
| On current accounts | 29.86 | 0.31 | 0.10 |
| Cash on hand | 0.18 | 15.87 | 13.79 |
| | **30.04** | **16.18** | **13.89** |
| **(ii) Loans** | | | |
| Loans to related parties (Holding Company)* | 6,425.85 | - | - |
| | **6,425.85** | **-** | **-** |
| * Repayable on demand | | | |
| **(iii) Other financial assets** | | | |
| Unsecured, considered good | | | |
| Other advances | 119.59 | - | - |
| | **119.59** | **-** | **-** |
| **7. Other current assets (unsecured considered good, unless otherwise stated)** | | | |
| Prepaid expenses | 0.20 | - | - |
| Balance with statutory authorities | 214.75 | - | - |
| Security Deposit | 0.25 | 0.25 | 0.61 |
| Deferred Guarantee Fee | 51.19 | - | - |
| | **266.39** | **0.25** | **0.61** |

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