



August 29, 2024

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001
Scrip Code: 544008

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051
SYMBOL: MAXESTATES

Sub: Approval of Unaudited Interim Condensed Consolidated Financial Statements for the three months ended June 30, 2024 and special purpose audited consolidated financial statements for the financial year ended March 31, 2022.

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”)

Dear Sir/Madam,

We wish to inform you that the Investment and Finance Committee of the Board of Directors of the Company in its meeting held today, i.e., August 29, 2024, has approved the (i) Unaudited Interim Condensed Consolidated Financial Statements for the three months ended June 30, 2024, along with the review reports (**Annexure - A**); and (ii) special purpose audited consolidated financial statements for the financial year ended March 31, 2022, along with the audit report for that period (**Annexure - B**), prepared in accordance with the requirements of Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013, along with the rules made thereunder and other applicable laws, if any.

The meeting of the Investment and Finance Committee commenced at 10:30 A.M. and concluded at 1:30 P.M.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Max Estates Limited**

Abhishek Mishra
Company Secretary & Compliance Officer

Encl: as above.

Max Estates Limited

Corporate Office: Max Towers, L-20, C-001/A/1, Sector-16B, Noida-201301, Uttar Pradesh, India, | P: +91 120-4743222
Regd Office: 419, Bhai Mohan Singh Nagar, Village Railmajra,
Tehsil Balachaur, Dist. S.B.S. Nagar (Nawanshahr), Punjab 144 533, India

Email : secretarial@maxestates.in | Website : www.maxestates.in | CIN: L70200PB2016PLC040200

Review Report on Interim Condensed Consolidated Financial Statements

To
The Board of Directors
Max Estates Limited

We have reviewed the accompanying Interim Condensed Consolidated Financial Statements of Max Estates Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising the interim condensed consolidated balance sheet as at June 30, 2024, the interim condensed consolidated Statements of Profit and Loss including other comprehensive income, the interim condensed consolidated Cash Flow Statement and the interim condensed consolidated Statement of Changes in Equity for the three months period ended June 30, 2024, and condensed notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information (together hereinafter referred to as the "Interim Condensed Consolidated Financial Statements").

Management's Responsibility for the Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Interim Condensed Consolidated Financial Statements in accordance with the requirements of Indian Accounting Standard - 34 "Interim financial reporting" (Ind AS-34) specified under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and other recognised accounting practices and policies. These Interim Condensed Consolidated Financial Statements has been prepared solely in connection with raising of funds in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "Regulations") and Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note"). Our responsibility is to express a conclusion on the Interim Condensed Consolidated Financial Statements based on our review.

Scope of review

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Interim Condensed Consolidated Financial Statements have not been prepared, in all material respects, in accordance with Ind AS 34 prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended and other recognised accounting practices and policies.

Other Matters

1. This report on the Interim Condensed Consolidated Financial Statements has been issued solely in connection with the proposed raising of funds through Qualified Institutional Placement in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "Regulations"), as amended from time to time, as stated in Note 2.1 to the Interim Condensed Consolidated Financial Statements, and should not be used for any other purpose.
2. The Interim Condensed Consolidated Financial Statements includes the unaudited Interim financial statements in respect of 8 subsidiaries, whose Interim financial statements include total assets of Rs. 1,96,448 lakhs as at June 30, 2024, total revenues of Rs 1,620 lakhs, total net loss after tax of Rs. 9 lakhs, total comprehensive income of Nil and net cash outflows of Rs. 266 lakhs for the three months ended June 30, 2024 respectively, as considered in the Interim Condensed Consolidated Financial Statements. These unaudited interim financial statements have been reviewed by other auditors, whose reports have been furnished to us by the management of the Group. Accordingly, our conclusion on the Interim Condensed Consolidated Financial Statements, in so far as it relates to the amounts and disclosures includes in respect of these subsidiaries are based solely on the reports of other auditors.

Our conclusion on the Interim Condensed Consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

3. The Holding Company had prepared separate statement of Unaudited Consolidated Financial Results for the quarter ended June 30, 2024, in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34, on which we had issued a separate limited review report dated August 09, 2024. These Unaudited Consolidated Financial Results were prepared for submission by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended.

For S.R. BATLIBOI & CO. LLP

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

per Pravin Tulsyan

Partner

Membership No. 108044

UDIN: 24108044BKFLZG6904

Place: Pokhara, Nepal

Date: August 29, 2024

Max Estates Limited
Interim Condensed Consolidated Balance Sheet as at June 30, 2024

(Rs. in Lakhs)

Particular	Notes	As at June 30, 2024	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3	516.88	463.08
Investment properties	4	1,82,686.18	1,80,379.75
Intangible assets	5	289.87	303.84
Right-of-use assets	6	1,313.80	1,437.33
Intangible assets under development		32.09	26.60
Financial assets			
(i) Investments		273.22	269.41
(ii) Trade receivables		585.04	659.83
(iii) Other bank balances		2,478.90	2,451.02
(iv) Other financial assets		23,716.44	9,811.89
Deferred tax assets (net)		6,671.94	6,487.46
Non-current tax assets (net)		2,366.05	1,723.45
Other non current assets		7,248.66	6,736.35
		2,28,179.07	2,10,750.01
Current assets			
Inventories		63,280.71	53,287.43
Financial assets			
(i) Investments		5,991.80	8,996.41
(ii) Trade receivables		1,425.59	801.44
(iii) Cash and cash equivalents		29,546.15	23,073.62
(iv) Bank Balances other than (iii) above		4,154.71	2,924.31
(v) Other financial assets		7,741.09	5,265.91
Other current assets		5,836.74	5,040.75
		1,17,976.79	99,389.87
Total assets		3,46,155.86	3,10,139.88
EQUITY AND LIABILITIES			
Equity			
Equity share capital		14,740.89	14,713.45
Share capital pending issuance		24.87	38.69
Other equity		1,02,564.04	1,02,337.70
Equity attributable to equity holders of parent company		1,17,329.80	1,17,089.84
Non-controlling interest		27,606.71	27,963.48
Total equity		1,44,936.51	1,45,053.32
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	7	1,25,032.29	82,587.12
(ii) Lease liabilities	6	3,979.03	4,142.53
(iii) Other non current financial liabilities		14,637.83	13,081.01
Non-current provisions		348.75	280.04
Deferred tax liabilities		809.13	742.99
		1,44,807.03	1,00,833.69
Current liabilities			
Financial liabilities			
(i) Borrowings	7	1,848.74	8,832.14
(ii) Lease liabilities	6	630.85	613.81
(iii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		133.44	78.85
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,710.58	3,650.32
(iv) Other current financial liabilities		3,306.83	3,927.39
Other current liabilities		515.91	1,412.19
Contract Liabilities		45,772.94	45,341.10
Current provisions		455.45	371.07
Current Tax Liabilities (net)		37.58	26.00
		56,412.32	64,252.87
Total Liabilities		2,01,219.35	1,65,086.56
Total Equity and Liabilities		3,46,155.86	3,10,139.88

Summary of material accounting policies

2

The accompanying notes form an integral part of the Interim Condensed Consolidated Financial Statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of Max Estates Limited

per Pravin Tulsyan

Partner

Membership no: 108044

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Vice Chairman & Managing Director)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Abhishek Mishra

(Company Secretary)

Place : Pokhara, Nepal

Date : August 29, 2024

Place : Noida

Date : August 29, 2024

Max Estates Limited
Interim Condensed Consolidated Statement of Profit and Loss for the three months period ended June 30, 2024

(Rs. in Lakhs)

	Notes	For the three months period ended June 30, 2024	For the three months period ended June 30, 2023
INCOME			
Revenue from operations	8	4,048.62	1,827.63
Other income		721.41	517.47
Total income		4,770.03	2,345.10
EXPENSES			
Change in inventories of constructed properties		186.75	-
Employee benefits expense		381.58	266.94
Finance costs	9	1,655.24	437.65
Depreciation and amortization expense		876.86	368.73
Advertisement and Sales promotion expense		781.19	429.42
Facility and management services		617.45	291.46
Other expenses		558.62	525.64
Total expenses		5,057.69	2,319.84
Profit/(Loss) before exceptional items and tax		(287.66)	25.26
Exceptional item	10	-	(4,445.36)
Loss before tax		(287.66)	(4,420.10)
Tax expense	11		
- Current tax		71.33	61.04
- Deferred tax		(159.43)	(644.11)
Total tax credit		(88.10)	(583.07)
Loss for the period		(199.56)	(3,837.02)
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent period:			
Re-measurement loss/(gain) of defined benefit plans		(7.35)	13.27
Income tax effect		0.85	(4.80)
Net comprehensive income/(loss) not to be reclassified to profit or loss in subsequent period:		(6.50)	8.47
Other comprehensive income/(loss) for the period, net of tax		(6.50)	8.47
Total comprehensive income/(loss) for the period		(206.06)	(3,828.56)
Net profit/(loss) attributable to:			
Equity holders of the parent		157.21	(3,778.72)
Non-controlling interests		(356.77)	(58.31)
Other comprehensive income/(loss) attributable to:			
Equity holders of the parent		(6.50)	8.47
Non-controlling interests		-	-
Total comprehensive income/(loss) attributable to:			
Equity holders of the parent		150.71	(3,770.25)
Non-controlling interests		(356.77)	(58.31)
Earnings per equity share (Nominal value of share Rs.10/-)	12		
Basic and Diluted (Rs.)		(0.14)	(2.61)

Summary of material accounting policies

2

The accompanying notes form an integral part of the Interim Condensed Consolidated Financial Statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of Max Estates Limited

per Pravin Tulsyan

Partner

Membership no: 108044

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Vice Chairman & Managing Director)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Abhishek Mishra

(Company Secretary)

Place : Pokhara, Nepal

Date : August 29, 2024

Place : Noida

Date : August 29, 2024

Max Estates Limited

Interim Condensed Consolidated Statement of Cash Flows for the three months period ended June 30, 2024

(Rs. in Lakhs)

	For the three months period ended June 30, 2024	For the three months period ended June 30, 2023
Operating activities		
Loss before tax	(287.66)	(4,420.10)
Adjustments to reconcile loss before tax to net cash flows:		
Exceptional item	-	4,445.36
Depreciation and amortisation expenses	876.86	368.73
Expense recognised on employee stock option scheme	25.70	15.92
Fair value gain on financial instruments at fair value through profit or loss	-	(276.46)
Profit on sale of mutual funds	(29.17)	(65.37)
Liabilities/provisions no longer required written back	(9.75)	(13.15)
Interest income	(670.32)	(127.36)
Finance costs	1,655.24	437.65
Operating profit before working capital changes	1,560.90	365.22
Working capital adjustments:		
Increase/ (decrease) in trade payables, provision and other financial payables	830.93	(79.76)
Increase/ (decrease) in other current and non-current liabilities	(464.44)	11,805.42
(Increase) in trade receivables	(549.36)	(409.82)
(Increase) in inventories	(9,321.12)	(3,035.56)
(Increase) in other current and non current assets	(17,585.29)	(5,659.29)
Cash generated from/(used in) operations	(25,528.39)	2,986.21
Income tax paid (net of refund)	(703.73)	(96.26)
Net cash flows from/(used in) operating activities	(26,232.12)	2,889.95
Investing activities		
Purchase of property, plant and equipment (including investment property, intangible assets, CWIP, capital advances & capital creditor)	(2,312.56)	(3,207.25)
Interest received	645.78	68.24
Net movement in deposits	(1,258.28)	(562.91)
Purchase of current investments	(7,003.49)	(22,209.64)
Sale of non current investments	10,163.45	10,832.85
Net cash flows from/ (used in) investing activities	234.91	(15,078.71)
Financing activities		
Proceeds on exercise of employee stock option plan (including securities premium)	47.50	8.09
Repayment of lease liability	(274.98)	(150.54)
Sale of stake in subsidiary	-	14,490.49
Repayments of borrowings	(24,169.21)	(6,482.36)
Proceeds from borrowings	59,630.96	13,802.09
Interest paid	(2,764.53)	(925.44)
Net cash flows from financing activities	32,469.74	20,742.33
Net increase in cash and cash equivalents	6,472.53	8,553.57
Cash and cash equivalents at the beginning of the period	23,073.62	1,762.70
Cash and cash equivalents at the period end	29,546.15	10,316.27

Components of cash and cash equivalents :

	As at June 30, 2024	As at June 30, 2023
Balances with banks:		
On current accounts	9,847.41	3,545.60
Deposits with remaining maturity for less than 3 months	19,627.45	6,509.01
Cash on hand	71.29	261.66
	29,546.15	10,316.27

Summary of material accounting policies

2

The accompanying notes form an integral part of the Interim Condensed Consolidated Financial Statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of Max Estates Limited

per Pravin Tulsyan

Partner

Membership no: 108044

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Vice Chairman & Managing Director)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Abhishek Mishra

(Company Secretary)

Place : Pokhara, Nepal

Date : August 29, 2024

Place : Noida

Date : August 29, 2024

Max Estates Limited
Interim Condensed Consolidated Statement of changes in equity for the three months period ended June 30, 2024

a) Equity share capital

Particulars	Nos.	(Rs. in Lakhs)
Shares of Rs. 10/- each, issued, subscribed and fully paid		
As at April 01, 2023	-	-
Add: Shares issued during the period	14,71,34,544	14,713.45
As at March 31, 2024	14,71,34,544	14,713.45
Add: Shares issued during the period	2,74,382	27.44
As at June 30, 2024	14,74,08,926	14,740.89

b) Other equity

Particulars	Reserves and surplus					Share capital pending issuance	Non-controlling interest	Total Equity
	Capital reserve	Securities premium	Employee stock options outstanding	Retained earnings	Total other equity			
As at April 01, 2023	13,042.52	49,951.14	216.90	43,199.59	1,06,410.15	14,710.36	4,266.94	1,25,387.45
Loss for the period	-	-	-	(3,778.72)	(3,778.72)	-	(58.31)	(3,837.03)
Other comprehensive loss for the period	-	-	-	8.47	8.47	-	-	8.47
Shares issued during the period	-	5.00	-	-	5.00	3.09	-	8.09
Net movement/adjustment for Non-controlling interest*	-	-	-	-	-	-	16,185.49	16,185.49
Expense recognized during the period	-	-	17.46	-	17.46	-	-	17.46
As at June 30, 2023	13,042.52	49,956.14	234.36	39,429.34	1,02,662.36	14,713.45	20,394.12	1,37,769.93

* includes Sale of stake in subsidiary.

As at April 01, 2023	13,042.52	49,951.14	216.90	43,199.59	1,06,410.15	14,710.36	4,266.94	1,25,387.45
Profit for the year	-	-	-	(4,216.30)	(4,216.30)	-	(1,296.14)	(5,512.44)
Other comprehensive loss for the year	-	-	-	(11.83)	(11.83)	-	-	(11.83)
Shares issued during the year	-	-	-	-	-	(14,671.67)	-	(14,671.67)
Net movement/adjustment for Non-controlling interest	-	-	-	-	-	-	24,992.68	24,992.68
Expiry of share option under ESOP scheme	-	15.76	-	-	15.76	-	-	15.76
Transfer of ESOP Reserve on allotment of shares	-	7.57	(7.57)	-	-	-	-	-
Expense recognized during the year	-	-	139.91	-	139.92	-	-	139.91
As at March 31, 2024	13,042.52	49,974.47	349.24	38,971.46	1,02,337.70	38.69	27,963.48	1,30,339.86

As at April 01, 2024	13,042.52	49,974.47	349.24	38,971.46	1,02,337.70	38.69	27,963.48	1,30,339.86
Loss for the period	-	-	-	157.21	157.21	-	(356.77)	(199.56)
Other comprehensive loss for the period	-	-	-	(6.50)	(6.50)	-	-	(6.50)
Shares issued during the period	-	33.87	-	-	33.87	(13.82)	-	20.05
Transfer of ESOP reserves on allotment of shares	-	92.76	(92.76)	-	-	-	-	-
Expense recognized during the period	-	-	41.76	-	41.76	-	-	41.76
As at June 30, 2024	13,042.52	50,101.10	298.24	39,122.18	1,02,564.04	24.87	27,606.71	1,30,195.62

Summary of material accounting policies

2

The accompanying notes form an integral part of the Interim Condensed Consolidated Financial Statements

As per our report of even date attached

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of Max Estates Limited

per Pravin Tulsyan
Partner
Membership no: 108044

Dinesh Kumar Mittal
(Director)
DIN: 00040000

Sahil Vachani
(Vice Chairman & Managing Director)
DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

Abhishek Mishra
(Company Secretary)

Place : Pokhara, Nepal
Date : August 29, 2024

Place : Noida
Date : August 29, 2024

Max Estates Limited

Notes forming part of the Interim Condensed Consolidated financial statements for the three months period ended June 30, 2024

1 Corporate Information

The interim condensed consolidated financial statements comprise financial statements of Max Estates Limited (the Company) and its subsidiaries (collectively, the Group) for the three months period ended June 30, 2024. The Company is registered in India under Companies Act, 2013 and was incorporated on March 22, 2016.

Registered office of the Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab - 144533.

The Group is principally engaged in the business of:

- Construction and development of residential and commercial properties;
- Making investments in various companies and primarily engaged in growing and nurturing these business investments;
- Providing facility management services and managed office services
- Providing shared services to its other group companies

The interim condensed consolidated financial statements were authorised for issue in accordance with a resolution by the Investment and Finance Committee on August 29, 2024.

2 Accounting policies

2.1 a) Basis of preparation

These interim condensed consolidated financial statements of the Group have been prepared in accordance with principles laid down in Indian Accounting Standards 34, (IND AS 34) "Interim Financial Reporting" and other Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of division II of Schedule III to the Companies Act 2013 (Ind AS Compliant Schedule III).

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for the Investments which have been measured at fair value through profit or loss. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

These Interim Condensed Consolidated Financial Statements have been prepared solely in connection with raising of funds through Qualified Institutional Placement in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (the "Regulations") and Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of March 31, 2024. The interim condensed consolidated Financial Statements are presented in INR and all values are rounded to nearest Lakhs (INR 00,000) except when otherwise stated.

The accounting policies have been consistently applied by the Group.

Max Estates Limited

Notes forming part of the Interim Condensed Consolidated financial statements for the three months period ended June 30, 2024

b) Basis of Consolidation

The interim condensed consolidated Financial Statements (CFS) comprises the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- ▶ Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ▶ Exposure, or rights, to variable returns from its involvement with the investee, and
- ▶ The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ▶ The contractual arrangement with the other vote holders of the investee
- ▶ Rights arising from other contractual arrangements
- ▶ The Group's voting rights and potential voting rights
- ▶ The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

interim condensed consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the interim condensed consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the interim condensed consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., period ended June 30. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the interim condensed consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

Max Estates Limited

Notes forming part of the Interim Condensed Consolidated financial statements for the three months period ended June 30, 2024

- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the interim condensed consolidated financial statements. IND AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- ▶ Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- ▶ Derecognises the carrying amount of any non-controlling interests
- ▶ Derecognises the cumulative translation differences recorded in equity
- ▶ Recognises the fair value of the consideration received
- ▶ Recognises the fair value of any investment retained
- ▶ Recognises any surplus or deficit in profit or loss
- ▶ Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

2.2 Summary of accounting policies

a. Current versus non-current classification

The Group 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:

Max Estates Limited

Notes forming part of the Interim Condensed Consolidated financial statements for the three months period ended June 30, 2024

- (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 be 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 Group 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 Group has identified twelve months as its operating cycle.

3.1 Standard issued but not effective:

There are no standards issued but not yet effective up to the date of issuance of the Group interim condensed consolidated financial statements.

Max Estates Limited

Notes to Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024

3. Property, plant and equipment (PPE)

(Rs. in Lakhs)

	Leasehold improvements	Plant and equipment	Furniture and fixture	Office equipment	Computers and data processing units	Motor vehicles	Total
Gross Carrying Amount							
April 1, 2023	209.26	69.43	65.25	35.20	151.46	344.93	875.54
Additions	-	-	-	-	-	53.59	53.59
Disposals	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-
June 30, 2023	209.26	69.43	65.25	35.20	151.46	398.52	929.13
April 1, 2023	209.26	69.43	65.25	35.20	151.46	344.93	875.54
Additions	-	-	-	0.70	53.32	216.86	270.88
Disposals	(195.27)	-	(63.54)	(39.59)	(1.08)	(26.47)	(325.95)
Adjustments	(4.87)	(3.94)	4.16	13.82	(15.24)	(2.05)	(8.12)
March 31, 2024	9.12	65.49	5.87	10.13	188.46	533.27	812.35
Additions	-	-	-	0.96	25.80	53.11	79.88
Disposals	-	-	-	-	-	-	-
June 30, 2024	9.12	65.49	5.87	11.09	214.26	586.38	892.23
Accumulated Depreciation							
April 1, 2023	15.86	57.97	8.09	11.57	84.39	114.98	292.85
Depreciation	4.28	-	1.67	2.13	5.77	11.76	25.61
Disposals	-	-	-	-	-	-	-
June 30, 2023	20.14	57.97	9.76	13.70	90.16	126.74	318.46
April 1, 2023	15.86	57.97	8.09	11.57	84.39	114.98	292.86
Depreciation	11.76	0.23	5.42	6.40	27.56	58.12	109.50
Disposals	(19.57)	-	(7.64)	(8.84)	(0.36)	(16.68)	(53.09)
March 31, 2024	8.05	58.20	5.87	9.13	111.59	156.42	349.27
Depreciation	0.11	0.08	0.51	0.29	9.80	15.29	26.08
Disposals	-	-	-	-	-	-	-
June 30, 2024	8.16	58.28	6.38	9.42	121.39	171.71	375.35
Net carrying amount							
As at June 30, 2024	0.96	7.21	(0.51)	1.67	92.87	414.67	516.88
As at March 31, 2024	1.07	7.29	0.00	1.00	76.87	376.85	463.08
As at June 30, 2023	189.12	11.46	55.49	21.50	61.30	271.78	610.67

Notes :

1. Refer note no 7 for charge created on property, plant and equipment as security against borrowings.

2. On transition to Ind As (i.e. April 1, 2018) the Company has elected to continue with the carrying value of all property, plant and equipment measured as per the previous gaap and use the carrying value as deemed cost of property, plant and equipment.

Max Estates Limited

Notes to Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024

4 Investment property

(Rs. in Lakhs)

Particulars	Investment property	Land	Investment property (under development)	Total
Gross Carrying Amount				
April 1, 2023	57,284.97	8,874.50	78,252.26	1,44,411.73
Additions/ adjustments	1,296.59	-	3,779.63	5,076.22
Disposals/ adjustments	-	-	-	-
June 30, 2023	58,581.56	8,874.50	82,031.89	1,49,487.95
April 1, 2023	57,284.97	8,874.50	78,252.26	1,44,411.73
Additions/ adjustments	58,523.00	-	41,466.72	99,989.72
Disposals/ adjustments	-	-	(58,010.05)	(58,010.05)
March 31, 2024	1,15,807.97	8,874.50	61,708.94	1,86,391.40
Additions/ adjustments	396.48	-	2,639.14	3,035.62
Disposals/ adjustments	(20.94)	-	-	(20.94)
June 30, 2024	1,16,183.51	8,874.50	64,348.08	1,89,406.08
Accumulated Depreciation				
April 1, 2023	3,902.80	-	-	3,902.80
Depreciation	285.31	-	-	285.31
Disposals/ adjustments	-	-	-	-
June 30, 2023	4,188.11	-	-	4,188.11
April 1, 2023	3,902.79	-	-	3,902.79
Depreciation	2,108.86	-	-	2,108.86
Disposals/ adjustments	-	-	-	-
March 31, 2024	6,011.66	-	-	6,011.66
Depreciation	713.28	-	-	713.28
Disposals/ adjustments	(5.05)	-	-	(5.05)
June 30, 2024	6,719.89	-	-	6,719.89
Net carrying amount				
As at June 30, 2024	1,09,463.62	8,874.50	64,348.08	1,82,686.18
As at March 31, 2024	1,09,796.31	8,874.50	61,708.94	1,80,379.75
As at June 30, 2023	54,393.45	8,874.50	82,031.89	1,45,299.84

Investment property as at June 30, 2024 and March 31, 2024 includes property under construction at Sector 65 Gurugram under Acreage Builders Private Limited, a subsidiary company and property under construction at Sector 129 Noida under Max Square Limited, a subsidiary company.

* Refer note no 7 for charge created on property, plant and equipment and investment property as security against borrowings.

5. Intangible assets

Particular	(Rs. in Lakhs)	
	Computer software	Total
Gross Carrying Amount		
April 1, 2023	355.19	355.19
Additions	59.43	59.43
Disposals	-	-
June 30, 2023	414.62	414.62
April 1, 2023	355.18	355.18
Additions	29.13	29.13
Disposals	-	-
March 31, 2024	384.31	384.31
Additions	-	-
Disposals	-	-
June 30, 2024	384.31	384.31
Accumulated amortisation		
April 1, 2023	22.14	22.14
Amortisation charge	11.08	11.08
Disposals	-	-
June 30, 2023	33.22	33.22
April 1, 2023	22.14	22.14
Amortisation charge	58.33	58.33
Disposals	-	-
March 31, 2024	80.47	80.47
Amortisation charge	13.97	13.97
Disposals	-	-
June 30, 2024	94.44	94.44
Net carrying amount		
As at June 30, 2024	289.87	289.87
As at March 31, 2024	303.84	303.84
As at June 30, 2023	381.40	381.40

Max Estates Limited**Notes to Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024****6 Right of use assets****A. Group as a lessee**

The Group has lease contracts for buildings from related parties. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning or sub leasing the leased assets.

The carrying amounts of right-of-use assets recognised and the movements during the year/period:

	(Rs. in Lakhs)	
Particulars	Building	Total
As at April 1, 2023	1,317.55	1,317.55
Additions	-	-
Deletion	-	-
Depreciation expense	(46.79)	(46.79)
As at June 30, 2023	1,270.76	1,270.76
As at April 1, 2023	1,317.55	1,317.55
Additions	1,419.19	1,419.19
Deletion	(1,035.87)	(1,035.87)
Depreciation expense	(263.54)	(263.54)
As at March 31, 2024	1,437.33	1,437.33
Additions	-	-
Deletion	-	-
Depreciation expense	(123.53)	(123.53)
As at June 30, 2024	1,313.80	1,313.80

The carrying amounts of lease liabilities and the movement during the year/period:

	(Rs. in Lakhs)	
Particulars	Building	Total
As at April 1, 2023	3,724.77	3,724.77
Additions	-	-
Accretion of interest	101.99	101.99
Payments	(150.54)	(150.94)
As at June 30, 2023	3,676.22	3,676.22
As at April 1, 2023	3,724.77	3,724.77
Additions	1,337.87	1,337.87
Accretion of interest	438.76	438.76
Payments	(745.07)	(745.07)
As at March 31, 2024	4,756.34	4,756.34
Additions	-	-
Accretion of interest	127.78	127.78
Payments	(274.98)	(274.98)
As at June 30, 2024	4,609.14	4,609.14

	(Rs. in Lakhs)	
Particulars	30-Jun-24	31-Mar-24
Current lease liabilities	630.85	613.81
Non-current lease liabilities	3,979.03	4,142.53
Total	4,609.88	4,756.34

6 Right of use assets (Cont'd)

The group has subleased few of the rental properties where Company is lessee to another tenant. The sub lease is in nature of finance lease hence, right to use asset corresponding to this lease has been derecognized in the books. Lease Liability is continued to be accounted and disclosed under Lease Liabilities.

The details regarding the maturity analysis of lease liabilities as at June 30, 2024 and March 31, 2024 on an undiscounted basis:

Particulars	(Rs. in Lakhs)	
	June 30, 2024	March 31, 2024
Within one year	1,099.98	1,099.98
After one year but not more than five years	3,488.95	3,570.75
More than five years	1,940.54	2,133.74
Total	6,529.47	6,804.47

Considering the lease term of the leases, the effective interest rate for lease liability is 11% (March 31, 2024- 11%).

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The following are the amounts recognised in profit or loss:

Particulars	(Rs. in Lakhs)	
	For the period ended June 30, 2024	For the period ended June 30, 2023
Depreciation expense of right-of-use assets	123.53	46.78
Interest expense on lease liabilities	127.78	101.99
Rent expenses	1.38	5.34
Total amount recognised in profit or loss	252.69	154.12

The Group total cash outflows for leases during the period is Rs. 276.36 lakhs (30 June 2023: Rs. 155.88 lakhs).

The Company has several lease contracts that include extension and termination options. These options are negotiated by the management to provide flexibility in managing and aligning with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The right-of-use has been recognized on complete lease terms.

B. Group as a lessor

The Group has entered into sub-lease arrangement for some of its right to use assets. These leases have terms of between three to nine years. All leases include a clause to enable upward revision of the rental charge on three year basis according to prevailing market conditions. Rental income recognised by the Group during the period is Rs. 97.96 lakhs (June 30, 2023: Rs. 67.09 lakhs). Future minimum rentals receivable under non-cancellable operating leases as at period end are as follows:

Particulars	(Rs. in Lakhs)	
	June 30, 2024	March 31, 2024
Within one year	597.59	597.59
After one year but not more than five years	2,772.39	2,776.64
More than five years	1,965.52	2,060.61
Total	5,335.50	5,434.84

Max Estates Limited**Notes to Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024****7. Borrowings**

	(Rs. in Lakhs)	
	As at June 30, 2024	As at March 31, 2024
Non-current borrowings :		
From banks and financial institutions		
Term loans (secured)	1,07,103.70	64,667.31
Vehicle loans (secured)	93.54	84.78
Others		
Debt portion of compulsory convertible debentures	17,835.05	17,835.03
Current maturity of long term borrowings :		
Term loans (secured)	1,819.86	8,798.71
Vehicle loans (secured)	28.88	33.43
Total	1,26,881.03	91,419.26
Less: amount disclosed under "current financial liabilities"	1,848.74	8,832.14
	1,25,032.29	82,587.12
Aggregate Secured loans	1,09,045.98	73,584.23
Aggregate Unsecured loans	17,835.05	17,835.03

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Max Estates Limited**Notes to Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024****7. Borrowings (Cont'd)****Term loan from banks taken:****1 IDFC First Bank Limited - Term Loan (Secured)**

The Company has taken secured term loan facility for Rs 6,500 Lakhs loan from IDFC First Bank Limited. The loan has been fully repaid during the period and the outstanding balance is Nil as at June 30, 2024 (March 31, 2024: Rs 6,462.24 lakhs).

- i) Primary and collateral security:
 - a) Exclusive charge by way of equitable mortgage on the land and building situated at Khasra Nos. 335/2, Khasra Nos. 335/18 and Khasra Nos. 337 and 1511/339 at village bahapur, New Delhi (Project) both present and future.
 - b) Exclusive charge on the current assets and receivables of the project (including insurance claim) both present and future.
 - c) Exclusive charge on the movable assets of the Project, both present and future.
 - d) Pledge of 30% shares of Pharmax Corporation Limited held by Max Estate Limited
 - e) Corporate guarantee of Max Estate Ltd.
 - ii) Interest Rate - Spread plus IDFC First Bank MCLR
 - iii) Tenure - for principal repayment Bullet payment on or before 31.12.2025 and interest to be serviced on a monthly basis.
 - iv) DSRA - 3 months interest to be created

2 IDFC First Bank Limited - Term Loan (Secured)

The Company has taken secured rupee term loan facility for 15,200 Lakhs loan from IDFC First Bank Limited. Out of this facility, the Company has drawn Rs. 12,130 lakhs (March 31, 2024- Nil).

- i) Primary and collateral security:
 - a) First charge by way of equitable mortgage on land and building of the lease property both present and future.
 - b) Exclusive charge on lease rentals from the lease property both present and future.
 - c) Exclusive charge on the current assets and receivables of the lease property both present and future.
 - d) Exclusive charge on the moveable assets both present and future of the lease property.
 - e) Exclusive charge on the escrow account in which the receivables from the lessee from the lease property shall be routed.
 - f) Pledge of 26% shares of Pharmax Corporation Limited (Subsidiary Company) held by the Holding Company
 - g) The Holding Company to give non disposal confirmation for shareholding in Pharmax below 51%
 - h) Board resolution backed shortfall undertaking from Max Estates.
- ii) Interest Rate - 9.75% (Spread plus IDFC First Bank MCLR , reset every 3 months)
- iii) Tenure - 12 years
- iv) DSRA in the form of FDR required Rs. 5 Crs

3 ICICI Bank Limited (Secured)

Term loan facility from ICICI Bank Limited amounting to Rs. Nil (March 31, 2024: Rs. 9,709.82 lakhs) is secured by way of exclusive charge of mortgage/hypothecation/assignment/security interest/charge etc. This loan has been fully repaid during the period.

- 1 Pari-passu charge over project developed on Max House Okhla Project;
- 2 All present and future tangible moveable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixture and all other moveable fixed assets in relation to the property
- 3 All present and future scheduled receivables to the extent received by the borrower
- 4 The escrow account alongwith all monies credited / deposited therein
- 5 The Debt Service Reserve Account (DSRA)
- 6 Corporate guarantee from Pharmax Corporation Limited
- 7 The security as required by the lender shall be created and perfected in form and manner satisfactory to the lenders and shared on pari passu basis between the lenders.
- 8 Post creation of security, the Project shall provide a security cover of 1.50 times during the entire tenure of the Facility on the outstanding loan amount of Facility

4 ICICI Bank Limited (Secured)

The Group has taken a new secured rupee term loan facility for 9,656.99 Lakhs (March 31, 2024- Nil) loan from ICICI Bank Limited during the period. The Company fully drawn the facility.

- i) Primary and collateral security:
 - a) Exclusive charge by way of equitable mortgage on the property together with the project, building structures built thereon
 - b) Exclusive charge by way of hypothecation on the future scheduled receivables of the project and all insurance proceeds, both present and future.
 - c) Exclusive charge by way of hypothecation on the Escrow account of the project and the DSR account and all monies credited/deposited therein (in whatever form the same may be) and all investments in respect thereof (in whatever form the same may be).
- ii) Interest Rate - 9.10% with reset at end of each year
- iii) Repayment will be made in 113 instalments
- iv) DSRA - 3 initial instalments

5 Axis Bank Limited (Secured)

The balance of loan taken from banks represents term loan taken by the Company from Axis Bank Limited with following break up -

- a) Term loan taken for construction - Rs. 11,300 Lakhs (March 31, 2024 - Rs 11,300 Lakhs against total sanction limit of Rs 24,000 Lakhs)
- b) Term loan taken as lease rental discounting - Rs. 15,716.49 Lakhs (Total sanctioned limit of INR 40,000 Lakhs) (March 31, 2024 - Rs 14,672 Lakhs)

- i) **Primary and collateral security:**
 - a) Exclusive charge on by way of equitable mortgage on project land of 2.6 acre land and building with complete available leasable area of 7 lacs sqft in Max square project, being developed in Sector 129, Noida.
 - b) First charge by way of assignment/hypothecation over all present and future current assets including lease rental receivables, parking rentals, CAM income, security deposit, sales receivables, any other income generated pertaining to the project.
 - c) First charge on DSRA, Escrow account maintained with IBL pertaining to rental receivables of the project, wherever maintained, present & future.
 - d) Minimum security cover to be 1.5 times based on market values of the property to be maintained throughout tenure of the facility.
 - ii) Corporate guarantee of Max Estates Limited
 - iii) DSRA - 3 months interest to be created
- Repayment terms:-**
Loan will be payable in bullet instalment at the end of 60th month from the date of first disbursement.

6 Aditya Birla Finance Limited (Secured)

The Company had taken a secured term loan facility of 15,000 Lakhs from Aditya Birla Finance Limited. Out of this facility, the company has drawn Rs. 7,500 lakhs till March 31, 2024. This loan has been prepaid during current period. Outstanding balance as on June 30, 2024 is Rs Nil.

7 Standard Chartered Capital Limited & Standard Chartered Bank (Secured)

The Group has taken a secured term loan facility of Rs. 30,000 Lakhs and Rs. 15,000 Lakhs from Standard Chartered Capital Limited and Standard Chartered Bank respectively. Out of this facility, the company has drawn INR 33,000 Lakhs till June 30, 2024.

- i) **Primary and collateral security:**
 - a) First pari passu charge by way of equitable mortgage over Project land and unsold inventory with a minimum-security cover of 1.5x.
 - b) First pari passu charge by way of hypothecation over moveable fixed assets, receivables from sold units and future cash flows of the unsold/cancelled units
 - c) Corporate Guarantee of Max Estates Limited
 - d) First charge on DSRA in FD's with Standard Chartered Bank
 - e) Debt service reserve account (DSRA) - 3 months interest to be created
- ii) **Repayment terms:-**
Loan will be payable in 6 instalments starting from 27th month from disbursement ended on 48th month, i.e. May' 2028.
- iii) **Interest servicing:-**
ROI is 11.40% p.a. payable monthly on SCCL facility & 10.90% p.a. payable monthly on SCB facility.

7. Borrowings (Cont'd)

Term loan from banks taken:

8. HDFC Bank Limited & Bajaj Housing Finance Limited

The Company has taken and drawn secured term loan facility for Rs. 24,900 Lacs from HDFC Bank Limited & Bajaj Housing Finance Limited at an effective weighted average rate of 8.65% (March 31, 2024: Rs., 24,900 Lacs from HDFC Bank Limited & Bajaj Housing Finance Limited at an effective weighted average rate of 7.91%). Further, the company has taken top up loan facility of Rs. 3,800 lacs from Bajaj Housing Finance Limited at an effective weighted average rate of 8.75%. Out of this facility, the total outstanding secured term loan as at June 30, 2024 is Rs. 27,598.03 (March 31, 2024 : Rs. 23,969.13 lacs). This is repayable in instalments commencing from 1 month from the first drawdown date.

The security of the loan is as follows- An exclusive charge by way of mortgage / hypothecation / assignment / security interest / charge / pledge upon following (both present and future) on:

- i) The escrow account opened before the first drawdown along with all monies to be received from the lessee, present and future, pertaining to the property, credited / deposited therein.
- ii) The Debt Service Reserve Account (DSRA) equivalent to 3 months peak debt servicing (interest and principal) to be maintained throughout the tenor of the Facilities. Debt Service Coverage Ratio shall be created upfront & by way of Fixed Deposit lien marked to the lenders.
- iii) Minimum Debt Service Coverage Ratio of 1.3x to be maintained, to be tested on 31st March and 30th September every year.

The Company has satisfied all debt covenants prescribed in the terms of term loan. The Company has not defaulted on any loans payable.

9. Vehicle loan (secured) :

Vehicle loans amounting to Rs. 122.43 lakhs (March 31, 2024: Rs. 114.89 lakhs) are secured by way of hypothecation of respective vehicles. The loans are repayable in 3 to 5 years. The rate of interest varies between 7.90% p.a. to 10.00% p.a.

10. Others:

i) Compulsorily Convertible Debentures (Unsecured) (Max Square CCD)

Terms of Series A-CCD

- Unsecured compulsorily convertible debentures having a face value of Rs. 10 each.
 - Interest - Interest at the rate of 20% per annum, compounded annually, payable as follows -
- a Surplus cash flow will be used to pay all accrued but unpaid interest on Series B CCD, calculated from the Closing Date till March 31 of the relevant financial year.
 - b Balance surplus cash flow shall be utilised to pay all accrued but unpaid interest on the Series A CCDs
- Conversion - automatically and mandatorily be converted into Equity Shares in the ratio of 1:1 on Conversion Date
 - Conversion date - earlier of, (a) the date when Series B CCDs are being converted; or (b) the date on which the Series A CCDs are required by Law to be mandatorily converted

Terms of Series B - CCD

- Unsecured compulsorily convertible debentures having a face value of Rs. 10 each.
 - Interest - Interest at the rate of 20% per annum, compounded annually, payable as follows -
- a No interest shall be payable unless the Company has surplus cash flows in the financial year
 - b Surplus cash flow will be used to pay all accrued but unpaid interest on Series B CCD, calculated from the Closing Date till March 31 of the relevant financial year.
- Conversion - automatically and mandatorily be converted into Equity Shares in the ratio of 1:1 on Conversion Date.
 - Conversion date - earlier of, (a) at any time after three years from the Closing Date; or (b) date of full exit by New York Life Insurance Corporation from the Company; or (c) the date on which the Series B CCDs are required by Law to be mandatorily converted.

Terms of Series C - CCD

- Unsecured compulsorily convertible debentures having a face value of Rs. 10 each.
 - Interest - Interest at the rate of 20% per annum, compounded annually, payable as follows -
- a Surplus cash flow will be used to pay all accrued but unpaid interest on Series C CCD, calculated from the Closing Date till March 31 of the relevant financial year.
 - b Balance surplus cash flow shall be utilised to pay all accrued but unpaid interest on the Series A CCDs
- Conversion - automatically and mandatorily be converted into Equity Shares in the ratio of 1:1 on Conversion Date.
 - Conversion date - earlier of, (a) at any time after three years from the Closing Date; or (b) date of full exit by New York Life Insurance Corporation from the Company; or (c) the date on which the Series C CCDs are required by Law to be mandatorily converted.

Terms of Series D - CCD

- Unsecured compulsorily convertible debentures having a face value of Rs. 10 each.
 - Interest - Interest at the rate of 20% per annum, compounded annually.
- a No interest shall be payable unless the Company has surplus cash flows in the financial year
 - b Surplus cash flow will be used to pay all accrued but unpaid interest on Series B CCD, calculated from the Closing Date till March 31 of the relevant financial year.
- Conversion - automatically and mandatorily be converted into Equity Shares in the ratio of 1:1 on Conversion Date
 - Conversion date - earlier of, (a) at any time after six years from the November 7, 2022; or (b) date of full exit by New York Life Insurance Corporation from the Company; or (c) the date on which the Series D CCDs are required by Law to be mandatorily converted

ii) Compulsorily Convertible Debentures (Unsecured) (Acreage CCD)

Terms of Series A - CCD

- Unsecured compulsorily convertible debentures having a face value of Rs. 5427.84 each.
 - Interest - Interest at the rate of 20% per annum, compounded annually, payable as follows -
- a Surplus cash flow will be used to pay all accrued but unpaid interest on Series B CCD, calculated from the Closing Date till March 31 of the relevant financial year.
 - b Balance surplus cash flow shall be utilised to pay all accrued but unpaid interest on the Series A CCDs
- Conversion - automatically and mandatorily be converted into Equity Shares in the ratio of 1:1 on Conversion Date
 - Conversion date - earlier of, (a) the date when Series B CCDs are being converted; or (b) the date on which the Series A CCDs are required by Law to be mandatorily converted.

Terms of Series B - CCD

- Unsecured compulsorily convertible debentures having a face value of Rs. 5427.84 each.
 - Interest - Interest at the rate of 20% per annum, compounded annually, payable as follows -
- a No interest shall be payable unless the Company has surplus cash flows in the financial year.
 - b Surplus cash flow will be used to pay all accrued but unpaid interest on Series B CCD, calculated from the Closing Date till March 31 of the relevant financial year.
- Conversion - automatically and mandatorily be converted into Equity Shares in the ratio of 1:1 on Conversion Date.
 - Conversion date - earlier of, (a) at any time after three years from the Closing Date; or (b) date of full exit by New York Life Insurance Corporation from the Company; or (c) the date on which the Series B CCDs are required by Law to be mandatorily converted.

8. Revenue from operations

(Rs. in Lakhs)

	For the three months period ended June 30, 2024	For the three months period ended June 30, 2023
Revenue from lease income*	2,498.31	1,270.91
Revenue from sale of constructed properties	650.81	-
Revenue from facility management	899.50	556.72
Total	4,048.62	1,827.63

*Includes rental income with the impact of straight lining of the rent, considering the impact of rent-free period and escalations over the estimated lease period.

Performance obligation

The performance obligation is satisfied upon completion of the services/sale of properties and payment is generally due within 0 to 30 days from such date.

The performance obligation of the Company in case of sale of residential plot and apartment is satisfied once the project is completed and control is transferred to the customers. The customer makes the payment for contracted price as per the installment stipulated in the respective Buyer's Agreement.

(a) Total revenue from contracts with customers

India	1,550.31	556.72
Outside India	-	-
Total	1,550.31	556.72

(b) Timing of revenue recognition

Revenue recognition at a point of time	650.81	-
Revenue recognition over period of time	899.50	556.72
	1,550.31	556.72

(c) Contract liabilities include amount received from customers as per the installments stipulated in the buyer agreement to deliver properties once the properties are completed and control is transferred to customers.

Set-out below is the amount of revenue recognised from:

	For the three months period ended June 30, 2024	For the three months period ended June 30, 2023
Balance as at beginning of the period	45,341.10	18.75
Amount received during the period	431.84	11,214.26
Balance as at period end	45,772.94	11,233.01

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Max Estates Limited**Notes to Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024****9. Finance costs**

	(Rs. in Lakhs)	
	For the three months period ended June 30, 2024	For the three months period ended June 30, 2023
Interest on term loan and compulsory convertible debentures	3,557.24	1,751.13
Interest on lease liabilities (refer note 6)	127.78	101.99
Interest on others	105.62	0.11
Bank charges	0.04	6.42
	3,790.68	1,859.65
Less: Finance cost capitalised (refer note 4)	(2,135.44)	(1,422.00)
	1,655.24	437.65

10. Exceptional item

	(Rs. in Lakhs)	
	For the three months period ended June 30, 2024	For the three months period ended June 30, 2023
Provision for impairment on investment	-	4,445.36
	-	4,445.36

During the period ended June 30, 2023, consequent to reassessment of fair value of investment in Azure Hospitality Private Limited, the Group (through its subsidiary, Max Assets Services Limited) had recorded a fair value loss through statement of profit and loss of Rs. 4,445.06 lakhs and presented as an exceptional item.

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Max Estates Limited**Notes to Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024****11 Income Tax**

The major components of income tax expense for the period are:

Statement of profit and loss :

Particulars	(Rs. in Lakhs)	
	For the three months period ended June 30, 2024	For the three months period June 30, 2023
Current income tax :		
Current tax	71.33	61.04
Adjustment of tax relating to earlier period	-	-
Deferred tax :		
Relating to origination and reversal of temporary differences	(159.43)	(644.11)
Income tax expense reported in the statement of profit and loss	(88.10)	(583.07)
Total	(88.10)	(583.07)

OCI section :

Deferred tax related to items recognised in OCI during in the period :

Net loss/(gain) on remeasurements of defined benefit plans	0.85	(4.80)
Tax related to items recognized in OCI during the period	0.85	(4.80)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the period ended June 30, 2024 and June 30, 2023:

Accounting profit before tax from continuing operations	(287.66)	(4,420.10)
Accounting profit before income tax	(287.66)	(4,420.10)
At India's statutory income tax rate of 25.17% (June 30, 2023: 25.17%)	(72.40)	(1,112.54)
Non-deductible expenses for tax purposes:		
Tax on loss of capital not recognised	-	1,118.84
Tax effect of recognized/unrecognized on entities with carry forward losses	4.82	(568.62)
Others	(20.52)	(20.75)
At the effective income tax rate	(88.10)	(583.07)
Income tax expense reported in the statement of profit and loss	(88.10)	(583.07)
Total tax expense	(88.10)	(583.07)

Max Estates Limited**Notes to Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024****12 Earnings per share (EPS)**

	For the three months period ended June 30, 2024	For the three months period ended June 30, 2023
(Loss)/ Profit after tax (Rs. in Lakhs)	(199.56)	(3,837.02)
Weighted average number of equity shares outstanding during the period (Nos.)	14,71,82,359	14,70,60,581
Basic earnings per share (Rs.)	(0.14)	(2.61)
(Loss)/Profit after tax for diluted EPS (Rs. in Lakhs)	(180.33)	(3,825.11)
Weighted average number of equity shares outstanding for dilutive earnings per share (Nos)	14,77,48,507	14,77,96,024
Diluted earnings per share (Rs.)	(0.12)	(2.59)
Diluted earnings per share (Rs.) (to be reported)*	(0.14)	(2.61)

The EPS is not annualised

*Potential ordinary shares includes impact of shares that will be issued under Employee Stock Option Scheme. Further, since there is losses during the period, there is anti dilution- hence diluted earning per share is same as basic earnings per share.

Note: Share pending issuance has been included for the computation of earning per share as per guidance of Ind AS 33- Earnings per share.

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Max Estates Limited**Notes to Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024****13 Commitments and contingencies****A. Contingent liabilities not provided for****(Rs. in Lakhs)**

S. No.	Particulars	(Rs. in Lakhs)	
		As at June 30, 2024	As at March 31, 2024
i.	Uttarakhand VAT case {Refer note (a)}	21.24	21.24
ii	Bank guarantee {Refer note (b)}	5,000.00	5,000.00
iii	Income tax demand {Refer note (c and d)}	357.13	357.13

Note:

- The Group has received a notice under Section 25(7) of the Value Added Tax Act, 2005 for the assessment year (AY) 2016-17. The Company declared a taxable turnover of Rs. 3,261.22 lakhs after accounting for Rs. 4,024.49 lakhs in expenses. The notice indicates that the deduction of expenses is allowed on the percentage of advance received of the total consideration. The expenses above such proportionate amount were disallowed and a revised taxable income is Rs. 325.55 lakhs was calculated, leading to a demand of Rs. 21.24 lakhs for the shortfall in tax payment. The Holding Company has replied to the above order and has assessed that it is only possible, but not probable, that outflow of economic resources will be required. Hence, no impact thereof has been taken in these Ind AS financial statements for the period ended June 30, 2024.
- The Group has given a bank guarantee of Rs. 5,000 lakhs (March 31, 2024- Rs. 5,000 lakhs) issued by IDFC First Bank Limited in favor of Acre 133 Trust, Asset Care and Reconstruction Enterprise Limited for bid submitted for Delhi One project. Max Estates Limited, had submitted its resolution plan for resolution of Boulevard Projects Private Limited. The Hon'ble NCLT, New Delhi has approved the said Resolution Plan, for the development of commercial plot admeasuring 34,697 sq mtrs, located in Noida under the project name 'Delhi One'. This acquisition has potential to add ~3 million sq. ft. of additional development footprint to the portfolio of Max Estates Limited. Refer note 14.
- During the previous year, the Subsidiary Company (Max Towers Private Limited) received an assessment order under Income Tax for AY 2020-21 wherein the assessing authority has disallowed an amount of Rs. 336 Lakhs, being amortisation of leasehold land premium. The Subsidiary Company has replied to the above order and has assessed that it is only possible, but not probable, that outflow of economic resources will be required. Hence, no impact thereof has been taken in these Ind AS financial statements for the year ended June 30, 2024 (March 31, 2024- Rs. 336 lakhs). The demand amount of Rs. 50.21 Lakhs against the above-mentioned disallowance has been adjusted against a refund amount due from the Income tax department.
- During the previous year, Subsidiary Company (Max Square Limited) received an assessment order on Dec 7, 2023 under Income Tax Act for AY 2021-22 wherein the assessing authority has disallowed an amount of Rs 21.13 Lakhs, being the interest earned on funds pending for utilisation cannot be reduced from cost of project/interest paid to the bank on loan taken from the bank for business purpose as claimed by the assessee as per principles of accounting of income. The claim of the assessee that the interest earned is inextricably linked with the construction and development of real estate property cannot be accepted as these two are separate transactions and cannot be correlated. The Subsidiary Company has replied to the above order and has assessed that it is only possible, but not probable, that outflow of economic resources will be required. Hence, no impact thereof has been taken in these Ind AS financial statements for the period ended June 30, 2024.

B Capital commitments**(Rs. in Lakhs)**

	As at June 30, 2024	As at March 31, 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for	9,594.09	17,515.72
Less: Capital advances	(1,030.81)	(956.45)
Net capital commitment for acquisition of capital assets	8,563.28	16,559.27

14 Events occurring after end of reporting period

- The Company had submitted its resolution plan for resolution of Boulevard Projects Private Limited. The Hon'ble NCLT, New Delhi has approved the said Resolution Plan, for the development of commercial plot admeasuring 34,697 sq. mtrs, located in Noida under the project name 'Delhi One'. The implementation of the Resolution Plan was subjected to receipt of requisite approvals from regulatory and statutory authorities. Certain fundamental reliefs imperative for implementing the plan are being sought from New Okhla Industrial Development Authority (NOIDA) for which the Company has filed an appeal in NCLAT on April 11, 2023. Subsequent to the period end on August 23, 2024, the Company received approval from NOIDA for the said project. After this, the Company will now take the necessary steps to clarify the details of this approval with NOIDA and will subsequently approach the Hon'ble NCLAT to seek ratification and approval for the implementation of the Resolution Plan.
- Max Estates Gurgaon Limited (MEGL), a wholly owned subsidiary of Max Estates Limited, had entered into a Joint Development Agreement (JDA) for the development of land parcels. Subsequent to period end, RERA approval has been received for the project.

15 Fair value of financial instruments

The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value:

(Rs. in Lakhs)

Category	Carrying value		Fair value	
	June 30, 2024	March 31, 2024	June 30, 2024	March 31, 2024
Financial asset at amortized cost				
Non-Current				
Financial assets	23,716.44	9,811.89	23,716.44	9,811.89
Trade Receivable	585.04	659.83	585.04	659.83
Other bank balance	2,478.90	2,451.02	2,478.90	2,451.02
Current				
Other-current financial assets	7,741.09	5,265.91	7,741.09	5,265.91
Bank balances	4,154.71	2,924.31	4,154.71	2,924.31
Trade receivables	1,425.59	801.44	1,425.59	801.44
Cash & cash equivalents	29,546.15	23,073.62	29,546.15	23,073.62
Financial asset measured at fair value				
Non-Current				
Investments	273.22	269.41	273.22	269.41
Current				
Current investments	5,991.80	8,996.41	5,991.80	8,996.41
Financial liabilities at amortized cost				
Non-Current				
Non-Current borrowings	1,25,032.29	82,587.12	1,25,032.29	82,587.12
Other non-current financial liabilities	14,637.83	13,081.01	14,637.83	13,081.01
Current				
Current borrowings	1,848.74	8,832.14	1,848.74	8,832.14
Other current financial liabilities	3,306.83	3,927.39	3,306.83	3,927.39
Trade payables	3,844.02	3,729.17	3,844.02	3,729.17

The Group management assessed that all current assets and current liabilities carrying value included in the above table are considered to be same as their fair value.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long term borrowings are primarily bearing floating rate of interest with periodic reset of one year. Management has assessed carrying value of these instruments to approximate the fair value.

The fair value of other non current financial asset and non current financial liabilities are estimated by discounting future cashflows using interest rate of similar instruments. The resulted fair value was not significantly different.

The Group has investment in quoted mutual funds being valued at quoted market price in active markets.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

There are no change in level of fair valuation for any financial instrument.

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on June 30, 2024

(Rs. in Lakhs)

Particulars	Carrying value June 30, 2024	Fair value		
		Level 1	Level 2	Level 3
Financial assets	23,716.44	-	-	23,716.44
Other-current financial assets	7,741.09	-	-	7,741.09
Trade Receivable	585.04	-	-	585.04
Other bank balance	2,478.90	-	-	2,478.90
Bank balances	4,154.71	-	-	4,154.71
Trade receivables	1,425.59	-	-	1,425.59
Non-Current investments	273.22	-	-	273.22
Current investments	5,991.80	5,991.80	-	-

15 Fair value of financial instruments

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2024

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2024	Fair value		
		Level 1	Level 2	Level 3
Financial assets	9,811.89	-	-	9,811.89
Other-current financial assets	5,265.91	-	-	5,265.91
Trade Receivable	659.83	-	-	659.83
Other bank balances	2,451.02	-	-	2,451.02
Bank balances	2,924.31	-	-	2,924.31
Trade receivables	801.44	-	-	801.44
Non-Current investments	269.41	-	-	269.41
Current investments	8,996.41	8,996.41	-	-

(iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on June 30, 2024

(Rs. in Lakhs)

Particulars	Carrying value June 30, 2024	Fair value		
		Level 1	Level 2	Level 3
Non-Current borrowings	1,25,032.29	-	-	1,25,032.29
Other non-current financial liabilities	14,637.83	-	-	14,637.83
Current borrowings	1,848.74	-	-	1,848.74
Other current financial liabilities	3,306.83	-	-	3,306.83
Trade payables	3,844.02	-	-	3,844.02

(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2024

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2024	Fair value		
		Level 1	Level 2	Level 3
Non-Current borrowings	82,587.12	-	-	82,587.12
Other non-current financial liabilities	13,081.01	-	-	13,081.01
Current borrowings	8,832.14	-	-	8,832.14
Other current financial liabilities	3,927.39	-	-	3,927.39
Trade payables	3,729.17	-	-	3,729.17

16 Related party disclosures

Names of related parties with whom transactions have taken place during the period/ year	
Key management personnel	Mr. Sahil Vachani (Vice Chairman & Managing Director) Mr. Nitin Kumar Kansal (Chief Financial Officer) Mr. Abhishek Mishra (Company Secretary w.e.f. May 19, 2023)
Other Non- executive/Independent Directors	Mr. Analjit Singh Mr. Dinesh Kumar Mittal Mr. Niten Malhan Ms. Gauri Padmanabhan Mr. Atul Behari Lall (w.e.f. March 27, 2024)
Entities controlled or jointly controlled by person or entities where person has significantly influence	Max Ventures Private Limited Piveta Estates Private Limited Siva Realty Ventures Private Limited New Delhi House Services Limited Vana Enterprises Limited Vanaveda Lifestyle Private Limited Four Season Foundation Lake View Enterprises Max Life Insurance Company Limited New York Life Insurance Company Limited Siva Enterprises Private Limited Max India Limited Max India Foundation SKA Diagnostic Private Limited Antara Purukul Senior Living Limited Riga Foods LLP Max Financial Services Limited Max Learning Ventures Limited Routes 2 Roots Antara Care Homes Limited Delhi Guest House Private Limited Topline Electronics Private Limited Antara Assisted Care Services Limited Max Skill First Limited Max Ateev Limited Antara Senior Living Limited Dixon Technologies (India) Limited Leeu Dassenberg Estates (Pty)Ltd The Unstuffy Hotel Co Ltd Trophy Estates Private Limited Analjit Singh HUF

16 (a) Details of transactions with related parties

(Rs. In lakhs)

S.No	Nature of transaction	Particulars	For the three months period ended June 30, 2024	For the three months period ended June 30, 2023	
1	Reimbursement of expenses (Paid to)	Max Life Insurance Co. Limited	-	167.66	
		New Delhi House Services Ltd.	1.98	24.63	
		Max Financial Services Ltd	-	26.84	
		Max India Limited	1.03	42.50	
		Sahil Vachani	1.45	-	
		Antara Assisted Care Services Limited	2.04	-	
	Total	6.50	261.63		
2	Revenue from rentals and other services	Max Learning Ventures Limited	9.34	12.34	
		Routes 2 Roots	10.71	13.47	
		Antara Senior Living Limited	-	11.45	
		Riga Foods LLP	3.54	4.70	
		Max Ventures Investment Holding Pvt Ltd	-	1.85	
		Max Financial Services Ltd	1.64	5.92	
		Max India Limited	0.04	9.32	
		Antara Senior Living Limited	0.27	-	
		Dixon Technologies (India) Limited	34.61	-	
		Topline Electronics Pvt Ltd	2.25	3.00	
			Total	62.40	62.05
		3	Repair & Maintenance	New Delhi House Services Limited	13.96
Delhi Guest House Private Limited	2.05			3.67	
Total	16.01			3.71	
4	Lease payments	Delhi Guest House Private Limited	15.00	15.00	
		Max Life Insurance Company Limited	135.64	-	
		Max India Limited	115.89	-	
		SKA Diagnostics Private Limited	9.38	11.06	
	Total	275.91	26.06		
5	Directors' sitting fees	Analjit Singh	2.00	2.00	
		D.K Mittal	4.00	4.00	
		Gauri Padmanabhan	4.00	5.00	
		Atull Lall	2.00	-	
		Niten Malhan	3.00	4.00	
		Total	15.00	15.00	
6	Key managerial remuneration - short term employment benefits	Sahil Vachani	83.72	42.72	
		Nitin Kumar Kansal	80.40	21.54	
		Abhishek Mishra	7.58	5.34	
		Total	171.70	69.60	
7	Key managerial remuneration - post employment benefits	Sahil Vachani	13.01	5.59	
		Nitin Kumar Kansal	8.52	3.01	
		Abhishek Mishra	0.66	0.63	
		Total	22.19	9.23	
8	Sale of Investment in subsidiary company	New York Life Insurance Company Limited	-	14,490.65	
		Total	-	14,490.65	
9	Compulsorily convertible debentures (CCD) issued *	New York Life Insurance Company Limited - Max Square	-	3,832.43	
		Total	-	3,832.43	
10	Interest paid on CCD - Max Square *	New York Life Insurance Company Limited	747.76	383.49	
		Interest paid on CCD - Acreage *	430.04	168.00	
		Total	1,177.80	383.49	
11	Corporate Social Responsibility	Max India Foundation	25.00	7.03	
		Total	25.00	7.03	
12	Management fee (included in legal and professional expenses)	Analjit Singh	75.00	75.00	
		Total	75.00	75.00	
13	Business promotion expense	Antara Assisted Care Services Limited	0.61	-	
		Total	0.61	-	
14	Shared services expenses	Max India Foundation	13.75	-	
		Total	13.75	-	
15	Insurance expense	Max Life Insurance Company Limited	8.06	-	
		Total	8.06	-	
16	Sale of property, plant and equipment	Leeu Dassenberg Estates (Pty)Ltd	1.55	-	
		The Unstuffy Hotel Co Ltd	7.38	-	
		Analjit Singh	2.39	-	
		Total	11.32	-	

* Accounted in according with guidance on convertible instrument accounting under Ind AS.

16 (b) Balances outstanding at period/ year end

(Rs. In lakhs)

S.No	Nature of transaction	Particulars	As at June 30, 2024	As at March 31, 2024
1	Trade Receivables	Max Ventures Investment Holding Pvt Ltd	-	4.21
		Piveta Estates Private Limited	9.12	9.12
		New Delhi House Services Limited	1.28	-
		Antara Purukul Senior Living Limited	-	0.28
		Max India Limited	-	7.83
		Trophy Estate Private Limited	18.33	18.32
		Analjit Singh HUF	9.17	9.16
		Mr. Analjit Singh	52.80	52.80
		Max Skill First Limited	-	0.04
		Max Ventures Private Limited	8.65	-
		Antara Senior Living Limited	5.95	8.29
		Max Financial services Limited	5.78	15.88
		Routes 2 Roots	4.04	7.08
		Max Learning Ventures Limited	0.84	7.69
		Riga Foods LLP	2.14	3.41
		Topline Electronics Private Limited	-	-
		Antara Care Homes Limited	0.14	0.62
		Max Learning Ventures Pvt Ltd	9.22	-
		Antara Assisted Care Services Limited	0.11	1.64
		Max One Distribution and Services Ltd	-	0.03
	Total	127.57	146.40	
2	Other receivables	Max Life Insurance Co. Limited	9.30	1.24
		Max Ventures Private Limited	-	8.65
		Leeu Dassenberg Estates (Pty)Ltd	1.55	-
		The Unstuffy Hotel Co Ltd	7.38	-
	Total	18.23	9.89	
3	Trade payables and capital creditors	Max Financial Services Limited	-	1.69
		Max India Limited	13.75	19.44
		New Delhi House Services Limited	-	11.47
		Mrs Gauri Padmnabhan	-	0.90
		Max Ateev Ltd	-	0.03
		Antara Assisted Care Services Ltd	0.13	0.13
		Max Venture Investment Holding Private Limited	5.39	5.39
	Total	19.27	39.04	
4	Security deposit made	Max Life Insurance Co. Limited	244.30	244.30
		Delhi Guest House Limited	15.00	15.00
		SKA Diagnostic Private Limited	9.37	9.37
		Max India Limited	115.89	115.89
			Total	384.56
5	Security deposit received	Topline Electronics Pvt Ltd	3.00	3.00
		Antara Senior Living Limited	7.87	7.87
		Routes 2 Roots	9.38	9.38
		Max Learning Ventures Limited	23.87	23.87
		Vana Retreats Pvt. Ltd.	1.91	1.91
		Max Financial Services Limited	5.03	5.03
		Max India Limited	-	7.87
		Max Ventures Investment Holding Pvt Ltd	1.58	1.58
		Max Skill First Limited	0.18	-
		Antara Senior Living Limited	3,300.00	-
	Total	3,352.82	60.51	
6	Compulsorily convertible debentures (CCD) *	New York Life Insurance Company Limited (Max Square)	10,657.96	26.70
		New York Life Insurance Company Limited (Acreage)	7,821.90	7,821.90
			Total	18,479.86
7	Interest Accrued on CCD *	New York Life Insurance Company Limited (Max Square)	4,873.85	4,126.09
		New York Life Insurance Company Limited (Acreage)	1,188.20	758.16
			Total	6,062.05
8	Equity Share Capital Issued	New York Life Insurance Company Limited (Max Square)	-	10,657.95
		New York Life Insurance Company Limited (Acreage)	-	26.70
			Total	-

* Accounted in according with guidance on convertible instrument accounting under Ind AS.

Max Estates Limited**Notes to Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024**

17 The figures for the period ended June 30, 2023 has been extracted from the Interim financial statements which were prepared by the management and audited by statutory auditors for the purpose to facilitate the listing of equity shares of the Company pursuant to SEBI Master Circular - SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated June 20, 2023, governing "(i)Scheme of Arrangement by Listed Entities and (ii) Relaxation under Sub-rule (7) of rule 19 of the Securities Contracts (Regulation) Rules, 1957".

18 During the period ended June 30, 2024, the Group has entered into a binding Memorandum of Understanding dated 30th April 2024 ("MoU") with New York Life Insurance Company ("NYL") for investment in Max Towers Private Limited ("MTPL") and Pharmax Corporation Limited ("PCL"), Wholly Owned Subsidiaries of the Company as detailed below:

•NYL will (i) subscribe to 1,07,89,330 equity shares to be issued by MTPL for an aggregate consideration of approximately INR 5,652.50 Lakhs; and (ii) acquire 2,63,76,841 equity shares of MTPL, from the Company for an aggregate consideration of approximately INR 13,818.80 Lakhs (collectively, "MTPL Transaction"); and

•NYL will (i) subscribe to 74,48,814 equity shares to be issued by PCL for an aggregate consideration of approximately INR 3,475.60 Lakhs; and (ii) acquire 3,40,64,700 equity shares of PCL, from the Company for an aggregate consideration of approximately INR 15,894.60 Lakhs (collectively, "PCL Transaction").

Further, upon the consummation of the Transaction as envisaged above, Company and NYL will hold 51% and 49% of the share capital of MTPL & PCL, respectively, on a fully diluted basis. The aggregate consideration with respect to the MTPL Transaction and PCL Transaction are subject to working capital and net debt adjustments as at the closing date, which will be more specifically set out in the Definitive Documents.

19 The subsidiaries follow financial year as accounting year same as Holding Company. The below is the summary of principal activities of these entities and proportion of ownership of the Holding Company:

Name of the subsidiary	Principal activities	Country of incorporation	Proportion of ownership as at	
			June 30, 2024	March 31, 2024
Max Estates 128 Limited	Construction and development of residential properties	India	100%	100%
Max Estate Gurgaon Limited	Construction and development of residential properties	India	100%	100%
Acreage Builders Private Limited	Construction and development of commercial properties	India	51%	51%
Max I. Limited	Making investments in various companies and primarily engaged in growing and nurturing these business investments	India	100%	100%
Max Asset Services Limited	Facility management services for commercial real estate	India	100%	100%
Max Square Limited	Construction and development of residential and commercial properties	India	51%	51%
Pharmax Corporation Limited	Construction and development of residential and commercial properties	India	100%	100%
Max Estate Gurgaon Two Limited	Construction and development of residential and commercial properties	India	100%	100%
Astiki Realty Private Limited	Construction and development of residential and commercial properties	India	100%	100%
Max Towers Private Limited	Construction and development of residential and commercial properties	India	100%	100%

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20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker of the Group. As the Chief operating decision maker of the Group assesses the financial performances and position of the Group as a whole and makes strategic decision, the management considers its activities as a single operating segment as per Ind AS 108, hence separate segment disclosures, have not been furnished.

All assets located and revenue is generated in India for all period presented. There are no customer from whom revenue is more than 10% of the total external revenue of the group.

- 21** During the period ended June 30, 2024, the Group, through its wholly owned subsidiary, Max Estates Gurgaon Two Limited, signed a binding agreement for a Residential development in Gurugram with over 18.23 acres of land.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

For and on behalf of the Board of Directors of Max Estates Limited

per Pravin Tulsyan

Partner

Membership Number: 108044

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Vice Chairman & Managing Director)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Abhishek Mishra

(Company Secretary)

Place : Pokhara, Nepal

Date : August 29, 2024

Place : Noida

Date : August 29, 2024

Independent Auditor's Report

To the Board of Directors of Max Estates Limited

Report on the Special Purpose Consolidated Financial Statements

We have audited the accompanying special purpose consolidated financial statements of Max Estates Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (the Holding Company and its Subsidiaries together referred to as the 'Group'), which comprise the Consolidated Balance sheet as at March 31 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement for the year then ended and notes to the special purpose consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as the "Special Purpose Consolidated Financial Statements").

These Special Purpose Consolidated Financial Statements have been prepared by the management of the Holding Company as per the basis of preparation referred to in Note 47 of Special Purpose Consolidated Financial Statements solely in connection with the proposed offering of equity shares by the Holding Company in a Qualified Institutional Placement in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

Management's Responsibility for the Special Purpose Consolidated Financial Statements

The Management of the Holding Company is responsible for the preparation and presentation of these Special Purpose Consolidated Financial Statements in accordance with the basis of preparation as specified in Note 47 of special purpose consolidated financial statements and have been approved by the Board of Directors of the Holding Company. This responsibility also includes maintenance of adequate accounting records in accordance with the applicable provisions of the Companies Act, 2013 ('the Act') for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Special Purpose Consolidated Financial Statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and



plan and perform the audit to obtain reasonable assurance about whether the Special Purpose Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Special Purpose Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and fair presentation of the Special Purpose Consolidated Financial Statements 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 Holding Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the Special Purpose Consolidated Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Consolidated Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Consolidated Financial Statements have been prepared, in all material respects, in accordance with the basis of preparation as specified in Note 47 to the Special Purpose Consolidated Financial Statements. Our conclusion is not modified in respect of this matter.

Other matters

1. We draw your attention to note 47 of Special Purpose Consolidated Financial Statements for the year ended March 31, 2022 has been prepared in connection with raising of funds in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Regulations) Requirement, 2018.
2. We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets of Rs. 6,918.29 Lacs as at March 31, 2022, total revenues of Rs. 379.90 Lacs for the years ended March 31, 2022, and net cash inflows/(outflows) of Rs. 39.28 Lacs for the year ended on that date, as considered in the Special Purpose Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditors.



Restriction of Use

The report is addressed to and provided to the Board of Directors of the Company solely for the information and use of the proposed offering of equity shares by the Holding Company in a Qualified Institutional Placement or inclusion of same in the offer documents in connection with the Qualified Institutional Placement, and should not be used by any other person. As a result, the Special Purpose Consolidated Financial Statements may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on Behalf of

K. K. Mankeshwar & Co.

Chartered Accountants

FRN: 106009W

UDIN:24097820BKBMBC3589

New Delhi, dated the

29th August, 2024



Max Estates Limited
Consolidated Balance sheet as at March 31, 2022

	Notes	(Rs. In Lakhs) As at March 31, 2022
ASSETS		
Non-current assets		
Property, plant and equipment	3	116.48
Investment Property	4	89,672.35
Other Intangible assets	5	3.45
Financial assets	6	
(i) Trade receivable		63.78
(ii) Other bank balances		10.26
(iii) Other financial assets		245.06
Non-current tax assets	7	793.33
Deferred tax assets	8	43.83
Other non current assets	9	1,790.50
		92,739.04
Current assets		
Inventories	10	1,375.52
Financial assets	11	
(i) Trade receivables		193.31
(ii) Other investments		1,274.28
(iii) Cash and cash equivalents		272.20
(iv) Bank balances other than (iii) above		4,566.40
(v) Other financial assets		1,268.01
Other current assets	12	849.20
		9,798.92
		1,02,537.96
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Equity		
Equity share capital	13	7,791.00
Other equity	14	53,095.73
Total equity		60,886.73
Non-controlling interest		
		3,423.27
Non-current liabilities		
Financial liabilities	15	
(i) Borrowings		28,335.38
(ii) Other financial liability		3,742.96
Provisions	16	72.94
Deferred tax liability	17	391.19
		32,542.47
Current liabilities		
Financial liabilities		
(i) Borrowings	18	3,176.68
(ii) Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises		96.52
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		900.96
(iii) Other financial liabilities		762.99
Other current liabilities	19	633.89
Short term provisions	20	114.45
		5,685.49
		38,227.96
		1,02,537.96
TOTAL LIABILITIES		
TOTAL EQUITY AND LIABILITIES		
Summary of significant accounting policies	2	
Other notes on accounts	3-48	

For K.K.MANKESHWAR & CO.
Chartered Accountants
ICAI Firm Registration Number: 106009W

For and on behalf of the Board of Directors of Max Estates Limited

per Dinesh Kumar Bachchas
Partner
Membership Number: 097820

Dinesh Kumar Mittal
(Director)
DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)
DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

Abhishek Mishra
(Company Secretary)

Place: Noida
Date: August 29, 2024

Place: Noida
Date: August 29, 2024

Max Estates Limited**Consolidated Statement of profit and loss for the year ended March 31, 2022**

(Rs. In Lakhs)

	Notes	For the year ended March 31, 2022
INCOME		
Revenue from operations	21	6,928.87
Other income	22	464.60
Total income		7,393.47
EXPENSES		
Cost of material consumed, construction & other related project cost	23	-
(Increase)/decrease in inventories of work-in-progress	24	1,850.94
Employee benefits expense	25	347.49
Finance costs	26	1,616.92
Depreciation and amortization expense	27	1,068.14
Other expenses	28	1,664.90
Total expenses		6,548.39
Profit/(Loss) before tax		845.08
Tax expenses	32	
- Current tax		-
- Income tax for earlier years		77.82
- Deferred tax		275.06
Total tax expense		352.88
Profit/(Loss) after tax		492.20
Attributable to:		
Equity holders of the parent		499.89
Non-controlling interests		(7.69)
Other comprehensive income	32	
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Re-measurement losses on defined benefit plans		3.93
Income tax effect		(0.99)
Other comprehensive income/(loss) for the year		2.94
Attributable to:		
Equity holders of the parent		2.94
Non-controlling interests		-
Total comprehensive income/(loss) for the year		495.14
Attributable to:		
Equity holders of the parent		502.83
Non-controlling interests		(7.69)
Earnings per equity share (Nominal Value of share Rs.10/-) (refer note 24)	33	
Basic (Rs.)		0.63
Diluted (Rs.)		0.11
Summary of significant accounting policies	2	
Other notes on accounts	3-48	

For K.K.MANKESHWAR & CO.

Chartered Accountants

ICAI Firm Registration Number: 106009W

For and on behalf of the Board of Directors of Max Estates Limited**per Dinesh Kumar Bachchas**

Partner

Membership Number: 097820

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Abhishek Mishra

(Company Secretary)

Place: Noida

Date: August 29, 2024

Place: Noida

Date: August 29, 2024

Max Estates Limited
Consolidated Statement of changes in equity for the year ended March 31, 2022

a) Equity share capital

Particulars	Nos.	(Rs. in Lacs)
As at March 31, 2021	7,79,10,000	7,791.00
Add: Equity share issued during the year (refer note 13)	-	-
As at March 31, 2022	7,79,10,000	7,791.00

b) Other equity

Particulars	Reserves and surplus		Compulsorily Convertible Debentures	Non-Controlling Interest	Total equity
	Retained earnings	Employees Stock Options			
As at March 31, 2021	(4,965.43)	381.03	57,164.00	3,430.96	56,010.56
Profit/(Loss) for the year	499.89	-	-	(7.69)	492.20
Other comprehensive income for the year	(3.93)	-	-	-	(3.93)
Other equity created on account of guarantee fees and ESOPs	-	18.26	-	-	18.26
Add: Tax impact on equity portion of interest free loan	-	1.91	-	-	1.91
As at March 31, 2022	(4,469.48)	401.20	57,164.00	3,423.27	56,519.00

Summary of significant accounting policies 2
Other notes on accounts 3-48

For K.K.MANKESHWAR & CO.

Chartered Accountants

ICAI Firm Registration Number: 106009W

For and on behalf of the Board of Directors of Max Estates Limited

per Dinesh Kumar Bacheas

Partner

Membership Number: 097820

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Abhishek Mishra

(Company Secretary)

Place: Noida

Date: August 29, 2024

Place: Noida

Date: August 29, 2024

Max Estates Limited
Consolidated Statement of Cash Flows for year ended March 31, 2022

	For the year ended March 31, 2022
Cash flow from operating activities	
Profit/(Loss) before tax	845.08
Adjustments to reconcile profit before tax to net cash flows:	
Depreciation of property, plant and equipment	1,068.14
Revenue from Rentals(Equilisation as per Ind-AS)	(176.41)
Liability no longer required written back	(30.57)
Loss on disposal of property, plant and equipment	0.42
Interest income	(338.37)
Finance costs (including fair value change in financial instruments)	1,616.92
Operating profit before working capital changes	2,985.23
Working capital adjustments:	
Decrease in trade payables, provision and other payables	(1,171.34)
Increase in other liability	1,640.74
Increase) in trade receivables	(296.64)
Decrease in inventories	1,886.95
Increase in other assets	(533.52)
Cash generated from operations	4,511.42
Income tax paid	(440.60)
Net cash flows used in operating activities	4,070.81
Cash flow from investing activities	
Purchase of property, plant and equipment (including intangible assets, investment property, CWIP and capital advances)	(12,882.43)
Proceeds from sale of property, plant and equipment	0.72
Investment in Subsidiary company	-
Investments in deposits	464.19
Investment in Mutual Fund	(35.27)
Interest received	357.78
Net cash flows used in investing activities	(12,095.00)
Cash flow from financing activities	
Interest paid	(2,471.84)
Proceeds/(Repayment) from/of borrowings	10,270.12
Proceeds/(Repayment) from/of long-term borrowings	-
Net cash flows from financing activities	7,798.29
Net increase/(decrease) in cash and cash equivalents	(225.89)
Cash and cash equivalents at the beginning of the year	498.10
Cash and cash equivalents at year ended	272.20

Components of cash and cash equivalents :-

	As at
	March 31, 2022
Balances with banks:	
On current accounts	268.91
Cash on hand	3.28
	272.20

Summary of significant accounting policies 2
Other notes on accounts 3-48

For K.K.MANKESHWAR & CO.

For and on behalf of the Board of Directors of Max Estates Limited

Chartered Accountants
ICAI Firm Registration Number: 106009W

per Dinesh Kumar Bachehas
Partner

Membership Number: 097820

Dinesh Kumar Mittal
(Director)

DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

Place: Noida
Date: August 29, 2024

Abhishek Mishra
(Company Secretary)

Place: Noida
Date: August 29, 2024

Max Estates Limited

Notes forming part of the Consolidated financial statements for the year ended March 31, 2022

1 Corporate Information

The Consolidated Ind AS financial statements comprise financial statements of Max Estates Limited (the Company) and its subsidiaries (collectively, the Group) for the year ended March 31, 2022. The Company is registered in India under Companies Act, 2013 and was incorporated on March 22, 2016.

Registered office of the Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab - 144533.

The Group is principally engaged in the business of Construction and development of commercial properties;

The consolidated Ind AS financial statements were authorised for issue in accordance with a resolution by the Investment and Finance Committee of the Company on August 29, 2024.

2 Accounting policies

2.1 a) Basis of preparation

These consolidated financial statements of the Group 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) and presentation requirements of division II of Schedule III to the Companies Act 2013 (Ind AS Compliant Schedule III).

The consolidated Ind AS 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 (refer accounting policy regarding financial instruments)
- (ii) Defined benefit plans - plan assets

The Consolidated Ind AS Financial Statements are presented in INR and all values are rounded to nearest Lakhs (INR 00,000) except when otherwise stated

The accounting policies have been consistently applied by the Group.

These Special Purpose Consolidated Financial Statements have been prepared by the management of the Holding Company as per the basis of preparation solely in connection with the proposed offering of equity shares by the Holding Company in a Qualified Institutions Placement in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

b) Basis of Consolidation

The Consolidated Ind AS Financial Statements (CFS) comprises the financial statements of the Company and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- ▶ Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ▶ Exposure, or rights, to variable returns from its involvement with the investee, and
- ▶ The ability to use its power over the investee to affect its returns

Max Estates Limited

Notes forming part of the Consolidated financial statements for the year ended March 31, 2022

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ▶ The contractual arrangement with the other vote holders of the investee
- ▶ Rights arising from other contractual arrangements
- ▶ The Group's voting rights and potential voting rights
- ▶ The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Ind AS financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated Ind AS financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated Ind AS financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated Ind AS financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., period ended June 30. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated Ind AS financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated Ind AS financial statements. IND AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Max Estates Limited

Notes forming part of the Consolidated financial statements for the year ended March 31, 2022

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- ▶ Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost
- ▶ Derecognises the carrying amount of any non-controlling interests
- ▶ Derecognises the cumulative translation differences recorded in equity
- ▶ Recognises the fair value of the consideration received
- ▶ Recognises the fair value of any investment retained
- ▶ Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

2.2 Summary of accounting policies

a. Current versus non-current classification

The Group 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 be 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 Group 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 Group has identified twelve months as its operating cycle.

b. Property, Plant and Equipment and Investment Property

(i) 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,

Max Estates Limited

Notes forming part of the Consolidated financial statements for the year ended March 31, 2022

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 GST credit availed wherever applicable. Cost includes borrowing cost for long term construction projects if recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group 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, property 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 Group 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.

In respect to tangible and intangible assets acquired under the business transfer agreement, the Group has calculated depreciation/amortization on straight-line basis using the rates arrived at based on a technical estimate of the residual useful lives estimated by an independent engineering consultancy professional firm.

In respect of other assets, depreciation is calculated on pro rata basis on straight-line basis over estimated useful lives estimated by the management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	Useful lives estimated by the management (years)
Leasehold Improvements	Over life of lease or life of asset whichever is less
Factory building	30
Other building	60
Plant and Equipment	15-25
Office Equipment	3 - 5
Computers & Data Processing Units	3 - 6
Furniture and Fixtures	10
Motor Vehicles	3 - 8

(ii) Investment Property

Recognition and initial measurement:

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties are measured initially at their cost of acquisition including transaction costs. The cost comprises purchase price, borrowing cost, if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Property held under lease is classified as investment property when it is held to earn rentals or for capital appreciation or for both, rather than for sale in the ordinary course of business or for use in production or administrative functions. Subsequent costs are included in the asset's carrying amount or recognised as a

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separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group All other repair and maintenance costs are recognised in statement of profit and loss as incurred The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation on investment properties is provided on the straight-line method, over the useful lives of the assets are as follows:

Asset category'	Estimated life
Buildings and related equipment	15 to 60
Plant & Machinery & other equipment	6 to 10

Estimated useful life of Leasehold land is over the period of lease

Though the Company measures investment property using cost-based measurement, the fair value of investment property is disclosed in the notes Fair values are determined based on an annual evaluation performed by the company applying a valuation model acceptable.

De-recognition

Investment properties are de-recognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit and loss in the period of de-recognition.

Depreciation on investment property has been provided on straight line method over the useful life of assets Useful life of assets are as under

Building and related equipments	15 to 60 years
Plant & machinery, furniture & fixtures and other equipments	6 to 10 years

c. 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. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight-line basis over their estimated useful life of 3-6 years.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- (a.) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- (b.) Its intention to complete and its ability and intention to use or sell the asset
- (c.) How the asset will generate future economic benefits
- (d.) The availability of resources to complete the asset
- (e.) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

d. Business combinations

Common control business combinations include transactions, such as transfer of subsidiaries or businesses, between entities within a Company. Business combinations involving entities or businesses under common control are accounted for using the pooling of interests method. The pooling of interest method is considered to involve the following:

- (i) The assets and liabilities of the combining entities are reflected at their carrying amounts.
- (ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- (iii) The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.
- (iv) The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee.

e. Impairment of non-financial assets

The Group 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 Group 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 fair value less cost of disposal 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 fair value less cost of disposal, recent market transactions are taken into

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account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group'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. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In this case, the growth rate does not exceed the long-term average growth rate for the products, industries, country in which the entity operates, or for the market in which the asset is used.

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses no longer exist or may have decreased. If such indication exists, the Group 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.

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non – financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

f. 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.

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(i) Financial assets

The Group 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 Group commits to purchase or sell the asset. The difference between the transaction amount and amortised cost in case of interest free loan to subsidiaries based on expected repayment period is considered as deemed investment.

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 realise 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 Group. 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 Group 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.

Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may

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make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Derecognition

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

-the rights to receive cash flows from the asset have expired, or
-the Group 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 Group has transferred the rights to receive cash flows from the financial assets or
(b) the Group 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 Group has transferred an asset, the Group 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 Group 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 Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

In accordance with IND AS 109, the Group 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; e.g. Loans, security deposits, trade receivable, bank balance.
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Group follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Group 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 Group 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 analysed.

For recognition of impairment loss on other financial assets and risk exposure, the Group 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

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improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12- months ECL.

Reclassification of financial assets

The Group 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 Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group 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 Group 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 Group financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits, retention money and other payables.

Subsequent measurement

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

Trade Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. 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.

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/ losses are not subsequently transferred to profit and loss. However, the Group 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 Group 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

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Financial guarantee contracts issued by the Group 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 amortisation.

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 modification 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 consolidated 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.

Compound financial instruments

Compound financial convertible instruments are separated into liability and equity components based on the terms of the contract. On issuance of the convertible instruments, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption. The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity since conversion option meets Ind AS 32 criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years. Transaction costs are apportioned between the liability and equity components of the convertible instruments based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

g. Revenue from contracts with customers

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

The Group has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the Ind AS financial statements. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Company performs; or
- b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- c) The Group's performance does not create an asset with an alternative use to the Group and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where any of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

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 Group expects to be entitled in exchange for those goods or services. The Group 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. The following specific recognition criteria must also be met before revenue is recognized:

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Revenue is recognised over period of time in respect of rental services on an accrual basis, in accordance with the terms of the respective contract as and when the Company satisfies performance obligations by delivering the services as per contractual agreed terms.

Revenue from shared services

Revenue is recognised over period of time in respect of shares services on an accrual basis, in accordance with the terms of the respective contract as and when the Company satisfies performance obligations by delivering the services as per contractually agreed terms.

Revenue from project management consultancy / secondment

Revenue from project management consultancy / secondment is recognized as per the terms of the agreement on the basis of services rendered.

Gain on sale of investments

On disposal of an investment, the difference between the carrying amount and net disposal proceeds is recognised to the profit and loss statement.

Facility Management

Revenue from facility management is recognised as per the terms of the agreement on the basis of services rendered.

Revenue from constructed properties

Revenue is recognised over time if either of the following conditions is met:

- a. Buyers take all the benefits of the property as real estate developers construct the property.
- b. Buyers obtain physical possession of the property
- c. The property unit to be delivered is specified in the contract and real estate entity does not have an alternative use of the unit; the buyer does not have the discretion to terminate the contract and the entity has right to payment for work completed to date.

In case none of these conditions is met, revenue would be recognised at a point in time when the control of the property is passed on to the customer.

Contract balances

Contract assets

A contract asset is initially recognised for revenue earned from shared services because the receipt of consideration is conditional on successful completion of the contract. Upon completion of the contract and acceptance by the customer, the amount recognised as contract assets is reclassified to trade receivables.

Contract assets are subject to impairment assessment. Refer to accounting policies on impairment of financial assets in section e) Financial instruments – initial recognition and subsequent measurement.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section e) Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

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The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The specific recognition criteria described below must also be met before revenue is recognized.

h. Inventories

Inventories in real estate business

Inventories also 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.

i. 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.

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 temporary differences except:

▶ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

▶ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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 except:

▶ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

▶ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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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.

GST (Goods and Service tax)/ Sales tax/ value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST (Goods and Service tax)/ Sales tax/ value added taxes paid, except:

- ▶ When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ▶ When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of Other current assets or liabilities in the balance sheet.

j. Borrowing costs

Borrowing cost includes interest expense as per effective interest rate [EIR]. 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 until such time that the asset are substantially ready for their intended use. Where fund are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing incurred.

Where surplus funds are available out of money borrowed specifically to finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rate applicable to relevant general borrowing of the Group during the year. Capitalisation of borrowing cost is suspended and charged to profit and loss during the extended periods when the active development on the qualifying project is interrupted. 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.

k. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (d) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

I. Provision and Contingent liabilities

Provisions

Max Estates Limited

Notes forming part of the Consolidated financial statements for the year ended March 31, 2022

A provision is recognized when the Group 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 Group 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 Group 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.

m. Retirement and other employee benefits

Provident fund

The Group has contributed to employees provident fund benefits through a trust "Max Financial Services Limited Provident Fund Trust" managed by Max Financial Services Limited (erstwhile Max India Limited) whereby amounts determined at a fixed percentage of basic salaries of the employees are deposited to the trust every month. The benefit vests upon commencement of the employment. The interest rate payable by the trust to the beneficiaries every year is notified by the government and the Group has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Group has obtained actuarial valuation to determine the shortfall, if any, as at the Balance Sheet date. The Group recognizes contribution payable to the provident fund as an expense, when the employee renders the related service.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Max Speciality Films Limited, subsidiary of the Company has also made contribution to Life Insurance Corporation (LIC) towards a policy to cover the gratuity liability of the employees to an extent. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Group recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

(i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non-routine settlements.

(ii) Net interest expenses or income

Compensated absences

Max Estates Limited

Notes forming part of the Consolidated financial statements for the year ended March 31, 2022

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Group presents the leave as a current liability in the balance sheet as the Company does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

Long term incentive plan

Employees of the Group receives defined incentive, whereby employees render services for a specified period. Long term incentive is measured on accrual basis over the period as per the terms of contract.

n. Share-based payments

Employees of the Company receive remuneration in the form of share based payment transaction, whereby employees render services as a consideration for equity instruments (equity- settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification. Where an award is

Max Estates Limited

Notes forming part of the Consolidated financial statements for the year ended March 31, 2022

cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

o. 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.

p. Earnings 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. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders of the parent company and weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares

q. Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The Group's consolidated Ind AS financial statements are presented in Indian rupee (Rs.) which is also the Group's functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the time of the transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

r. Fair value measurement

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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 Group.

Max Estates Limited

Notes forming part of the Consolidated financial statements for the year ended March 31, 2022

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.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 Group 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.

The Group's management determines the policies and procedures for both recurring and non-recurring fair value measurement, such as derivative instruments measured at fair value.

External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. The management decides, after discussions with the Group's external valuers which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

The management in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

Disclosures for valuation methods, significant estimates and assumptions (note 39)

Quantitative disclosures of fair value measurement hierarchy (note 39)

Financial instruments (including those carried at amortised cost) (note 39)

t. Government Grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized

Max Estates Limited

Notes forming part of the Consolidated financial statements for the year ended March 31, 2022

as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on the basis of accomplishment of export obligations.

The Group has inventorized the duty saved on import of raw material and recognised Government grant as liability. Deferred income is recognised in statement of profit and loss as and when export obligations are fulfilled and government grant is reduced by deferred income recognised.

2.3 Accounting judgements, estimates and assumptions

The preparation of the Group's Consolidated Ind AS financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the grouping 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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements.

(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 Group 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) Defined benefit plans

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds where remaining maturity if such bond corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 36.

(c) 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. The Group uses Net asset value for valuation of investment in mutual funds. Refer Note 39 related to Fair value disclosures.

2.4 RECENT ACCOUNTING PRONOUNCEMENTS:

Max Estates Limited

Notes forming part of the Consolidated financial statements for the year ended March 31, 2022

A. Amended standards adopted by the Group

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments does not have any material impact on the consolidated financial statements as there is no change in accounting estimates and changes in accounting policies and the correction of errors.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group has given accounting policies disclosures to ensure consistency with the amended requirements.

(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101.

The amendments does not have any material impact on the financial statements.

B. Standards issued but not yet effective:

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 notifies new standard or amendments to the standards. There is no such new notification which would be applicable.

Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

3. Property, plant and equipment (PPE)**(Rs. In Lakhs)**

	Office equipment	Furniture and fixture	Motor vehicles	Computers and data processing units	Total
At cost					
As at March 31, 2021	9.79	1.02	95.65	38.51	144.97
Additions	-	-	35.61	20.82	56.43
Disposals	-	-	-	22.67	22.67
As at March 31, 2022	9.79	1.02	131.26	36.66	178.73
Depreciation					
As at March 31, 2021	6.48	0.28	23.90	28.30	58.96
Additions	2.75	0.10	13.97	8.00	24.82
Disposals	-	-	-	21.53	21.53
As at March 31, 2022	9.23	0.38	37.87	14.77	62.25
Net carrying amount					
As at March 31, 2022	0.56	0.64	93.39	21.89	116.48

Note: Refer note 15 for charge details

Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

4 Investment property

	(Rs. In Lakhs)		
	Investment Property	Investment Property under development	Total
At cost			
As at March 31, 2021	56,680.60	15,894.84	72,575.44
Additions	2,097.26	17,871.65	19,968.91
Disposals/capitalised during the year	-	(99.40)	(99.40)
As at March 31, 2022	58,777.86	33,667.09	92,444.95
Depreciation			
As at March 31, 2021	1,732.03	-	1,732.03
Additions	1,040.58	-	1,040.58
Disposals	-	-	-
As at March 31, 2022	2,772.61	-	2,772.61
Net carrying amount			
As at March 31, 2022	56,005.25	33,667.09	89,672.35

Notes:

(i) Contractual obligations

Refer note 34 for disclosure of contractual commitments for the acquisition of investment properties.

(ii) Capitalised borrowing cost

During the year company has capitalised Rs.1,399.45 lakhs under investment property under CWIP

(iii) Amount recognised in profit and loss for investment properties

	(Rs. In Lakhs)
	March 31, 2022
Rental income	3,483.06
Less: Direct operating expenses generating rental income	861.86
Profit from leasing of investment properties	2,621.20
Less: depreciation expense	1,040.58
Profit from leasing of investment properties after depreciation	1,580.62

(iv) Fair value

Fair value hierarchy and valuation technique

The fair value of investment property has been determined by the company internally, having appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The fair value has been arrived using discounted cash flow projections based on reliable estimates of future cash flows considering growth in rental of 15% on every 3 years, vacancy rate of 3% and discount rate of 12.00%.

Reconciliation of fair value:

Opening balance as at 1 April 2021	Rs. 65,820 lakhs to 72,821 lacs
Increase of Fair value	-
Decline in fair value	Rs. 670 lakhs
Closing balance as at 31 March 2022	Rs. 65,150 lakhs to 72,150 lacs

Valuation models applied for valuation:

Discounted cash flow method - net present value is determined based on projected cash flows discounted at an appropriate rate

(v) Ageing of Investment Property under development

	(Rs. In Lakhs)			
	Less than 1 year	1-2 years	2-3 years	Total
Max Square Limited	11,221.97	7,134.88	13,544.43	31,901.28
Pharmax Corporation Limited	1,765.82	-	-	1,765.82
	12,987.79	7,134.88	13,544.43	33,667.10

Max Estates Limited**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022****5. Intangible assets**

	(Rs. In Lakhs)	
	Computer software	Total
At cost		
As at March 31, 2021	17.43	17.43
Additions	0.42	0.42
Disposals	-	-
As at March 31, 2022	17.85	17.85
Amortization		
As at March 31, 2021	11.65	11.65
Additions	2.75	2.75
Disposals	-	-
As at March 31, 2022	14.40	14.40
Net carrying amount		
As at March 31, 2022	3.45	3.45

Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

6. Non Current financial assets

(Rs. In Lakhs)

As at
March 31, 2022**(i) Trade receivables****Unsecured :-**

Trade receivables - considered good

63.78

63.78**Trade Receivable Ageing**

As at March 31, 2022

Particulars	Not due	Less than 6 months	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Undisputed Trade receivables-considered good	63.78	-	-	-	-	-	63.78
(ii) Undisputed Trade receivables-Which have significant in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade receivables-Credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade receivables-considered good	-	-	-	-	-	-	-
(v) Disputed Trade receivables-which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade receivables-credit Impaired	-	-	-	-	-	-	-
Total	63.78	-	-	-	-	-	63.78

(ii) Other bank balances

Deposits with remaining maturity for more than 12 months

10.26

10.26**(iii) Other financial assets**

Security deposits

245.06

245.06**7. Non-current tax assets**

Advance income tax and tax deducted at source (net)

793.33

793.33**8 Deferred tax assets**

Deferred tax assets

43.83

43.83**9 Other non current assets**

Deferred guarantee fee

81.07

Prepaid expenses

404.58

Capital Advances

1,304.85

1,790.50

Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(Rs. In Lakhs)

As at

March 31, 2022

10. Inventories

(valued at cost or net realisable value whichever is lower)

Construction Materials

49.93

Finished Goods

1,138.84

Work-in-process

186.75

1,375.52

(Rs. In Lakhs)
As at
March 31, 2022

11. Current financial assets

(i) Trade receivables

Unsecured :-

Unsecured, considered good

193.31

193.31

(refer note 39b for receivables from related party)

Trade Receivable Ageing

Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(I) Undisputed Trade receivables-considered good	-	180.22		13.02	-	193.24
(ii) Undisputed Trade receivables-Which have significant in credit risk	-	-		-	-	-
(iii) Undisputed Trade receivables-Credit impaired	-	-		-	-	-
(iv) Disputed Trade receivables-considered good	-	-		-	-	-
(v) Disputed Trade receivables-which have significant increase in credit risk	-	-		-	-	-
(vi) Disputed Trade receivables-credit Impaired	-	-		-	-	-
Total	-	180.22		13.02	-	193.24

(ii) Other investments

Birla Sun Life Cash Plus - Direct Plan (Units 1,95,914.053)

672.26

TATA Liquid Fund Direct Plan - Growth (Units 17,913.930)

602.02

1,274.28

(iii) Cash and cash equivalents

Balances with banks:

On current accounts

268.91

Cash in hand

3.28

272.19

(iv) Bank balances other than (iii) above

Deposits with remaining maturity for more than 3 months but less than 12 months

4,566.40

4,566.40

(v) Other financial assets

Rent receivable (Equalisation)

1,046.23

Interest accrued on deposits

189.33

Security Deposit

32.45

1,268.01

12. Other current assets

(Unsecured, considered good)

Advances to vendors

71.76

Deferred guarantee fee

21.60

Prepaid expenses

159.21

Balance with statutory authorities

588.82

Security Deposit

7.81

849.20

(refer note 39b for receivables from related party)

13 Share capital and other equity

(i) Equity share capital

(Rs. In Lakhs)

As at
March 31, 2022

a) Authorized

7,80,00,000 equity shares of Rs. 10/- each

7,800.00

7,800.00

Issued, subscribed and fully paid-up

7,79,10,000 equity shares of Rs.10/- each fully paid up

7,791.00

Total issued, subscribed and fully paid-up share capital

7,791.00

b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Equity shares	March 31, 2022	
	No. of shares	(Rs. In lacs)
At the beginning of the year	7,79,10,000.00	7,791.00
Add: Shares issued at incorporation of the Company	-	-
Outstanding at the end of the year	7,79,10,000.00	7,791.00

c) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2022	
	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up		
Max Ventures & Industries Limited	7,79,09,994.00	100%

e) Details of shares held by holding company

Name of the Shareholder	March 31, 2022	
	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up		
Max Ventures & Industries Limited	7,79,09,994.00	100%

f) Aggregate number of Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date - NIL

g) Shareholding of Promoters

Shares held by promoters at the end of the year				
As at	Promoter Name	No. Of shares	% of total shares	% Change during the year
March 31, 2022	Max Ventures & Industries Limited	7,79,09,994.00	100%	Nil

Max Estates Limited**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022****14 Other equity**

	(Rs. In Lakhs)
	As at March 31, 2022
Compulsorily Convertible Debentures (CCD) (refer note a below)	57,164.00
Other equity (refer note b below)	401.20
Retained earnings (refer note c below)	(4,469.47)
	53,095.73

Notes:**a) Compulsorily Convertible Debentures (CCD)**

At the beginning of the year	57,164.00
Add: additions during the year	-
At the end of the year	57,164.00

b) Other equity

At the beginning of the year	381.03
Add: additions on account equity created on guarantee fees & ESOP	18.26
Add: Tax impact on equity portion of interest free loan	1.91
At the end of the year	401.20

c) Retained earnings

At the beginning of the year	(4,965.43)
Profit/(Loss) for the year	499.89
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	(3.93)
At the end of the year	(4,469.47)

Notes**a) Compulsory Convertible Debentures**

These are financial instruments issued to Holding Company and are equity in nature.

b) Other equity

Other equity includes reserves for employee stock options based payment to recognise the grant date fair value of options issued to employees under Employee stock option plan of Holding Company and also include equity value of guarantee given by Holding Company.

c) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Max Estates Limited**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022****15. (i) Borrowings**

	(Rs. In Lakhs)
	As at March 31, 2022
Non-current borrowings	
Term loans (secured) from banks	25,382.76
Compulsorily Convertible Debentures (CCD) (Unsecured)	3,430.96
Vehicle loans from Bank (secured)	31.34
	28,845.06
Less: Amount disclosed under "other current financial liabilities" [refer note 18(i)]	509.68
	28,335.38

Vehicle loan :-

Vehicle loans amounting to Rs. 31.34 Lakhs are secured by way of hypothecation of respective vehicles. The loans are repayable in 1-3 years. Rate of interest is 7.60%, 7.65%, 7.80% 8.20%and 9.00%

Compulsorily Convertible Debentures (Unsecured) (Max Square CCD)**Terms of series A-CCD**

- a Unsecured compulsorily convertible debentures having a face value of Rs. 10 each.
- b Interest - Interest at the rate of 20% per annum, compounded annually, payable as follows -
 - (i) Surplus cash flow will be used to pay all accrued but unpaid interest on Series B CCD, calculated from the Closing Date till March 31 of the relevant financial year
 - (ii) Balance surplus cash flow shall be utilised to pay all accrued but unpaid interest on the Series A CCD
- c Conversion - automatically and mandatorily be converted into Equity Shares in the ratio of 1:1 on Conversion Date
- d Conversion date - earlier of, (a) the date when Series B CCDs are being converted; or (b) the date on which the Series A CCDs are required by Law to be mandatorily converted

Terms of Series B - CCD

- a Unsecured compulsorily convertible debentures having a face value of Rs. 10 each.
- b Interest - Interest at the rate of 20% per annum, compounded annually, payable as follows -
 - (i) No interest shall be payable unless the Company has surplus cash flows in the financial year
 - (ii) Surplus cash flow will be used to pay all accrued but unpaid interest on Series B CCD, calculated from the Closing Date till March 31 of the relevant financial year
- c Conversion - automatically and mandatorily be converted into Equity Shares in the ratio of 1:1 on Conversion Date
- d Conversion date - earlier of, (a) at any time after three years from the Closing Date; or (b) date of full exit by New York Life Insurance Corporation from the Company; or (c) the date on which the Series B CCDs are required by Law to be mandatorily

Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Term Loan from Banks :-

A. Loan from ICICI Bank (Max Estates Limited)

- i) The Company has taken secured term loan facility for 4,500 Lakhs loan from ICICI Bank Limited. Out of this facility the company has drawn 3,905 lakhs till March 31, 2022. The Facility, all interest thereon, costs, charges, expenses and all other monies in respect thereof shall be secured by:
 - ii) Exclusive charge by way of equitable mortgage over the Project being developed by the Borrower on the Property.
 - iii) Exclusive charge by way of hypothecation on the Scheduled Receivables of the Project and all insurance proceeds, both present and future
 - iv) Exclusive charge by way of hypothecation on the Escrow Accounts of the Project and the DSR Account and all monies credited/deposited therein (in whatever form the same may be), and all investments in respect thereof (in whatever form the same may be)

The security as required by Lender shall be created in favour of Lender, in a form and manner satisfactory to Lender.

Post creation of security, the Project shall provide a security cover of 1.50 times during the entire tenure of the Facility on the outstanding loan amount of Facility

Repayment terms:-

The repayment of principal amount of facility need to be made in 108 instalments commencing from 1 month from the first drawdown date

B. Indusind Bank Term Loan (Secured) (Max Square Limited)

The Company has taken secured term loan facility for 24,000 Lakhs loan from Indusind Bank Limited. Out of this facility the company

- i) Primary and collateral security:
 - a) Exclusive charge on by way of equitable mortgage on project land of 2.6 acre land and building with complete available leasable area of 7 lacs sqft in Max square project, being developed in Sector 129, Noida
 - b) First charge by way of assignment/hypothecation over all present and future current assets including lease rental receivables, parking rentals, CAM income, security deposit, sales receivables, any other income generated pertaining to the project
 - c) First charge on DSRA, Escrow account maintained with IBL pertaining to rental receivables of the project, wherever maintained, present & future.
 - d) 30% share pledge of Borrower
 - e) Minimum security cover to be 1.5 times based on market values of the property to be maintained throughout tenure of the facility
- ii) Corporate guarantee of Max Estates Limited and Max Ventures Industries Limited
- iii) DSRA - 3 months interest to be created
- iv) Borrower to open Escrow account with IBL
- v) Tenure of loan : 60 months from the date of first disbursement

Repayment terms:-

Loan will be payable in bullet installment at the end of 60th month from the date of first disbursement

Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

C. Loan from ICICI Bank (Max Towers Private Limited)

Loan will be payable in bullet installment at the end of 60th month from the date of first disbursement

The Company has taken secured term loan facility for 11,700 Lakhs loan from ICICI Bank Limited. Out of this facility the company has drawn Rs.8600 lakhs till March 31, 2022.

Exclusive charge by way mortgage/hypothecation/assignment/security interest / charge / pledge upon following (both present and future) on:

- i) Paripassu charge over project developed on the property;
- ii) All present and future tangible moveable assets, including movable plant and machinery, machinery spares, tools and accessories, furniture, fixture and all other moveable fixed assets in relation to the property
- iii) All present and future scheduled receivables to the extent received by the borrower
- iv) The escrow account alongwith all monies credited / deposited therein
- v) The Debt Service Reserve Account
- vi) 30% of shareholding of the company held by Max Estates Limited
- vii) The security as required by the lender shall be created and perfected in form and manner satisfactory to the lenders and shared on pari passu basis between the lenders
- viii) Post creation of security, the project shall provide a security cover of 2 times during the entire tenure of facility on outstanding loan amount

Repayment terms:-

The repayment of principal amount of facility need to be made in 144 instalments commencing from 1 month from the first drawdown date.

D. IDFC First Bank Limited - Term Loan (Secured) (Pharmax Corporate Limited)

The Company has taken secured term loan facility for 6500 Lakhs loan from IDFC First Bank Limited. Out of this facility the company has drawn 800 lakhs till March 31, 2022.

- i) Primary and collateral security:
 - a) Exclusive charge by way of equitable mortgage on the land and building situated at Khasra Nos. 335/2, Khasra Nos. 335/18 and
 - b) Exclusive charge on the current assets and receivables of the project (including insurance claim) both present and future.
 - c) Exclusive charge on the movable assets of the Project, both present and future.
 - d) Pledge of 30% shares of Pharmax Corporation Limited held by Max Estate Limited
 - e) Corporate guarantee of Max Estate Ltd. And Max Ventures and Industries Limited
- ii) Interest Rate - Spread plus IDFC First Bank MCLR
- iii) Tenure - for principal repayment Bullet payment on or before 31.12.2025 and interest to be serviced on a monthly basis.
- iv) DSRA - 3 months interest to be created

(ii) Other non current financial liability

Security Deposit received	2,380.36
Interest accrued & due on borrowings (CCD)	1,190.50
Unearned Financial Guarantee Fees	25.10
Deferred Finance Income (Security deposit)	147.01
	<hr/>
	3,742.97

Max Estates Limited
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

(Rs. In Lakhs)
As at
March 31, 2022

16. Long term provision	
Provision for employee benefits	
Provision for gratuity (refer note 35)	72.94
	<u>72.94</u>
17 Deferred tax liabilities	
(i) Deferred tax liability	
Investment property and PPE: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	(391.19)
Gross deferred tax liability (A)	<u>(391.19)</u>
(ii) Deferred tax assets	
Impact of expenditure charged to the statement of profit and loss in the period but allowed for tax purposes on payment basis	43.83
Gross deferred tax assets (B)	<u>43.83</u>
Deferred Tax liability (A-B)	<u>(347.36)</u>
18. Current financial liabilities	
(i) Borrowings	
Loan from related party (Unsecured) *	2,667.00
Current maturity of long term borrowings (refer note 15)	509.68
	<u>3,176.68</u>
* interest bearing loan @ 9.25%, repayable on demand.	
(ii) Trade payables	
Total outstanding dues of micro enterprises and small enterprises	96.52
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 39b for payables to related party)	900.96
	<u>997.48</u>

Trade Payables ageing schedule as on 31st March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	96.52	-	-	-	96.52
(ii) Others	-	889.09	11.87	-	-	900.96
(iii) Disputed dues-MSME	-	-	-	-	-	-
(iv) Disputed dues -others	-	-	-	-	-	-
Total	-	985.62	11.87	-	-	997.49

Max Estates Limited**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022***** Details of dues to micro and small enterprises as per MSMED Act, 2006**

	As at 31-Mar-22
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	96.52
The interest due on unpaid principal amount remaining as at the end of each accounting year	Nil
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	Nil
(iii) Other current financial liabilities	
Interest accrued but not due on borrowings	13.34
Security deposits	76.15
Deferred Guarantee Income	43.56
Capital Creditors	533.02
Deferred Finance Income	96.92
	762.99
19. Other current liabilities	
Statutory dues	378.18
Advance from Customers	255.71
	633.89
20. Short term provision	
Provision for employee benefits	
Provision for leave encashment (refer note 36)	113.70
Provision for gratuity (refer note 35)	0.75
	114.45

Max Estates Limited**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022****21. Revenue from operations**

	(Rs. In Lakhs)
	For the year ended March 31, 2022
Revenue from sale of constructed properties and lease income	6,928.87
Total revenue from operations	6,928.87

Performance obligation

The performance obligation is satisfied upon completion of the services/sale of properties and payment is generally due within 30 to 180 days from such date.

22. Other Income

Interest Received	356.25
Liability no longer required written back	30.57
Other non-operating income	14.69
Miscellaneous Income	63.09
	464.60

23 Cost of material consumed, construction & other related project cost

Inventories at beginning of year	85.94
Add: Purchases	-
Construction materials consumed	(14.94)
Civil construction work charged to repairs	(21.07)
	49.93
Less: inventory at the end of year	49.93
Cost of material consumed, construction & other related project cost	-

24 (Increase)/ decrease in work-in-progress**Inventories at end of year**

Finished Goods	1,138.83
Work-in-process	186.75
	1,325.58

Inventories at beginning of the year

Finished Goods	2,835.52
Work-in-process	341.00
	3,176.52

(Increase)/ decrease in work-in-progress	1,850.94
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Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

25. Employee benefits expense**(Rs. In Lakhs)****For the year ended
March 31, 2022**

Salaries, wages and bonus	253.23
Contribution to provident and other funds	34.35
Employee stock option scheme (refer note 29)	39.57
Gratuity expense (refer note 35)	12.87
Staff welfare expenses	7.48
	347.49

26. Finance costs

Interest on borrowings	1,565.77
Bank charges	51.15
	1,616.92

27. Depreciation and amortization expense

Depreciation on Investment property & property, plant and equipment (refer note 3 and 4)	1,065.39
Amortization of intangible assets (refer note 5)	2.75
	1,068.14

28. Other expense

Rent	256.15
Insurance	35.95
Rates and taxes	117.56
Repairs and maintenance:	
Building	10.49
Others	163.77
Printing and stationery	0.51
Travelling and conveyance	18.83
Director sitting fees	5.48
Communication	2.58
Legal and professional *	483.86
Net loss on sale/disposal of fixed assets	0.42
Membership & Subscription	24.52
CSR expenses	10.07
Marketing Expenses	412.09
Business Promotion	36.85
Facility Management Charges	64.94
Miscellaneous expenses	20.83
	1,664.90

*** Payment to auditor (included in legal and professional fee)****As auditor:**

Audit fee	3.50
Other services (Limited review & certification fees)	2.22
	5.72

Max Estates Limited**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022****29 Employee Stock Option Plan****Employee Stock Option Plan – 2016 (“the 2016 Plan”):**

The Holding Company, Max Ventures and Industries Limited has constituted an Employee Stock Option Plan - 2016 which have been approved by the Board in the meeting held on 9th August 2016 and by shareholders of Max Ventures and Industries Limited in its annual general meeting held on September 27, 2016.

The details of activity under the scheme are summarized below:

Particulars	March 31, 2022	
	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	2,61,190	12.90
Options granted during the year	1,07,938	32.27
Lapsed during the year	-	-
Exercised during the year	65,293	12.90
Outstanding at the end	3,03,835	19.78
Exercisable at the end	-	-

For options exercised during the year, the weighted average share price at the exercise date was Rs.12.90 per share.

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2022 are as follows:

Date of grant	March 31, 2022	
	Number of options	Weighted average remaining life in years
04-06-2020 (Grant Type I)	1,95,897	2.68
02-07-2021 (Grant Type II)	1,07,938	3.68

During the year ended March 31, 2022 65,293 number of stock options were exercised by the aforesaid option holders.

The 2016 Plan gives an option to the employee to purchase the share at a price determined by Nomination and Remuneration committee (NRC) of Max Ventures and Industries Limited subject to minimum par value of shares (Rs. 10/-). The Company has valued Employee Stock Option outstanding as at year end presuming all the employees will exercise their option in favor of equity settlement based on trend.

- 30** The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. Certain sections of the Code came into effect on 3 May 2023. However, the final rules/ interpretation have not yet been issued. Based on a preliminary assessment, the Group believes the impact of the change will not be significant.

Max Estates Limited**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022**

31 The subsidiaries follow financial year as accounting year. The below is the summary of principal activities of these entities and proportion of ownership of the Holding Company:

Name of the subsidiary	Principal activities	Country of incorporation	Proportion of ownership as at
Max Square Limited	Construction and development of residential and commercial properties	India	51%
Pharmax Corporation Limited	Construction and development of residential and commercial properties	India	85%
Max Towers Private Limited	Construction and development of residential and commercial properties	India	100%

Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

33 Earnings per share (EPS)

(Rs. in Lakhs)

For the year ended March
31, 2022

Profit after tax (Rs. in Lakhs)

492.20

Weighted average number of equity shares outstanding during the year (Nos.)

7,79,10,000

Basic earnings per share (Rs.)

0.63

Weighted average number of equity shares outstanding for dilutive earnings per share (Nos)

44,75,50,000

Diluted earnings per share (Rs.)

0.11

Max Estates Limited**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022****32 Income Tax**

The major components of income tax expense for the year ended March 31, 2022 are :

Statement of profit and loss :

Particulars	(Rs. in Lakhs) For the year ended March 31, 2022
Current income tax :	
Current tax	-
Adjustment of tax relating to earlier years	77.82
Deferred tax :	
Relating to origination and reversal of temporary differences	275.06
Income tax expense reported in the statement of profit and loss	352.88
OCI section :	
Net (gain) on remeasurements of defined benefit plans	(0.99)
Income tax effect on cost of hedging reserve	-
Tax related to items recognized in OCI during the year	(0.99)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022:

Particulars	For the year ended March 31, 2022
Accounting profit before tax from continuing operations	845.08
Accounting profit before income tax	845.08
At India's statutory income tax rate of 25.17%	212.68
Non-Taxable Income for tax purposes:	
Others	
Non-deductible expenses for tax purposes:	
Other non-deductible expenses	8.81
Tax relating to earlier years	77.82
Others	
Items taxed at different rate	-
Others	59.06
Losses of subsidiary not being considered for deferred tax	(5.49)
At the effective income tax rate	352.88
Income tax expense reported in the statement of profit and loss	352.88
Total tax expense	352.88

Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Deferred tax relates to the following:

	March 31, 2022
Deferred tax liabilities	
Accelerated depreciation for tax purposes	(885.76)
Gross deferred tax liabilities (a)	(885.76)
Deferred tax assets	
Expenses allowable on payment basis	-
Other items giving rise to temporary differences	43.83
Unabsorbed depreciation/losses	494.57
Gross deferred tax assets (b)	538.40
Deferred tax (liabilities)/asset (net)	(347.36)
Disclosed as:	
Deferred tax liabilities	(391.19)
Deferred tax asset	43.83
	(347.36)

Reconciliation of deferred tax liabilities (net):

Particulars	March 31, 2022
Opening balance at the beginning of year	(5.52)
Tax expense/(income) during the year recognised in the statement of profit or loss	352.88
Net balance	347.36
Closing balance at the end of year	347.36

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Max Estates Limited**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022****34 Commitments and contingencies****i) Capital commitments****(Rs. in Lakhs)**

	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not accounted for	8,080.79
Less: Capital Advances	1,304.85
Net Commitment	9,385.64

ii) Contingent liabilities

	As at March 31, 2022
Bank Guarantee (refer note a)	5,000.00
Uttarakhand Vat (refer note b)	21.24

Note:

- a. The Group has given a bank guarantee of Rs. 5,000 lakhs issued by ICICI Bank in favour of Piramal Enterprises for bid submitted for Delhi One project. Max Estates Limited, had submitted its resolution plan for resolution of Boulevard Projects Private Limited. The Hon'ble NCLT, New Delhi has approved the said Resolution Plan, for the development of commercial plot admeasuring 34,697 sq mtrs, located in NOIDA under the project name 'Delhi One'. This acquisition has potential to add ~3 million sq. ft. of additional development footprint to the portfolio of Max Estates Limited. The implementation of the Resolution Plan is subject to receipt of requisite approvals from regulatory and statutory authorities.
- b. The Group has received a notice under Section 25(7) of the Value Added Tax Act, 2005 for the assessment year (AY) 2016-17. The company declared a taxable turnover of Rs. 3,261.22 lakhs after accounting for Rs. 4,024.49 lakhs in expenses. The notice indicates that the deduction of expenses is allowed on the percentage of advance received of the total consideration. The expenses above such proportionate amount were disallowed and a revised taxable income is Rs. 325.55 lakhs was calculated, leading to a demand of Rs. 21.24 lakhs for the shortfall in tax payment. The Holding Company has replied to the above order and has assessed that it is only possible, but not probable, that outflow of economic resources will be required. Hence, no impact thereof has been taken in these Ind AS financial statements for the period ended March 31, 2022

35 Gratuity

The Company has a defined benefit gratuity plan. Under Gratuity Plan, every employee who has completed five years or more of service and is due for departure at 15 days of last drawn salary for each completed year of service.

		(Rs. in Lakhs)
		As at
		March 31, 2022
a)	Reconciliation of opening and closing balances of defined benefit obligation	
	Defined benefit obligation at the beginning of the year	56.77
	Interest expense	7.31
	Current service cost	18.71
	Benefit paid	(2.85)
	Acquisition adjustment	-
	Actuarial changes arising from changes in financial assumptions	(0.02)
	Actuarial changes arising from changes in experience adjustments	(6.23)
	Defined benefit obligation at year end	73.69
b)	Reconciliation of opening and closing balances of fair value of plan assets	
	Fair value of plan assets at beginning of the year	-
	Expected return on plan assets	-
	Employer contribution	-
	Remeasurement of (Gain)/loss in other comprehensive income	-
	Fair value of plan assets at year end	-
c)	Net defined benefit asset/ (liability) recognized in the balance sheet	
	Fair value of plan assets	
	Present value of defined benefit obligation	73.69
	Amount recognized in balance sheet- asset / (liability)	73.69
d)	Net defined benefit expense (recognized in the statement of profit and loss for the year)	
	Current service cost	22.17
	Interest cost on benefit obligation	3.85
	Less: Expense capitalised	(13.15)
	Net defined benefit expense debited to statement of profit and loss	12.87
e)	Remeasurment (gain)/loss recognised in other comprehensive income	
	Actuarial changes arising from changes in financial assumptions	-
	Actuarial changes arising from changes in experience adjustments	(6.23)
	Less: Expense capitalised	2.30
	Recognised in other comprehensive income	(3.93)
f)	Quantitative sensitivity analysis for significant assumptions is as below:	
	Increase / (decrease) on present value of defined benefits obligations at the end of the year	
	<u>Discount rate</u>	
	Increase by 0.50%	(36.60)
	Decrease by 0.50%	41.27
	<u>Salary growth rate</u>	
	Increase by 0.50%	39.98
	Decrease by 0.50%	(35.90)

Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

- g) The average duration of the defined benefit plan obligation at the end of the reporting period is 7- 21 years.
- h) The Group expects to contribute Rs Nil to the planned assets during the next financial year.
- i) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the actuary.
- j) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- k) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

l) **Risk Exposure**

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Group is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

36 Leave Encashment (unfunded)

The Company recognises the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation.

The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year :

	(Rs. in Lakhs)
	for the year ended March
	31, 2022
Liability at the beginning of the year	102.42
Benefits paid during the year	(5.25)
Provided during the year	16.53
Liability at the end of the year	113.70

37 Fair value of financial instruments

The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value:

Category	(Rs. in Lakhs)	
	Carrying value March 31, 2022	Fair value March 31, 2022
Financial asset at amortized cost		
Non-Current		
Financial assets	245.06	245.06
Current		
Other-current financial assets	1,268.01	1,268.01
Financial asset measured at fair value		
Current		
Current investments	1,274.28	1,274.28
Financial liabilities at amortized cost		
Non-Current borrowings	28,335.38	28,335.38
Current borrowings	3,176.68	3,176.68

The Group's management assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors and other current financial assets and liabilities are considered to be the same as their fair values, due to their short term nature.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair value of loan taken, other non current financial assets and other non current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable inputs in the model, of which the significant observable inputs are market rate of interest which is 9-11% approximately. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

The fair value of investment in unquoted equity shares/ debt instruments and preference shares have been estimated using a discounted cash flow model. The valuation requires the management to make certain assumptions about the model inputs, including growth rate, discount rate etc. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments

The Group has investment in quoted mutual funds being valued at quoted market price in active markets.

The fair values of the Group's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2022 was assessed to be insignificant.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2022

Particulars	Carrying value March 31, 2022	(Rs. in Lakhs)		
		Level 1	Level 2	Level 3
Other non-current financial assets	245.06	-	-	245.06
Other-current financial assets	1,268.01	-	-	1,268.01
Current investments	1,274.28	1,274.28	-	-

(ii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2022

Particulars	Carrying value March 31, 2022	(Rs. in Lakhs)		
		Level 1	Level 2	Level 3
Non-Current borrowings	28,335.38	-	-	28,335.38
Current borrowings	3,176.68	-	-	3,176.68

Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

38 Financial risk management objectives and policies

The Group has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. Financial risk management is carried out by Finance department under policies approved by the Board of Directors from time to time. The Finance department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The Board of Directors approves written principles for overall financial risk management, as well as written policies covering specific areas, such as credit risk, use of derivative financial instruments and non-derivative financial instruments.

The Group is exposed to market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Group, duly supported by various Groups and Committees.

a) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Group while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Senior management of the Group.

The table below represents the maturity profile of Group's financial liabilities at the end of March 31, 2022 based on contractual undiscounted payments:

(Rs. in Lakhs)

	0-1 Years	1-5 Years	More than 5 Years	Total
March 31, 2022				
Interest bearing borrowings	3,176.68	28,335.38	-	31,512.06
Trade payable	997.48	-	-	997.48
Other financial liabilities	762.99	-	-	762.99
	4,937.15	28,335.38	-	33,272.53

Interest bearing borrowings

Excludes interest cash outflow as borrowings are on floating rate of interest.

Reconciliation of interest bearing borrowings

(Rs. in Lakhs)

	Note no	As at March 31, 2022
(i) Non-Current borrowings	15	28,319.44
(ii) Short-term borrowings	18	2,667.00
(iii) Current maturity of long term borrowings	18	509.68
Processing fees adjusted from borrowings		15.94
		31,512.06

Reconciliation of other financial liability

As at

	Note no	As at March 31, 2022
Other financial liabilities	18	762.99
		762.99

b) Credit risk

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables), including deposits with banks, foreign exchange transactions and other financial assets.

(i) Trade receivables

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management team assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on group/category basis. The calculation is based on historical data and available facts as on date of evaluation. Trade receivables comprise a widespread customer base. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in across and industries and operate in largely independent markets.

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Group.

The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 is the carrying amounts as illustrated in note 6 and 11.

c) 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 risks comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2022. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2022.

39 Related party disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Holding Company	Max Ventures Industries Limited
Fellow Subsidiary companies	Max Speciality Films Limited Max I Limited Max Asset Services Limited (formerly known as Max Learning Limited)
Names of other related parties with whom transactions have taken place during the year	
Relatives of Key Management personnel	Mr. Veer Singh (Son of Mr. Analjit Singh - Director) Ms. Piya Singh (Daughter of Mr. Analjit Singh - Director)
Key management personnel	Mr. Dinesh Kumar Mittal (Director) Mr. Sahil Vachani (Managing Director of Holding Company) Mr. Nitin Kumar Kansal (Chief Financial Officer of Holding Company) Mr. Saket Gupta (upto January 31, 2022)
Other Non-Executive/ Independent Directors	Mr. Analjit Singh (Director) Mr. Rishi Raj
Relatives of Key Management personnel	Mr. Veer Singh (Son of Mr. Analjit Singh - Director) Ms. Piya Singh (Daughter of Mr. Analjit Singh - Director)
Entities controlled or jointly controlled by person or entities where person has significantly influence	Max Ventures Private Limited Piveta Estates Private Limited Siva Realty Ventures Private Limited New Delhi House Services Limited Vana Enterprises Limited Four Season Foundation Lake View Enterprises Siva Enterprises Private Limited Leeu Collections South Africa Pty Limited Azure Hospitality Private Limited Max Life Insurance Company Limited Antara Senior Living Limited Antara Purukul Senior Living Limited Icare Health Projects And Research Private Limited Max India Limited Max India Foundation Max Financial Services Limited Max I Limited* Riga Foods LLP M/s Analjit Singh (HUF) Trophy Estates Private Limited Max Ateev Limited New York Life Insurance Company The Unstuff Hotel Co Limited New Delhi House Services Ltd. Vana Retreats Pvt. Ltd. Antara Assisted Care Services Limited Topline Electronics Private Limited Delhi Guest House Private Limited Vanaveda Lifestyle Private Limited Max Ventures Investment Holding Private Limited SKA Diagnostics Private Limited Vanavastra Private Limited Max One Distribution And Services Limited Max Skill First Limited Max Learning Ventures Limited Routes 2 Roots Antara Care Homes Limited Max UK Limited

Max Estates Limited
Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

39 (a) Details of transactions with related parties

(Rs. In lakhs)

S.No	Nature of transaction	Particulars	For the year ended March 31, 2022
1	Reimbursement of expenses (Received from)	Max Asset Services Limited	32.99
		Total	32.99
2	Reimbursement of expenses (Paid to)	Max Ventures & Industries Limited	127.85
		Max Life Insurance Co. Limited	2.43
		Antara Purukul Senior Living Ltd	0.10
		New Delhi House Services Ltd.	3.98
		Mr Saket Gupta	0.01
		RIGA Foods LLP	0.32
		Mr. Rishiraj	0.99
		Mr. Nitin Kumar	0.01
		Total	135.69
3	Revenue from Other Charges	Vanavastra Private Limited	8.97
		Routes to roots	1.08
		Total	10.05
4	Shared Services charges (paid to)	Max Ventures & Industries Limited	389.91
		Total	389.91
5	Security Deposit received	Max Asset Services Limited	0.90
		Max Learning Ventures Private Limited	23.87
		Routes to roots	0.44
		Total	25.21
6	Performace Guarentee Received	Max Asset Services Limited	86.68
		Total	86.68
7	Rent paid	Max Life Insurance Company Limited	256.10
		Total	256.10
8	Rent received	Max Asset Services Limited	78.43
		Antara Senior Living Limited	5.20
		Routes to roots	20.75
		Max Ateev Limited	0.22
		Antara Senior Living Limited	1.44
		Max Skill First Limited	0.72
		Max Learning Ventures	0.72
		Antara Care Homes Limited	0.72
		Max Asset Services Limited	77.50
		Siva Realty Ventures Private Limited	0.08
		RIGA Foods LLP	0.90
		Total	186.68
9	Revenue from Covid Vaccination Charges	Max Ventures & Industries Limited	0.29
		Max Ventures Private Limited	0.03
		Routes to Roots	0.43
		Max India Limited	0.13
		Max Life Insurance Company Limited	5.92
		Azure Hospitality Private Limited	2.23
		Antara Senior Living Limited	0.67
		Antara Assisted Care Services Limited	0.51
		Max Financials Services Limited	0.20
		Max India Foundation	1.79
		Max Skill First Limited	0.05
		New Delhi House Services Ltd.	1.49
		Piveta Estates Private Limited	0.04
		Max Speciality Films Limited	0.09
		Max Asset Services Limited	1.82
		Sahil Vachani	0.62
		Total	16.31
10	Interest on Unsecured Loan (Paid to)	Max Ventures & Industries Limited	268.65
		Total	268.65
11	CCD interest Paid	New York Life Insurance Company	686.19
		Total	686.19
12	Loan taken	Max Ventures & Industries Limited	892.00
		Total	892.00
13	Loan repayment	Max Ventures & Industries Limited	1,485.00
		Total	1,485.00
14	Corporate Social Responsibility	Max India Foundation	10.07
		Total	10.07
15	Brokerage Income	Trophy Estates Pvt Ltd	50.11
		Mr Analjit Singh	58.48
		Analjit Singh HUF	10.15
		Total	118.74
16	Project Management Consultancy (rendered to)	Max India Limited	20.00
		Total	20.00
17	Guarantee Fees	Max Ventures & Industries Limited	26.61
		Total	26.61

Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

39 (b) Details of balance outstandings with related parties

(Rs. In lakhs)

S.No	Nature of transaction	Particulars	As at March 31, 2022		
1	Interest Accrued on CCDs	New York Life Insurance Company	1,190.50		
		Total	1,190.50		
2	Loan outstanding	Max Ventures & Industries Limited	2,667.00		
		Total	2,667.00		
3	Compulsorily convertible debentures	Max Ventures & Industries Limited	57,164.00		
		New York Life Insurance Company	3,430.96		
		Total	60,594.96		
4	Trade payables and Capital Creditors	Antara Purukul Senior Living Limited	0.36		
		Max Asset Services Limited	20.02		
		Antara Assisted Care Services Ltd	0.13		
		New Delhi House Services Ltd.	0.48		
		Max Life Insurance Company Limited	91.78		
		Vana Retreats Pvt. Ltd.	1.91		
		Max Skill First Limited	0.18		
		Total	114.86		
		5	Trade receivables	Max One Distribution And Services Limited	0.03
				The Unstuffy Hotel Co Limited	13.02
Antara Senior Living Limited	1.95				
Max Skill First Limited	0.34				
Route 2 route	1.93				
Max Learning ventures Ltd	3.01				
Max India Limited	23.60				
Trophy Estates Private Limited	45.24				
Analjit Singh HUF	9.17				
Siva Realty Ventures (P) Ltd.	0.09				
Mr. Analjit Singh	52.80				
Total	151.18				
6	Other Receivables			Max Life Insurance Co. Limited	0.01
		Total	0.01		
7	Guarantee Fees	Max Ventures & Industries Limited	144.29		
		Total	144.29		
8	Security Deposit (Received)	Max Asset Services Limited	414.38		
		Route 2 route	4.38		
		Max Learning Ventures Pvt Ltd	23.87		
		Total	442.63		
9	Guarantee Taken	Max Ventures and Industries Limited	900.00		
		Total	900.00		

Terms and conditions of transactions with related parties

a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions

Max Estates Limited**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022****40 Expenditure on corporate social responsibility activities :**

As per section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been framed by the Group. The areas for CSR activities are promoting preventive health care, promoting education, promoting gender equality and empowering women, ensuring environment sustainability and protection of flora and fauna, training to promote rural sports and rural development projects.

Amount required to be spent during the year Rs. 10.07 lakhs

Sr. No.	Particulars	(Rs. in Lakhs)		
		For the year ended March 31, 2022		
		In cash	Yet to be paid in cash	Total
i)	Construction/acquisition of any asset	-	-	-
ii)	On purposes other than (i) above :			
	a) Promoting education	-	-	-
	b) Ensuring environment sustainability and protection of flora and fauna	-	-	-
	c) Health care services	-	-	-
	d) Rural development projects	-	-	-
	e) Training to promote rural sports	-	-	-
	f) Promoting gender equality and empowering women	-	-	-
	g) Contribution to skill development programmes	-	-	-
	h) Others	10.07	-	10.07
	Total	10.07	-	10.07

There are no ongoing projects as at March 31, 2022.

41 Segment reporting

The Group is a one segment company in the business of real estate's development. All its operations are located in India , accordingly, the management views these activities as one business segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Segment Reporting'. All assets located and revenue is generated in India for all period presented. There are no customer from whom revenue is moere than 10% of the total external revenue of the group.

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42 Material partly owned subsidiaries

All the subsidiaries are incorporated in India. The financial information of subsidiaries that have material non-controlling interests as at March 31, 2022 is provided below:

a) Proportion of equity interest held by non-controlling interests:

Particulars	Max Square Limited	Pharmax Corporate Limited
	March 31, 2022	March 31, 2022
Proportion of equity interest held by non-controlling interests	49.00%	14.83%

b) Information regarding non-controlling interest

(Rs. in Lakhs)

Particulars	Max Square Limited	Pharmax Corporate Limited	March 31, 2022
	March 31, 2022	March 31, 2022	
Accumulated balances of non-controlling interest	1,210.15	2,213.12	3,423.27
Total Comprehensive income allocated to non-controlling interest	(7.73)	0.04	(7.69)

The summarised financial information of the subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarised statement of profit and loss for the year ended March 31, 2022:

(Rs. in Lakhs)

Particulars	Max Square Limited	Pharmax Corporate Limited	March 31, 2022
	March 31, 2022	March 31, 2022	
Revenue (including other incomes)	-	367.39	367.39
Total expenses	33.04	319.06	352.10
Profit before tax	(33.04)	48.33	15.30
Less: Tax expense	-	-	-
Profit for the year	(33.04)	48.33	15.30
Add/(Less): Other Comprehensive Income/loss	-	-	-
Total comprehensive income	(33.04)	48.33	15.30
Attributable to non-controlling interests	(7.73)	0.04	(7.69)
Dividends paid to non-controlling interests	-	-	-

Summarised balance sheet as at March 31, 2022

(Rs. in Lakhs)

Particulars	Max Square Limited	Pharmax Corporate Limited	March 31, 2022
	March 31, 2022	March 31, 2022	
Current assets, including cash and cash equivalents	727.64	2,047.01	2,774.65
Non-current assets	29,394.72	4,911.52	34,306.24
Current liabilities, including tax payable	699.26	3,402.80	4,102.06
Non-current liabilities, including deferred tax liabilities	22,400.43	1,342.61	23,743.04
Total equity	7,022.67	2,213.12	9,235.79
Attributable to:			
Equity holders of parent	3,581.56	328.21	3,909.77
Non-controlling interest	1,538.36	1,884.91	3,423.27

Summarised cash flow information as at March 31, 2022

(Rs. in Lakhs)

Particulars	Max Square Limited	Pharmax Corporate Limited	March 31, 2022
	March 31, 2022	March 31, 2022	
Operating	1,533.07	(56.95)	1,476.12
Investing	(11,468.47)	(2,725.39)	(14,193.86)
Financing	9,919.36	2,813.36	12,732.72
Net increase in cash and cash equivalents	(16.04)	31.02	14.98

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Max Estates Limited**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022****43 Capital Management**

For the purpose of the Group's capital management, capital includes issued equity capital attributable to the equity shareholders of the Group, securities premium and all other equity reserves. The primary objective of the Group's capital management is that it maintain an efficient capital structure and maximize the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 30% to 60%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, other bank balances.

	(Rs. in Lakhs)
	As at
	March 31, 2022
Borrowings	31,512.06
Other financial liabilities	4,505.95
Trade payables	997.48
Less: Cash and Cash equivalents	272.20
Other bank balances	4,576.66
Net debt	32,166.63
Equity share capital	7,791.00
Other equity	53,095.73
Non-controlling interest	3,423.27
Total equity	64,310.00
Total capital and net debt	96,476.63
Gearing ratio	33.34%

44 Additional disclosures as at and for the year ended March 31, 2022:

Name of the entity in the Group	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income		Share in total income	
	As % of consolidated net assets	(Rs. in Lakhs)	As % of consolidated profit/(loss)	(Rs. in Lakhs)	As % of consolidated other comprehensive income	(Rs. in Lakhs)	As % of consolidated total comprehensive income	(Rs. in Lakhs)	As % of total income	(Rs. in Lakhs)
Parent										
Max Estates Limited	94.08%	60,504.83	108.64%	534.73	100.00%	2.94	108.59%	537.67	4,947.71	66.92%
Subsidiary										
Max Square Limited	10.90%	7,009.42	(6.71%)	(33.05)	0.00%	-	(6.67%)	(33.05)	-	0.00%
Pharmax Corporation Limited	3.44%	2,215.36	10.27%	50.57	0.00%	-	10.21%	50.57	375.61	5.08%
Max Towers Private Limited	53.34%	34,305.48	143.24%	705.04	0.00%	-	142.39%	705.04	3,161.21	42.76%
Non controlling interests in all subsidiaries	5.32%	3,423.27	(1.56%)	(7.69)	0.00%	-	(1.55%)	(7.69)	-	0.00%
Eliminations	(67.09%)	(43,148.36)	(153.88%)	(757.40)	0.00%	-	(152.97%)	(757.40)	(3,539.38)	(47.87%)
	100.00%	64,310.00	100.00%	492.20	100.00%	2.94	100.00%	495.14	7,393.47	100.00%

Max Estates Limited

Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022

45 Events after reporting period

a Subsequent to year end, Company has entered into a binding Memorandum of Understanding dated 30th April 2024 ("MoU") with New York Life Insurance Company ("NYL") for investment in Max Towers Private Limited ("MTPL") and Pharmax Corporation Limited ("PCL"), Wholly Owned Subsidiaries of the Company as detailed below:

- NYL will (i) subscribe to 1,07,89,330 equity shares to be issued by MTPL for an aggregate consideration of approximately Rs. 5,652.5 lakhs; and (ii) acquire 2,63,76,841 equity shares of MTPL, from the Company for an aggregate consideration of approximately Rs. 13,818.8 lakhs (collectively, "MTPL Transaction"); and

- NYL will (i) subscribe to 74,48,814 equity shares to be issued by PCL for an aggregate consideration of approximately Rs. 3,475.6 lakhs; and (ii) acquire 3,40,64,700 equity shares of PCL, from the Company for an aggregate consideration of approximately Rs. 15,894.6 lakhs (collectively, "PCL Transaction").

Further, upon the consummation of the Transaction as envisaged above, Company and NYL will hold 51% and 49% of the share capital of MTPL & PCL, respectively, on a fully diluted basis. The aggregate consideration with respect to the MTPL Transaction and PCL Transaction are subject to working capital and net debt adjustments as at the closing date, which will be more specifically set out in the Definitive Documents.

b Subsequent to year end, The Company has constituted an "Max Estates Employee Stock Option Plan 2023" ('ESOP Plan 2023') which have been approved by the Board in the meeting held on July 31, 2023 and by shareholders of the Company in its annual general meeting held on December 22, 2023 generally based on similar terms and conditions to the relevant ESOP plan of its Holding Company "Max Ventures and Industries Limited. The ESOP Plan 2023 provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company and to the eligible employees of the group company(ies), including subsidiary company(ies) and/or associate company(ies) (present or future) of the Company . The ESOP Plan 2023 is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. The ESOP Plan 2023 gives an option to the employee to purchase the share at a price determined by Nomination and Remuneration committee (NRC) subject to minimum par value of shares (Rs. 10/-). The Company has valued Employee Stock Option outstanding as at year end presuming all the employees will exercise their option in favor of equity settlement based on trend.

c Subsequent to year end, the Composite Scheme of Amalgamation and Arrangement ('Scheme') amongst Max Ventures and Industries Limited ('Transferor Company') and Max Estates Limited ('Company' or 'Transferee Company') and their respective shareholders and Creditors was filed under the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. The Hon'ble National Company Law Tribunal, Chandigarh Bench ("Hon'ble NCLT") vide its order dated July 03, 2023 approved the aforesaid Scheme. As per the Scheme, the merger of Transferor Company into Company has been accounted with effect from April 01, 2022 ('Appointed Date') to comply with the accounting treatment prescribed in the Scheme, which is in compliance with the MCA general circular no. 09/2019 dated August 21, 2019. This amalgamation, being a common control business combination as per Ind AS 103 'Business Combinations', Group has accounted for business combination from the combination date (i.e., the date on which control has been transferred) or the earliest date presented in the financial statements, whichever is later i.e. April 1, 2022.

d Subsequent to year end, The Company had submitted its resolution plan for resolution of Boulevard Projects Private Limited. The Hon'ble NCLT, New Delhi has approved the said Resolution Plan, for the development of commercial plot admeasuring 34,697 sq mtrs, located in NOIDA under the project name 'Delhi One'. This acquisition has potential to add ~3 million sq. ft. of additional development footprint to the portfolio of Max Estates Limited. The implementation of the Resolution Plan was subjected to receipt of requisite approvals from regulatory and statutory authorities. However, certain fundamental reliefs imperative for implementing the plan are being sought from NOIDA for which the Company has filed an appeal in NCLAT on 11 April 2023. Same has been decided in favour of the Company subsequent to period end.

e Subsequent to year end and post-merger order of the Company with its Holding Company, Max Estates 128 Private Limited, a wholly owned subsidiary of the Company had launched its first luxury residential project, Estate 128, located at Sector 128 and the same is registered with UP RERA number as UPRERAPRJ446459. The project has achieved a sale of over Rs.1,800 crores approximately Estate 128 is built across 10 acres, with 3 high rise towers having 201 units anchored in the organisation's LiveWell philosophy.

f Subsequent to year end and post-merger order of the Company with its Holding Company, Max Estates Gurgaon Limited (MEGL), a wholly owned subsidiary of Max Estates Limited, has entered into a Joint Development Agreement (JDA) for the development of land parcels. MEGL has paid to the landowners a sum of Rs. 9,395 lakhs as an interest free refundable security as per JDA. The security deposit is refundable to the company as and when Revenue accrues in the hands of the landowners.

g Subsequent to year end and post-merger order of the Company with its Holding Company, through its wholly owned subsidiary, Max Estates Gurgaon Two Limited, signed a binding agreement for a Residential development in Gurugram with over 18.23 acres of land.

h Subsequent to year end, Company has incorporated a subsidiary Acreage Builders Private Limited and sold its 49% stake to New York Life Insurance Corporation.

i Subsequent to year end, Group, through its wholly owned subsidiary, Max Estates Gurgaon Two Limited, signed a binding agreement for a Residential development opportunity in Gurugram with Gross Development Value potential of over Rs. 900,000 lakhs (18.23 acres of land).

46 Disclosure pursuant to amendment to Ind AS 7 (Statement of Cash flows)

Particulars	Opening balance April 1, 2021	Cash flows			Closing balance March 31, 2022
		Proceeds	Repayment	Net Movement	
Term loans from banks	14,979.25	12,181.54	2,796.71	9,384.83	24,364.08
Vehicle loans	38.68	-	7.34	(7.34)	31.34
Short term borrowings	2,284.05	892.64	-	892.63	3,176.68
Total liabilities from financing activities	17,301.98	13,074.18	2,804.05	10,270.12	27,572.10

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Max Estates Limited**Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2022**

47 These Consolidated financial statement for the year ended March 31, 2022 has been prepared in connection with raising of funds in accordance with provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Regulations) Requirement, 2018.

48 Other statutory information

- (i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group does not have any transactions with companies that are struck off.
- (iii) The Group does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group 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 Group (Ultimate Beneficiaries) or
 - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Group 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 Group 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)
 - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Group has not made 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.
- (viii) The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.
- (ix) The title deeds of all the immovable properties are held in the name of the Group.
- (x) None of the entities in the group have been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (xi) The Group has complied with the number of layers prescribed under the Companies Act, 2013.
- (xii) The Group has not entered into any scheme of arrangement which has an accounting impact on current financial year.
- (xiii) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current.

For K.K.MANKESHWAR & CO.

Chartered Accountants

ICAI Firm Registration Number: 106009W

For and on behalf of the Board of Directors of Max Estates Limited**per Dinesh Kumar Bachchas**

Partner

Membership Number: 097820

Dinesh Kumar Mittal

(Director)

DIN: 00040000

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Abhishek Mishra

(Company Secretary)

Place: Noida

Date: August 29, 2024

Place: Noida

Date: August 29, 2024