THIS IS AN ANNOUNCEMENT FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE TO SECURITIES. NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY

# MAX ESTATES LIMITED

**Registered Office:** 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. S.B.S. Nagar (Nawanshahar), Punjab – 144533, India
**Corporate Office:** Max Towers, L20, C-001/A, Sector – 16B, Noida – 201301, Uttar Pradesh, India | **Telephone:** +91 120 474 3222 | **E-mail:** secretarial@maxestates.in | **Website:** www.maxestates.in | **CIN:** L70200PB2016PLC040200

Our Company was incorporated as public limited company under the name "Max Estates Limited" pursuant to a certificate of incorporation dated March 22, 2016 issued by the Registrar of Companies, Chandigarh, under the provisions of the Companies Act, 2013. For details of brief history of our Company, see "*General Information*" on page 349 of the Preliminary Placement Document.

Issue of up to [●] equity shares of face value of ₹ 10 each of our Company ("**Equity Shares**") at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share (the "**Issue Price**"), aggregating up to ₹ [●] lakhs (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 45 of the Preliminary Placement Document.

**THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT").**

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on August 28, 2024, was ₹ 665.90 and ₹ 666.50 per Equity Share, respectively. In-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue, have been received from BSE and NSE each on August 29, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

## ADDENDUM TO THE PRELIMINARY PLACEMENT DOCUMENT DATED AUGUST 29, 2024: NOTICE TO INVESTORS ("ADDENDUM")

This Addendum with reference to the Preliminary Placement Document dated August 29, 2024, filed with the Stock Exchanges.

As disclosed in the "*Capital Structure-Other Confirmations*" on page 107 of the Preliminary Placement Document, and as intimated to the Stock Exchanges by way of our intimations dated August 28, 2024 and August 31, 2024, a meeting of the Board of Directors held today i.e. August 31, 2024, has approved the raising of funds aggregating up to ₹ 15,000.00 lakhs, subject to statutory and regulatory approvals, and the approval of our Shareholders, by way of preferential issue ("**Preferential Issue**") of 22,83,104 convertible warrants, each exercisable into, or convertible for, one fully paid up Equity Share ("**Warrants**") at a price of ₹ 657.00 each payable in cash, which may be exercised in one or more tranches during the period commencing from the date of allotment of the Warrants until expiry of 18 months, subject to applicable laws and regulations, including the provisions of Chapter V of the SEBI ICDR Regulations and the Companies Act, to the promoters / members of the promoter group of the Company and non-promoter, public category ("**Proposed Allottees**") as set out below:

a. Max Ventures Investment Holdings Private Limited (one of our Promoters) – 11,41,552 Warrants
b. Sunil Vachani (Non-promoter, public) – 11,41,552 Warrants

The shareholding pattern of our Company post allotment of the Warrants (considering full conversion) is set out below:

| **Category** | **Pre Preferential Issue** | | **Post Preferential Issue*** | |
|---|---|---|---|---|
| | **Number of Equity Shares** | **%** | **Number of Equity Shares** | **%** |
| Promoters and promoter group (A) | 7,28,53,679 | 49.42 | 7,39,95,231 | 49.43 |
| Public (B) | 7,45,55,233 | 50.58 | 7,56,96,785 | 50.57 |
| **Total (A) + (B)** | **14,74,08,912** | **100.00** | **14,96,92,016** | **100.00** |

**Assuming full conversion of 22,83,104 Warrants proposed to be issued and allotted to Proposed Allottees, to 22,83,104 Equity Shares.*

The information in this Addendum supplements the information provided in the Preliminary Placement Document. The Preliminary Placement Document stands amended to the extent of the information stated above.

All references to the "Preliminary Placement Document" in the Preliminary Placement Document and the Application Form, shall be deemed to include the Preliminary Placement Document dated August 29, 2024 and this Addendum. The relevant changes shall be reflected in the Placement Document, as and when filed with the Stock Exchanges. All capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Preliminary Placement Document. This Addendum does not reflect all the changes that have occurred between the date of filing of the Preliminary Placement Document and the date hereof, and accordingly does not include all the changes and/or updates that will be included in the Placement Document.

| BOOK RUNNING LEAD MANAGERS ("BRLMs") | |
|---|---|
| IIFL SECURITIES | AMBIT Acumen at work |
| **IIFL SECURITIES LIMITED** | **AMBIT PRIVATE LIMITED** |

Place: Noida

**For Max Estates Limited**

Date: August 31, 2024

Sd/-
Abhishek Mishra
Company Secretary and Compliance Officer

**IMPORTANT NOTICE**

**NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES.**

**THIS OFFERING OF THE SECURITIES DESCRIBED IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IS AVAILABLE ONLY TO INVESTORS WHO ARE QUALIFIED INSTITUTIONAL BUYERS AS DEFINED UNDER REGULATION 2(1)(SS) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").**

**IMPORTANT: This e-mail is intended for the named recipient(s) only. If you are not an intended recipient, please delete this e-mail from your system immediately. You must read the following before continuing.** The following applies to the pre-numbered preliminary placement document of Max Estates Limited (the "**Company**") dated August 29, 2024 in relation to the proposed qualified institutions placement of equity shares of ₹ 10 each ("**Equity Shares**") by the Company filed with BSE Limited and National Stock Exchange of India Limited (the "**Stock Exchanges**") (such document, the "**Preliminary Placement Document**") attached to this e-mail, and you are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached Preliminary Placement Document. In accessing the Preliminary Placement Document, you acknowledge and agree to be bound by the following terms and conditions, including any modifications to them, from time to time, each time you receive any information from us as a result of such access. The information in the Preliminary Placement Document is confidential and subject to updation, completion, revision, verification, amendment and change without notice. IIFL Securities Limited and Ambit Private Limited (the "**Lead Managers**") or any person who controls any of them or the Company or any of their respective affiliates, directors, officers, employees, agents, representatives or advisers accepts any liability whatsoever for any loss howsoever arising from any use of this e-mail or the attached Preliminary Placement Document or their respective contents or otherwise arising in connection therewith. **You acknowledge that the Preliminary Placement Document is intended for use by you only and you agree not to forward it to any other person, internal or external to your company, in whole or in part, or otherwise provide access via e-mail or otherwise to any other person.**

**INVESTING IN THE EQUITY SHARES DESCRIBED IN THE PRELIMINARY PLACEMENT DOCUMENT INVOLVES RISKS AND YOU SHOULD NOT INVEST ANY FUNDS IN THE EQUITY SHARES, UNLESS YOU ARE PREPARED TO RISK LOSING ALL OR PART OF YOUR INVESTMENT. YOU ARE ADVISED TO CAREFULLY READ THE SECTION TITLED "RISK FACTORS" AS WELL AS INFORMATION CONTAINED ELSEWHERE IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT BEFORE MAKING AN INVESTMENT DECISION.**

**THE EQUITY SHARES OFFERED IN THE ISSUE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY STATE SECURITIES LAWS IN THE UNITED STATES, AND UNLESS SO REGISTERED, AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND ANY APPLICABLE U.S. STATE SECURITIES LAWS. YOU UNDERSTAND THAT THE EQUITY SHARES OFFERED IN THE ISSUE ARE BEING OFFERED AND SOLD ONLY OUTSIDE THE UNITED STATES IN "OFFSHORE TRANSACTIONS", AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT ("REGULATION S") AND YOU REPRESENT THAT YOU WERE OUTSIDE THE UNITED STATES WHEN THE OFFER TO PURCHASE THE EQUITY SHARES WAS MADE TO YOU AND YOU ARE CURRENTLY OUTSIDE THE UNITED STATES AND THAT YOU ARE NOT ACQUIRING OR SUBSCRIBING FOR THE EQUITY SHARES AS A RESULT OF ANY "DIRECTED SELLING EFFORTS" (AS DEFINED IN REGULATION S).**

FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE EQUITY SHARES OF THE COMPANY AND DISTRIBUTION OF THE PRELIMINARY PLACEMENT DOCUMENT, SEE "SELLING RESTRICTIONS", "NOTICE TO INVESTORS", AND "TRANSFER RESTRICTIONS". THE ATTACHED PRE-NUMBERED PRELIMINARY PLACEMENT DOCUMENT MAY NOT BE FORWARDED, DOWNLOADED, DELIVERED OR DISTRIBUTED, IN WHOLE OR IN PART, ELECTRONICALLY OR OTHERWISE TO ANY OTHER PERSON AND MAY NOT BE

REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE EQUITY SHARES DESCRIBED IN THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT.

This Issue and the distribution of the Preliminary Placement Document is being done in reliance upon Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, and other applicable provisions of the Companies Act, 2013 and rules framed thereunder, each as amended (together, the "**Companies Act**").,. The Preliminary Placement Document is personal to each prospective investor and does not constitute an offer or invitation or solicitation of an offer to the public or to any other person or class of investors.

**Confirmation of your Representation:** You are accessing the attached Preliminary Placement Document on the basis that you have confirmed your representation, agreement and acknowledgement to the Lead Managers that: (1) you are the intended recipient of the attached Preliminary Placement Document; (2) the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions and to the extent that you purchase the securities described in the attached Preliminary Placement Document, you will be doing so pursuant to Regulation S; (3) the securities offered hereby have not been registered under the Securities Act; (4) you consent to delivery of the attached Preliminary Placement Document and any amendments or supplements thereto by electronic transmission; (5) you are a "Qualified Institutional Buyer" as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not restricted from participating in the offering under the SEBI ICDR Regulations and other applicable laws and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (6) you are aware that your name will be included in the Placement Document as proposed allottees along with the number of Equity Shares proposed to be Allotted to you and the percentage of your post issue shareholding in the Company and you consent to such disclosure; (7) you are aware that if you, together with any other Qualified Institutional Buyers belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in this Issue, the Company shall be required to disclose your name, along with the name of such other Allottees and the number of Equity Shares Allotted to you and to such other Allottees, on the website of the Stock Exchanges, and you consent to such disclosure; (8) you are aware that if you are circulated the Preliminary Placement Document or are Allotted any Equity Shares in the Issue, the Company is required to disclose details such as your name, address, PAN, email-id and the number of Equity Shares Allotted along with other relevant information as may be required, to the Registrar of Companies, Punjab and Chandigarh at Chandigarh and you consent to such disclosures; and (9) that you consent to delivery of the attached Preliminary Placement Document and any amendments or supplements thereto and the final placement document for the Issue by electronic transmission.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the issuer of the securities or the Lead Managers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute a "general solicitation" or "general advertising" (each as defined in Regulation D under the Securities Act) or "directed selling efforts" (as defined in Regulation S) in the United States or elsewhere. You are reminded that the attached Preliminary Placement Document has been delivered to you on the basis that you are a person into whose possession the attached Preliminary Placement Document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the attached Preliminary Placement Document to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or invitation or solicitation in any place where offers, invitations or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and Lead Managers or any affiliate of the Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Lead Managers or such affiliate on behalf of the Company in such jurisdiction. Further, nothing in this electronic transmission constitutes an offer or an invitation or solicitation of an offer or an offer or invitation to the public under the Companies Act, 2013, or any other applicable law, by or on behalf of either the Company or the Lead Managers to subscribe for or purchase any of the equity shares described in the attached Preliminary Placement Document. The attached Preliminary Placement Document has not been and will not be filed as a prospectus with any registrar of companies in India and is not and should not be construed as an offering circular, an offering memorandum, an advertisement, an offer or an offer document under the SEBI ICDR Regulations, Companies Act, 2013 or any other applicable law. The attached Preliminary Placement Document has not been and will not be reviewed or approved by any regulatory authority in India, including the Securities and Exchange Board of India, the Reserve Bank of India, any registrar of companies in India or any stock exchange in India. The attached Preliminary Placement Document is not and should not be construed as an invitation, offer or sale of any securities to the public in India.

The Preliminary Placement Document been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Company, Lead Managers or any person who controls any of them or any director, officer, employee or agent of any of them or affiliate of any of them accepts any liability or responsibility whatsoever in respect of any difference between the Preliminary Placement Document distributed to you in electronic format and the hard copy version available to you on request from the Lead Managers. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature. The attached Preliminary Placement Document is intended only for use by the addressee named herein and may contain legally privileged and / or confidential information. If you are not the intended recipient of the attached Preliminary Placement Document, you are hereby notified that any dissemination, distribution or copying of the attached Preliminary Placement Document is strictly prohibited. If you have received the attached Preliminary Placement Document in error, please immediately notify the sender or the Lead Managers by reply email and destroy the email received and any printouts of it.

You are reminded that no representation or warranty, expressed or implied, is made or given by or on behalf of the Lead Managers named herein, nor any person who controls them or any director, officer, employee or agent of them, or affiliate or associate of any such person as to the accuracy, completeness or fairness of the information or opinions contained in this document and such persons do not accept responsibility or liability for any such information or opinions.

**Actions That You May Not Take:** You should not reply by e-mail to this announcement, and you may not purchase any of the equity shares described in the attached pre-numbered Preliminary Placement Document by doing so. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected. You may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person. You are reminded that the information in the attached document is not complete and may be changed at any time without notice.

**YOU MAY NOT AND ARE NOT AUTHORIZED TO (1) FORWARD, DISTRIBUTE OR DELIVER THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT, ELECTRONICALLY OR OTHERWISE, OR DISCLOSE THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT, IN WHOLE OR IN PART, TO ANY OTHER PERSON OR (2) REPRODUCE IN WHOLE OR PART THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISSEMINATION, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

**You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.**

**Capital terms used but not defined herein shall have the meaning ascribed to such terms in the Preliminary Placement Document attached hereto.**

*Preliminary Placement Document*
*Subject to Completion*
*Not for Circulation and Strictly Confidential*
*Serial Number:* [●]

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible QIBs under Chapter VI of the SEBI ICDR Regulations, on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Equity Shares. This Preliminary Placement Document is not an offer to sell any Equity Shares and is not soliciting an offer to subscribe to or buy the Equity Shares in any jurisdiction where such offer, sale or subscription is not permitted. It is being issued for the sole purpose of information or discussion relating to the Equity Shares that may be issued through the Placement Document.

# MAX ESTATES LIMITED

**Registered Office:** 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. S.B.S. Nagar (Nawanshahar), Punjab – 144533, India | **Corporate Office:** Max Towers, L20, C-001/A, Sector – 16B, Noida – 201301, Uttar Pradesh, India | **Telephone:** +91 120 474 3222 | **E-mail:** secretarial@maxestates.in | **Website:** www.maxestates.in | **CIN:** L70200PB2016PLC040200

Our Company was incorporated as public limited company under the name "Max Estates Limited" pursuant to a certificate of incorporation dated March 22, 2016 issued by the Registrar of Companies, Chandigarh, under the provisions of the Companies Act, 2013. For details of brief history of our Company, see "*General Information*" on page 349.

Issue of up to [●] equity shares of face value of ₹ 10 each of our Company ("**Equity Shares**") at a price of ₹ [●] per Equity Share, including a premium of ₹ [●] per Equity Share (the "**Issue Price**"), aggregating up to ₹ [●] lakhs (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 45.

**THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013 READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT").**

**OUR COMPANY HAS PREPARED THIS PRELIMINARY PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs (AS DEFINED HEREINAFTER) IN RELIANCE UPON SECTIONS 42 AND 62 OF THE COMPANIES ACT AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PRELIMINARY PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN ELIGIBLE QIBs. THIS PRELIMINARY PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.**

**YOU MAY NOT AND ARE NOT AUTHORISED TO (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN VIOLATION OF THE COMPANIES ACT, THE SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.**

**INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 62 BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE, EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT (AS DEFINED HEREINAFTER). PROSPECTIVE INVESTORS SHALL CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES AND OUR COMPANY. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS PRELIMINARY PLACEMENT DOCUMENT AND/OR THE PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND/OR LEGAL ADVISOR.**

The Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE as on August 28, 2024, was ₹ 665.90 and ₹ 666.50 per Equity Share, respectively. In-principle approvals pursuant to Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("**SEBI Listing Regulations**"), for listing of the Equity Shares to be issued pursuant to the Issue, have been received from BSE and NSE each on August 29, 2024. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

A copy of this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) has been delivered to the Stock Exchanges and a copy of the Placement Document (which shall also include disclosures prescribed under Form PAS-4) will be delivered to the Stock Exchanges in due course. Our Company shall also make requisite filings with the RoC (as defined hereinafter), within the stipulated timeframe prescribed under the Companies Act and the PAS Rules (as defined hereinafter), as amended. This Preliminary Placement Document has not been reviewed by SEBI, the Stock Exchanges, RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Preliminary Placement Document has not been and will not be filed as a prospectus with the RoC, will not be circulated or distributed to the public in India or any other jurisdiction, and the Issue will not constitute a public offer in India or any other jurisdiction.

Invitations, offers and sales of Equity Shares to be issued pursuant to the Issue shall only be made pursuant to this Preliminary Placement Document together with the Application Form, the Placement Document and the Confirmation of Allocation Note (as defined hereinafter). For further details, see "*Issue Procedure*" on page 278. The distribution of this Preliminary Placement Document or the disclosure of its contents, without our Company's prior consent, to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("**Regulation S**") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 297. The Equity Shares sold in the Issue are transferable only in accordance with the restrictions described in the sections *"Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions"* on pages 297 and 305, respectively.

The information on our Company's website at www.maxestates.in or any website directly or indirectly linked to our Company's website or the website of the respective BRLMs (as defined hereinafter) or any of its affiliates does not constitute nor form a part of this Preliminary Placement Document and prospective investors should not rely on any such information contained in, or available through, any such websites for their investment in this Issue.

**This Preliminary Placement Document is dated August 29, 2024.**

| BOOK RUNNING LEAD MANAGERS ("BRLMs") | |
|---|---|
| | |
| **IIFL SECURITIES LIMITED** | **AMBIT PRIVATE LIMITED** |

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## NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all of the information contained in this Preliminary Placement Document and confirms that to the best of its knowledge and belief, having made all reasonable enquiries, this Preliminary Placement Document contains all information with respect to our Company, our Subsidiaries and the Equity Shares which is material in the context of the Issue. The statements contained in this Preliminary Placement Document relating to our Company, our Subsidiaries and the Equity Shares are, in all material respects, true, accurate and not misleading, and the opinions and intentions expressed in this Preliminary Placement Document with regard to our Company, our Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to our Company and our Subsidiaries. There are no other facts in relation to our Company, our Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated, all information in this Preliminary Placement Document is provided as of the date of this Preliminary Placement Document and neither our Company nor our Subsidiaries or the Book Running Lead Managers have any obligation to update such information to a later date.

The information contained in this Preliminary Placement Document has been provided by our Company and from other sources identified herein, as applicable. This Preliminary Placement Document is being furnished on a confidential basis solely for the purpose of enabling a prospective investor to consider subscribing for the particular securities described herein. The BRLMs have not separately verified all of the information contained in this Preliminary Placement Document (financial, legal or otherwise). Accordingly, neither the BRLMs nor any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the BRLMs and/or by any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or any other affiliates as to the accuracy or completeness of the information contained in this Preliminary Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries and the Equity Shares or distribution of this Preliminary Placement Document. Each person receiving this Preliminary Placement Document acknowledges that such person has not relied either on the BRLMs or on any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, associates or any other affiliates in connection with such person’s investigation of the accuracy of such information or such person’s investment decision, and each such person must rely on its own examination of our Company, our Subsidiaries and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

No person is authorised to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of our Company or by or on behalf of the BRLMs. The delivery of this Preliminary Placement Document at any time does not imply that the information contained in it is correct as of any time subsequent to its date.

**The Equity Shares offered in the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including SEBI or the Stock Exchanges. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in certain jurisdictions.**

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in “offshore transactions” as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdictions where such offers and sales are made. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain other jurisdictions, see “*Selling Restrictions*” beginning on page 297. The Equity Shares sold in the Issue are transferable only in accordance with the restrictions described in the sections “*Selling Restrictions*” and “*Purchaser Representations and Transfer Restrictions*” on pages 297 and 305, respectively.

The distribution of this Preliminary Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the BRLMs or their representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares is unauthorised and prohibited. Each Bidder, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document. Any reproduction or distribution of this Preliminary Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

The distribution of this Preliminary Placement Document and the issue of Equity Shares may be restricted in certain countries or jurisdictions by applicable laws. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any country or jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

In particular, no action has been nor will be taken by our Company or the BRLMs which would permit an offering of the Equity Shares being offered in the Issue or distribution of this Preliminary Placement Document in any country or jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For a description of the restrictions applicable to the offer , transfer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 297 and 305, respectively.

In making an investment decision, the Bidders must rely on their own examination of our Company, our Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved. Bidders should not construe the contents of this Preliminary Placement Document as legal, business, tax, accounting or investment advice. Bidders should consult their own counsel and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, our Company or the BRLMs are not making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to the Issue regarding the legality or suitability of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. The Bidders of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company.

Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company under applicable law, including Chapter VI of the SEBI ICDR Regulations, Sections 42 and 62 of the Companies Act, 2013, Rule 14 of the PAS Rules and other provisions of the Companies Act, 2013 and that it is not prohibited by SEBI or any other regulatory, statutory or judicial authority, in India or any other jurisdiction, from buying, selling or dealing in securities including the Equity Shares or otherwise accessing the capital markets in India. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

Our Company and the BRLMs are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, QIBs are required to satisfy themselves that their Bids would not eventually result in triggering a tender offer under the Takeover Regulations and the QIBs shall be solely responsible for compliance with the provisions of the Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents.

This Preliminary Placement Document does not purport to contain all the information that any Eligible QIB may require. Further, this Preliminary Placement Document has been prepared for information purposes to the Issue only and upon the express understanding that it will be used for the purposes set forth herein.

Our Company does not undertake to update the Placement Document to reflect subsequent events after the date of the Placement Document and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of this Preliminary Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof.

The information on our Company's website, www.maxestates.in or any website directly or indirectly linked to the website of our Company or on the website of the BRLMs or any of its affiliates or agents, does not and shall not constitute nor form part of this Preliminary Placement Document. Bidders should not rely on any such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

## NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Preliminary Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 297 and 305, respectively.

Any information about our Company available on the websites of the Stock Exchanges, our Company or the BRLMs, other than this Preliminary Placement Document, shall not constitute a part of this Preliminary Placement Document and no investment decision should be made on the basis of such information.

## REPRESENTATIONS BY INVESTORS

All references to "you" or "your" in this section are to the Bidders in this Issue. By Bidding for and/or subscribing to any of the Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to contents set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 1, 297 and 305, respectively, and have represented, warranted and acknowledged to and agreed to our Company and to each of the BRLMs as follows:

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or our Subsidiaries which is not set forth in this Preliminary Placement Document;

- You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted (hereinafter defined) to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws; and (ii) comply with all requirements under the SEBI ICDR Regulations, the Companies Act, 2013 and all other applicable laws in this relation, including reporting obligations, requirements/ making necessary filings, if any, in connection with the Issue or otherwise accessing capital markets;

- You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter) and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory authority, statutory authority or otherwise, from buying, selling, or dealing in securities or otherwise accessing capital markets in India;

- If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in this Preliminary Placement Document, you have a valid and existing registration with SEBI under the applicable laws in India or (ii) multilateral or bilateral development financial institution and can participate in the Issue only under Schedule II of FEMA Rules, and you are eligible to invest in India under the applicable laws including notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws. You have not been prohibited by SEBI, RBI or any other regulatory authority, from buying, selling or dealing in securities including to the Equity Shares or otherwise accessing the capital markets. You confirm that you are not a FVCI. Additionally, you are aware that, in terms of the SEBI FPI Regulations, you are not permitted to acquire 10% or more of the total post issue paid-up equity capital on a fully diluted basis of our Company;

- You will provide the information as required under the Companies Act, 2013, the PAS Rules and applicable provisions of SEBI ICDR Regulations and any other applicable rules for record keeping by our Company, including your name, complete address, phone number, e-mail address, permanent account number (if applicable) and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act, 2013 and other applicable laws;

- You are eligible to invest and hold the Equity Shares of our Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the government approval route), foreign direct investments can only be made through the government approval route, as prescribed in the FEMA Rules**.**

- If you are Allotted Equity Shares pursuant to the Issue, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. For more information, please see the sections entitled *"Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions"* on page 297 and 305, respectively;

- You are aware that this Preliminary Placement Document and the Placement Document has not been and will not be filed as a prospectus with the RoC under the Companies Act, 2013, the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. This Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4) has not been reviewed, verified or affirmed by the RBI, SEBI, the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

- This Preliminary Placement Document has been filed, and the Placement Document will be filed, with the Stock Exchanges for record purposes only and this Preliminary Placement Document and the Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

- You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have necessary capacity, have obtained all necessary consents, governmental or otherwise and authorisations and complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document), and will honour such obligations;

- You are aware that, our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are not making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue and your participation in the Issue is on the basis that you are not, and will not, up to the Allotment, be a client of the BRLMs. The BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any duties or responsibilities to you for providing the protection afforded to their clients or customers or for providing advice in relation to the Issue and are not, in any way, acting in any fiduciary capacity in relation to you;

- You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by our Company or its agents (the "**Company Presentations**") with regard to our Company or the Issue; or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the BRLMs may not have knowledge of the statements that our Company or its agents may have made at such Company Presentations and is therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the BRLMs has advised you not to place undue reliance in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and the Issue that was not publicly available;

- Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made on the basis of any information, which is not set forth in this Preliminary Placement Document;

- You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law, including but not limited to the SEBI Insider Trading Regulations, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended, and the Companies Act, 2013;

- You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to receive dividend and other distributions declared.

- All statements other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding us or our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our business), are forward-looking statements. You are aware that, such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Preliminary Placement Document. None of our Company, the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

- You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public, or any other category other than Eligible QIBs, and the Allotment of the same shall be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company will be required to disclose names and percentage of post-Issue shareholding of the proposed Allottees in the Placement Document, as applicable. However, disclosure of such details in relation to the proposed Allottees in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

- You are aware that the pre-Issue and post-Issue shareholding pattern of our Company, as required by the SEBI Listing Regulations, will be filed by our Company with the Stock Exchanges;

- You are aware that if you together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, our Company shall be required to disclose your name and the number of the Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make the same available on their website and you consent to such disclosures;

- You have been provided a serially numbered copy of this Preliminary Placement Document and have read it in its entirety, including in particular, "*Risk Factors*" on page 62;

- In making your investment decision, you have (i) relied on your own examination of us, the Equity Shares and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of us, the Equity Shares and the terms of the Issue, based solely on and in reliance of the information as is publicly available or contained in this Preliminary Placement Document and no other disclosure or representation by our Company or any other party, (iii) consulted your own independent counsel and advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws (including tax laws), (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares, and (v) relied upon your own investigation and resources in deciding to invest in the Issue;

- Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, ownership and disposal of the Equity Shares (including but not limited to the Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a service provider and will not rely on the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates when evaluating the tax consequences in relation to the Equity Shares (including in relation to limited to the Issue and the use of the proceeds from the Equity Shares). You waive, and agree not to assert any claim against us or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax authorities, wherever situated;

- You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company and/or the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment;

- If you are acquiring the Equity Shares to be issued pursuant to this Issue for one or more managed accounts, you represent and warrant that you are authorised in writing, by each such managed account to acquire such Equity Shares for each managed account and hereby make the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

- You are not a 'promoter' of our Company as defined under the Companies Act, 2013 and the SEBI ICDR Regulations, and are not a person related to our Promoters, either directly or indirectly and your Bid (hereinafter defined) does not directly or indirectly represent our Promoters or members of our Promoter Group (as defined under the SEBI ICDR Regulations) or persons or entities related thereto;

- You have no rights under a shareholders' agreement or voting agreement entered into with the Promoters or members of the Promoter Group or persons related to the Promoter, no veto rights or right to appoint any nominee director on the Board of Directors of our Company, other than the rights, if any, acquired in the capacity of a lender not holding any Equity Shares, the acquisition of which shall not deem you to be a Promoters or a person related to the Promoters;

- You agree that in terms of Section 42 and Section 62 of the Companies Act, 2013 and Rule 14 of the PAS Rules, we shall file the list of Eligible QIBs (to whom this Preliminary Placement Document will be circulated) along with other particulars including your name, complete address, phone number, e-mail address, permanent account number and bank account details, including such other details as may be prescribed or otherwise required even after the closure of the Issue with the RoC within 30 days of circulation of this Preliminary Placement Document and other filings required under the Companies Act, 2013;

- You will have no right to withdraw your Bid or revise your Bid downwards after the Bid/ Issue Closing Date (as defined hereinafter);

- You are eligible to Bid for and hold the Equity Shares so Allotted, together with any Equity Shares held by you prior to the Issue. You further confirm that your aggregate holding after the Allotment of the Equity Shares shall not exceed the level permissible as per any applicable law;

- The Bid made by you would not ultimately result in triggering an open offer under the SEBI Takeover Regulations as defined hereinafter) and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

- Your aggregate equity shareholding in our Company, together with other Eligible QIBs that belong to the same group or are under common control as you, pursuant to the Allotment under the Issue shall not exceed 50% of the Issue Size. For the purposes of this representation:

  (a) Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst an Eligible QIBs, its subsidiary or holding company and any other Eligible QIBs; and

  (b) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

- You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approvals for such Equity Shares to be issued pursuant to this Issue, are issued by the Stock Exchanges;

- You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations, for listing and admission of the Equity Shares to be issued pursuant to the Issue and for trading on the Stock Exchanges, were made and an in-principle approval has been received by our Company from each of the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final listing and trading approvals for listing of the Equity Shares, to be issued pursuant to this Issue, will be obtained in time or at all. Neither our Company nor the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates shall be responsible for any delay or non-receipt of such final listing and trading approvals or any loss arising from such delay or non-receipt;

- You are aware and understand that the BRLMs have entered into a Placement Agreement with our Company whereby the BRLMs have, subject to the satisfaction of certain conditions set out therein, severally and not jointly, undertaken to use their reasonable efforts to procure subscription for the Equity Shares on the terms and conditions set forth therein;

- You understand that the contents of this Preliminary Placement Document are exclusively the responsibility of our Company, and that neither the BRLMs nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates nor any person acting on its or their behalf or any of the counsels or advisors to the Issue has or shall have any liability for any information, representation or statement contained in this Preliminary Placement Document or any information previously published by or on behalf of our Company and will not be liable for your decision to participate in the Issue based on any information, representation or statement contained in this Preliminary Placement Document or otherwise. By accepting a participation in the Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares is contained in this Preliminary Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares, you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the BRLMs or our Company or any other person, and the BRLMs or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the BRLMs and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

- You understand that the BRLMs or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates do not have any obligation to purchase or acquire all or any part of the Equity Shares purchased by you in the Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue, including the non-performance by our Company or any of its obligations or any breach of any representations or warranties by us, whether to you or otherwise;

- You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 297 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Selling Restrictions*" and *"Purchaser Representations and Transfer Restrictions"* on pages 297 and 305, respectively;

- You are outside the United States and are purchasing the Equity Shares in an 'offshore transaction' as defined in and in reliance on Regulation S, and are not our Company's or the BRLM's affiliate or a person acting on behalf of such an affiliate;

- You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption to the registration requirements of the U.S. Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 297 and 305, respectively;

- You agree that any dispute arising in connection with the Issue will be governed by and construed in accordance with the laws of Republic of India, and the courts in Chandigarh, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document and the Placement Document.

- Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment, listing and trading of the Equity Shares in the Issue;

- You agree to indemnify and hold our Company, the BRLMs and their respective directors, officers, employees, affiliates, associates, controlling persons and representatives harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing representations, warranties, acknowledgements and undertakings made by you in this Preliminary Placement Document. You agree that the indemnity set out in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

- You acknowledge that this Preliminary Placement Document does not, and the Placement Document shall not confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person;

- You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

- You are aware that in terms of the SEBI FPI Regulations and the FEMA Rules, the total holding by each FPI including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than fifty percent or common control) shall be below 10% of the total paid-up equity share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to our Company. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10% or more of the total post-issue paid-up Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI, subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations;

- You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country (in each which case, investment can only be through the government approval route), and that your investment is in accordance with consolidated FDI Policy, issued by the DPIIT, and Rule 6 of the FEMA Rules;

- You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the BRLMs;

- You represent that you are not an affiliate of our Company or the BRLMs or a person acting on behalf of such affiliate. However, affiliates of the BRLMs, which are Eligible FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. For further details, please see "*Offshore Derivative Instruments*" on page 12;

- Our Company, the BRLMs, their respective affiliates, directors, officers, counsels, employees, shareholders, representatives, agents, controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, and are irrevocable. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the BRLMs;

- You will make all necessary filings with appropriate regulatory authorities, including the RBI, as required pursuant to applicable laws;

- Our Company, the BRLMs, their respective affiliates, directors, officers, employees and controlling persons and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings, which are given to the Book Running Lead Managers on their own behalf and on behalf of our Company, and are irrevocable; and

- You have made, or been deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings as set out under "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 297 and 305, respectively.

## OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an Eligible FPI including affiliates of the BRLMs, which is registered as a Category I FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such P-Notes provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned category I FPIs may receive compensation from the purchasers of such instruments. In terms of Regulation 21 of SEBI FPI Regulations, P-Notes may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. P-Notes have not been and are not being offered or sold pursuant to this Preliminary Placement Document and the Placement Document. This Preliminary Placement Document does not contain any information concerning P-Notes or the issuer(s) of any P-Notes, including without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control,) is not permitted to be 10% or above of our post-Issue paid-up Equity Share capital on a fully diluted basis ("**Investment Restrictions**"). The SEBI has, *vide* a circular dated November 5, 2019, issued the operational guidelines for FPIs, designated depository participants and eligible foreign investors (the "**FPI Operational Guidelines**"), to facilitate implementation of the SEBI FPI Regulations. In terms of such FPI Operational Guidelines, the Investment Restrictions shall also apply to subscribers of P-Notes and two or more subscribers of P-Notes having common ownership, directly or indirectly, of more than 50% or common control shall be considered together as a single subscriber of the P-Notes. Further, in the event a Bidder has investments as an FPI and as a subscriber of P-Notes, the Investment Restrictions shall apply on the aggregate of the FPI investments and P-Notes positions held in the underlying company.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, read with the FDI Policy, issued by the DPIIT, investments where the entity is of a country which shares land border with India or where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FDI Policy and FEMA Rules. These investment restrictions shall also apply to subscribers of P-Notes.

Affiliates of the BRLMs which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue P-Notes in respect thereof. Any P-Notes that may be issued are not securities of our Company and do not constitute any obligation of, claims on or interests in our Company. Our Company has not participated in any offer of any P-Notes, or in the establishment of the terms of any P-Notes, or in the preparation of any disclosure related to any P-Notes. Any P-Notes that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the BRLMs do not make any recommendation as to any investment in P-Notes and do not accept any responsibility whatsoever in connection with any P-Notes. Any P-Notes that may be issued are not securities of the BRLMs and does not constitute any obligations of or claims on the BRLMs.

**Bidders interested in purchasing any P-Notes have the responsibility to obtain adequate disclosures as to the issuer(s) of such P-Notes and the terms and conditions of any such P-Notes from the issuer(s) of such P-Notes. Neither SEBI nor any other regulatory authority has reviewed or approved any P-Notes or any disclosure related thereto. Bidders are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in P-Notes, including whether P-Notes are issued in compliance with applicable laws and regulations.**

Please also see *"Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions"* on pages 297 and 305, respectively.

## DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, a copy of this Preliminary Placement Document has been submitted to each of the Stock Exchanges. The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of the contents of this Preliminary Placement Document;

2. warrant that the Equity Shares to be issued pursuant to this Issue, will be listed or will continue to be listed on the Stock Exchanges; and

3. take any responsibility for the financial or other soundness of our Company, our Subsidiaries, our Promoters, our management or any scheme or project of our Company.

It should not, for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever, by reason of any loss which may be suffered by such person consequent to or in connection with, such subscription/acquisition, whether by reason of anything stated or omitted to be stated herein, or for any other reason whatsoever.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### Certain conventions

In this Preliminary Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'bidder', ''your', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs who are the Bidders in the Equity Shares issued pursuant to the Issue, references to "MEL", "our Company", "the Company" or the "Issuer" are to Max Estates Limited on a standalone basis and references to 'we', 'us', 'our' or the 'Group' are to Max Estates Limited together with our Subsidiaries as well, as at and during relevant fiscal / period on a consolidated basis.

### Currency and units of presentation

All references to:

1. "Rupees" or "INR" or "Rs." or "₹" are to the Indian Rupee, the official currency of the Republic of India; and

2. "USD" or "US$" or "$" or "U.S. Dollar" are to the United States Dollar, the official currency of the United States of America; and

Except otherwise specified, our Company has presented certain numerical information in this Preliminary Placement Documents in "lakh", "million", "crores" "billion" and "trillion" units. One million represents 1,000,000, one billion represents 1,000,000,000 and one trillion represents 1,000,000,000,000. One lakh represents 100,000 and one crore represents 10,000,000.

Figures sourced from third-party industry sources may be expressed in denominations other than millions or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Preliminary Placement Document in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

All financial and statistical information in this Preliminary Placement Document have been presented in lakhs or in whole numbers where the numbers have been too small to present in lakhs, unless stated otherwise.

Unless otherwise specified, all financial numbers in parentheses represent negative figures.

### Page numbers

Unless otherwise stated, all references to page numbers in this Preliminary Placement Document are to page numbers of this Preliminary Placement Document.

### Financial data and other information

The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to the terms "Fiscal", "Fiscals" or "Fiscal year", "FY", refer to the 12 month period ending March 31 of that particular year.

Our Company publishes its financial statements in Indian Rupees.

In this Preliminary Placement Document, we have included:

(i) Unaudited Interim Condensed Consolidated Financial Statements of our Company and our subsidiaries (together, the "**Group**") for the three months ended June 30, 2024 prepared in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended;

(ii) Audited Consolidated Financial Statements of our Company and its subsidiaries as at and for each of the financial years ended March 31, 2024 and March 31, 2023, prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards ("**Ind AS**") specified under

Section 133 of the Companies Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ;

(iii) Special Purpose Audited Consolidated Financial Statements of our Group as at and for the financial year ended March 31, 2022, prepared in accordance with accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ; and

(iv) audited standalone financial statements of our Company as at and for the financial year ended March 31, 2022, prepared in accordance with the Ind AS, as prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules 2015, as amended.

The Special Purpose Audited Consolidated Financial Statements of our Company and its subsidiaries as at and for the financial year ended March 31, 2022, and the audited standalone financial statements of our Company as at and for each of the financial year ended March 31, 2022 had been audited by K.K. Mankeshwar & Co., Chartered Accountants, our Predecessor Statutory Auditors.

The NCLT had pursuant to its order dated July 3, 2023 approved the composite scheme of amalgamation and arrangement between Max Ventures and Industries Limited and Max Estates Limited and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws (the "**Scheme**"). Pursuant to the Scheme, the entire business and undertaking of Max Ventures and Industries Limited was transferred and vested in our Company with effect from April 1, 2022, that is, the Appointed Date. Accordingly, the consolidated financial information for Fiscal 2024 and Fiscal 2023 is not directly comparable with the financial information for Fiscal 2022.

Our Company presents its annual financial statements under Ind AS and the interim financial statements under Ind AS 34. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Preliminary Placement Document, nor does our Company provide a reconciliation of its audited consolidated financial statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Special Purpose Audited Consolidated Financial Statements, Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices, Ind AS, the Companies Act, the SEBI ICDR Regulations. Any reliance by persons not familiar with Ind AS, the Companies Act, the SEBI ICDR Regulations and on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision.

Certain figures contained in this Preliminary Placement Document, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. All figures from or derived from the Special Purpose Audited Consolidated Financial Statements, Audited Consolidated Financial Statements and the Unaudited Interim Condensed Consolidated Financial Statements are in decimals and have been rounded off to two decimal points, as has been presented in the Special Purpose Audited Consolidated Financial Statements, Audited Consolidated Financial Statementsand the Unaudited Interim Condensed Consolidated Financial Statements The Unaudited Interim Condensed Consolidated Financial Statements of our Company are not indicative of our Company's annual performance and are not comparable with the Special Purpose Audited Consolidated Financial Statements/financial information and Audited Consolidated Financial Statements/ financial information. Certain operational numbers may have been rounded off to one decimal point in some instances. Unless otherwise specified, all financial numbers in parentheses represent negative figures. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Further, references to segments in the KFIPL Report and information derived therefrom are industry segments and in accordance with presentation, analysis and categorisation in the KFIPL Report. Our segment reporting in financial statements is based on criteria set out in Ind AS 108 – "Operating segments", and we do not present such industry segments as operating segments.

**Non-GAAP financial measures**

As used in this Preliminary Placement Document, a Non-GAAP financial measure is one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable Ind AS measures. From time to time, reference is made in this Preliminary Placement Document to certain “Non-GAAP financial measures,” such EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt and Net Worth . Our management believes that such Non-GAAP financial measures provide investors with additional information about our performance, as well as ability to incur and service debt and make capital expenditures and are measures commonly used by investors. The Non-GAAP financial measures described herein are not a substitute for Ind AS (or IFRS) measures of earnings and may not be comparable to similarly titled measures reported by other companies due to differences in the way these measures are calculated. These Non-GAAP financial measures are not standardised terms, hence a direct comparison of these Non-GAAP financial measures between companies may not be possible In addition, you should note, that other companies in the same industry as ours may calculate and present these data in a different manner and, therefore, you should use caution in comparing our data with data presented by other companies, as the data may not be directly comparable.

These Non-GAAP financial measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

## INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Preliminary Placement Document consists of estimates based on data reports compiled by governmental bodies, professional organisations and analysts and on data from other external sources, and on our knowledge of markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Preliminary Placement Document has been obtained from the report titled "Real Estate Industry Report" dated August, 2024 ("**KFIPL Report**"), which is a report commissioned and paid for by us and prepared by Knight Frank (India) Private Limited pursuant to engagement letter dated July 26, 2024, in connection with the Issue.:

The KFIPL Report contains the following disclaimer:

The statements, information and opinions expressed or provided in the reports submitted by KFIPL are intended only as a guide. Although KFIPL believes they are correct and not misleading and every effort shall be made to ensure that they are free from error, they should not be taken to represent, nor are they intended to represent, investment advice or specific proposals, which must always be reviewed in isolation due to the degree of uniqueness that will attach thereto.

Neither KFIPL nor any persons involved in the preparation of the report give any warranties as to the contents nor accept any contractual, tortuous, or other form of liability for any consequences, loss or damages which may arise as a result of any person acting upon or using the statements, information or opinions in the publication. The Report and / or its excerpts may only be used for inclusion / reproduction in the Issue Documents, on an "as is where is" basis, by the Company and its advisors. Any person relying upon the said publication shall do so at its own risk and that KFIPL shall not be liable for any direct/indirect loss arising therefrom.

This information is subject to change and cannot be certified with complete certainty due to limits on the availability and reliability of raw data and other limitations and uncertainties inherent in any statistical survey. The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. Further, the calculation of certain statistical and/ or financial information/ ratios specified in the sections titled "*Business*", "*Risk Factors*", "*Management's Discussions and Analysis of Results of Operations and Financial Condition*" and otherwise in this Preliminary Placement Document may vary from the manner such information is calculated under and for purposes of, and as specified in, the Knight Frank (India) Private Limited from these sources may also not be comparable.

Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors –Industry information included in this Preliminary Placement Document has been derived from an industry report exclusively commissioned and paid for by us for the Issue.*" on page 80.

Further, references to segments in the KFIPL Report and information derived therefrom are industry segments and in accordance with presentation, analysis and categorisation in the KFIPL Report. Our segment reporting in financial statements is based on criteria set out in Ind AS 108 – "Operating segments", and we do not present such industry segments as operating segments.

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements." Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "could", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", "believe", "expect", "expected to", "will continue", "will pursue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. The forward-looking statements appear in a number of places throughout this Preliminary Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Preliminary Placement Document, those results or developments may not be indicative of results or developments in subsequent periods. All statements regarding our expected financial condition, results of operations and business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts.

These forward-looking statements contained in this Preliminary Placement Document (whether made by our Company or any third party) are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- We are dependent on our relationship with our Promoters and the Max group. Any adverse change in our relationship with our Promoters or the Max group could adversely affect our business, results of operations, financial condition and cash flows.

- Our operations are conducted through our Subsidiaries. Therefore, our ability to generate equity and investment returns and pay dividends depends on the success of our Subsidiaries business operations.

- We have a limited trading history which could lead to increased market volatility and price fluctuations.

- We have a limited operating history in our real estate development business more particularly in residential, which makes it difficult to accurately assess our future growth prospects.

- Any adverse impact on the brand "Max", or our ability to use the "Max" name or related logos or brand names, may affect our reputation, business, financial condition and results of operations. Further, any failure to protect or enforce our rights to own or use trademarks and brand names and identities could have an adverse effect on our business and competitive position.

Additional factors that could cause our actual results, performance or achievements to differ include but are not limited to, those discussed in "*Risk Factors*", *"Industry Overview"*, "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Our Business*", on pages 62, 109, 160 and 200, respectively.

By their nature, certain of the market risk disclosures are only estimates and could be materially different from what occurs in the future. As a result, actual future gains, losses or impact on revenue or income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

The forward-looking statements contained in this Preliminary Placement Document are based on the beliefs of the management, as well as the assumptions made by and information currently available to the management of our Company. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, the prospective investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Preliminary Placement Document or the respective dates indicated in this Preliminary Placement Document, and neither we, the BRLMs nor any of their affiliates undertake any obligation to update or revise any of them, whether as a result of new information, future events, changes in assumptions or changes in factors affecting these forward looking statements or otherwise. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations or cash flows or financial condition of our Company and our Subsidiaries could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent oral or written forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

In accordance with SEBI and Stock Exchange requirements, our Company and the BRLMs will ensure that the Shareholders are informed of material developments until the time of the grant of listing and trading permissions by the Stock Exchanges.

## ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited liability company incorporated under the laws of India. A majority of our Directors and Key Management Personnel and Senior Management named in this Preliminary Placement Document, are residents of India and a significant portion of the assets of our Company are located in India. As a result, it may be difficult or may not be possible for the Bidders outside India to affect service of process upon our Company or such persons in India, or to enforce against them judgments of courts outside India.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A, respectively, of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or between parties under whom they or any of them claim litigating under the same title, except:

1. where the judgment has not been pronounced by a court of competent jurisdiction;

2. where the judgment has not been given on the merits of the case;

3. where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable;

4. where the proceedings in which the judgment was obtained were opposed to natural justice;

5. where the judgment has been obtained by fraud; and

6. where the judgment sustains a claim founded on a breach of any law then in force in India.

A foreign judgment which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgment or by proceedings in execution. Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Each of the United Kingdom, United Arab Emirates, Singapore and Hong Kong, amongst others has been declared by the Government to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code, but the United States of America has not been so declared. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. The suit must be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution.

**It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy of India and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to the execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally, and any such amount may be subject to income tax pursuant to execution of such a judgment in accordance with applicable laws. It is unlikely that an Indian court would enforce foreign judgments that would be contrary to or in violation of Indian law. Our Company and the Book Running**

**Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.**

## EXCHANGE RATES INFORMATION

Fluctuations in the exchange rate between the Rupee and foreign currencies will affect the foreign currency equivalent of the Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Rupees on the Equity Shares.

The following table sets forth information, for the period indicated with respect to the exchange rates between the Rupee and the U.S. dollar (in ₹ per US$). The exchange rates are based on the reference rates released by the RBI and Financial Benchmark India Private Limited ("**FBIL**"), which are available on their respective websites. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars or any other exchange rates at any particular rate, the rates stated below, or at all.

*(₹ per US$)*

| | Period end(1) | Average(2) | High(3) | Low(4) |
|---|---|---|---|---|
| **Fiscal ended:** | | | | |
| March 31, 2024 | 83.38 | 82.79 | 83.60 | 81.69 |
| March 31, 2023 | 82.22 | 80.39 | 83.20 | 75.39 |
| March 31, 2022 | 75.81 | 74.51 | 76.92 | 72.48 |
| **Month ended** | | | | |
| July 31, 2024 | 83.74 | 83.59 | 83.74 | 83.40 |
| June 30, 2024 | 83.45 | 83.47 | 83.59 | 83.07 |
| May 31, 2024 | 83.30 | 83.39 | 83.52 | 83.08 |
| April 30, 2024 | 83.52 | 83.41 | 83.52 | 83.23 |
| March 31, 2024 | 83.37 | 83.00 | 83.37 | 82.68 |
| February 29, 2024 | 82.92 | 82.96 | 83.09 | 82.84 |

*(Source: www.rbi.org.in and www.fbil.org.in)*

***Notes:***

1. *The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods;*
2. *Average of the official rate for each working day of the relevant period;*
3. *Maximum of the official rate for each working day of the relevant period; and*
4. *Minimum of the official rate for each working day of the relevant period.*

*If the RBI/ FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day have been disclosed. The RBI/ FBIL reference rates are rounded off to two decimal places.*

# DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein. The following list of certain capitalised terms used in this Preliminary Placement Document is intended for the convenience of the reader / Bidders only and is not exhaustive.

Unless otherwise specified, the capitalised terms used in this Preliminary Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, guidelines, regulations, agreement, document or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Preliminary Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act, or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in the section "*Industry and Market Data*", "*Taxation*", "*Legal Proceedings*" and "*Financial Statements*" on pages 17, 316, 339 and 351, respectively, shall have the meaning given to such terms in such sections.

## General Terms

| Term | Description |
|---|---|
| Our Company / the Company / the Issuer/ MEL | Max Estates Limited, a public limited company incorporated under the Companies Act, 2013 |
| the Group / us / we / our | Unless the context otherwise indicates or implies, refers to our Company and our Subsidiaries as at and during relevant fiscal / period |

## Company Related Terms

| Term | Description |
|---|---|
| Articles / Articles of Association / AoA | The articles of association of our Company as amended from time to time |
| Audit Committee | The audit committee of our Board of Directors |
| Audited Consolidated Financial Statements | Collectively, our audited consolidated financial statements comprising of the consolidated balance sheets of our Company and our Subsidiaries (collectively referred to as the "**Group**") as at March 31, 2024 and March 31, 2023, and the related consolidated statement of profit and loss (including other comprehensive income), consolidated cash flow statements and the consolidated statements of changes in equity, including summary of significant accounting policies and other explanatory information to the respective consolidated financial statements, for each of the years ended March 31, 2024 and March 31, 2023, prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards ("**Ind AS**") specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended |
| Auditors or Statutory Auditors | The current statutory auditors of our Company, namely, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants |
| Board of Directors / Board | The board of directors of our Company or any duly constituted committee thereof, as the context may require |
| Chief Financial Officer | Chief Financial Officer of our Company, Nitin Kumar |
| Company Secretary and Compliance Officer | The Company Secretary and Compliance Officer of our Company, Abhishek Mishra. |
| Corporate Office | The corporate office of our Company is situated at Max Towers, L20, C-001/A, Sector – 16B, Noida – 201301, Uttar Pradesh, India |
| Director(s) | Director(s) on the Board of our Company, unless otherwise specified |
| Erstwhile ESOP 2016 | The erstwhile Max Ventures and Industries Employee Stock Plan 2016/MVIL ESOP 2016 |
| ESOP 2023 | Max Estates Employee Stock Option Plan 2023 approved by the Shareholders on December 22, 2023. |
| Equity Shares | The equity shares of our Company of face value of ₹ 10 each |
| Independent Director(s) | The non-executive and independent Directors of our Company appointed as per the Companies Act, 2013 and the SEBI Listing Regulations, as disclosed in "*Board of Directors and Senior Management*" on page 223 |
| Key Managerial Personnel | Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, which includes key managerial personnel in terms of the |

| Term | Description |
| --- | --- |
| | Companies Act, 2013, as disclosed in "*Board of Directors and Senior Management*" on page 223 |
| Material Subsidiaries | Max Towers Private Limited, Max Asset Services Limited, Max Square Limited and Acreage Builders Private Limited |
| Memorandum/ Memorandum of Association / MoA | The memorandum of association of our Company, as amended from time to time |
| MVIL | Max Ventures and Industries Limited |
| Nomination and Remuneration Committee | The nomination and remuneration committee constituted by our Board of Directors |
| Non-Executive Non-Independent Director | Non-executive non-independent directors of our Company. For details, see "*Board of Directors and Senior Management*" on page 223 |
| Predecessor Statutory Auditor | K.K. Mankeshwar & Co., Chartered Accountants, being our previous statutory auditor |
| Promoter Group | The persons and entities constituting the promoter group of our Company as determined in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations |
| Promoters | Analjit Singh, Neelu Analjit Singh, Piya Singh, Veer Singh, Tara Singh Vachani, Sahil Vachani, Max Ventures Investment Holdings Private Limited and Siva Enterprises Private Limited. |
| Registered Office | Registered Office of our Company is situated at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. S.B.S. Nagar (Nawanshahar), Punjab – 144533*<br><br>**The Regional Director, Northern Region, New Delhi by way of an order dated August 13, 2024 has approved the application for shifting of our registered office of our Company from the state of Punjab to the National Capital Territory of Delhi, at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020.Our Company is in the process of filing the requisite documents with RoC for making the change effective.* |
| Risk Management and Sustainability Committee | The risk management and sustainability committee constituted by our Board of Directors |
| Scheme of Arrangement/Scheme | Composite Scheme of Amalgamation and Arrangement between Max Ventures and Industries Limited ("MVIL" or "Transferor Company") with Max Estates Limited ("MEL" or "Transferee Company") and their respective Shareholders and Creditors pursuant to the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 read with Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 |
| Senior Management | Senior Management of our Company in accordance with Regulation 2(1)(bbbb) of the SEBI ICDR Regulations as disclosed in "*Board of Directors and Senior Management*" on page 223. |
| Shareholder(s) | The holders of the Equity Shares of our Company, from time to time |
| Special Purpose Audited Consolidated Financial Statements | Special purpose audited consolidated financial statements comprising the consolidated balance sheets of our Group as at March 31, 2022 and the related consolidated statement of profit and loss (including other comprehensive income), consolidated cash flow statements and the consolidated statements of changes in equity including summary of significant accounting policies and other explanatory information for the year ended March 31, 2022, prepared in accordance with accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended |
| Subsidiaries | The subsidiaries of our namely:<br>(i) Max Towers Private Limited *(w.e.f. April 1, 2022)*;<br>(ii) Max Asset Services Limited *(w.e.f. April 1, 2022)*;.<br>(iii) Max Square Limited *(w.e.f. June 24, 2019)*;<br>(iv) Acreage Builders Private Limited *(w.e.f. October 27, 2022)*;<br>(v) Pharmax Corporation Limited *(w.e.f. November 25, 2019)*;<br>(vi) Max Estates 128 Private Limited (previously known as Accord Hotels and Resorts Private Limited) *(w.e.f. June 17, 2022)*;<br>(vii) Max Estates Gurgaon Limited *(w.e.f. September 5, 2022)*;<br>(viii) Max I. Limited *(w.e.f. April 1, 2022)*;<br>(ix) Astiki Realty Private Limited *(w.e.f. January 1, 2024)*; and<br>(x) Max Estates Gurgaon Two Limited *(w.e.f. January 3, 2024)* |
| Stakeholders Relationship Committee | The stakeholders relationship committee constituted by our Board of Directors |
| Unaudited Interim Condensed Consolidated Financial Statements | The unaudited interim condensed consolidated balance sheet of our Group as at June 30, 2024, the related unaudited condensed consolidated statement of profit and loss |

| Term | Description |
|---|---|
| | including other comprehensive income, unaudited condensed consolidated cash flow statements and unaudited condensed consolidated statement of changes in equity for the three months period ended June 30, 2024 prepared in accordance with Ind AS 34 “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended |

**Issue Related Terms**

| Term | Description |
|---|---|
| Allocated/ Allocation | The allocation of Equity Shares following the determination of the Issue Price to investors on the basis of Application Forms submitted by them, in consultation with the BRLMs and in compliance with Chapter VI of the SEBI ICDR Regulations |
| Allot/ Allotment/ Allotted | The issue and allotment of Equity Shares pursuant to this Issue |
| Allottee(s) | Bidders who are Allotted Equity Shares of our Company pursuant to this Issue |
| Application Form | The form (including any revisions thereof) pursuant to which a Bidder indicates its interest to subscribe for the Equity Shares of our Company pursuant to the Issue |
| Bid Amount | With respect to a Bidder shall mean the aggregate amount paid by such Bidder at the time of submitting a Bid in the Issue, including any revisions thereof |
| Bid(s) | An indication of interest by an Eligible QIB, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term “Bidding” shall be construed accordingly. |
| Bidder(s) | Any prospective investor, being an Eligible QIB who makes a Bid pursuant to the terms of this Preliminary Placement Document and the Application Form |
| Bidding Period/ Issue Period | The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Bidders can submit their Bids including any revision and/or modifications thereof |
| Book Running Lead Managers/ BRLMs | IIFL Securities Limited and Ambit Private Limited |
| CAN/ Confirmation of Allocation Note | Note or advice or intimation to Bidders confirming the Allocation of Equity Shares to such Eligible QIBs after determination of the Issue Price, and requesting payment for the entire applicable Issue Price for all the Equity Shares Allocated to such Eligible QIBs |
| Closing Date | The date on which the Allotment of the Equity Shares offered pursuant to this Issue shall be made, i.e., on or about [•], 2024 |
| Cut-off Price | The Issue Price of the Equity Shares to be issued pursuant to the Issue which shall be finalised by our Company in consultation with the BRLMs |
| Designated Date | The date on which the Equity Shares issued pursuant to the Issue, are listed on the Stock Exchanges pursuant to receipt of the final listing and trading approvals for the Equity Shares from the Stock Exchanges or the date on which Form PAS-3 is filed by our Company with the RoC, whichever is later |
| Eligible FPIs | FPIs that are eligible to participate in this Issue in terms of applicable law, other than individuals, corporate bodies and family offices |
| Eligible QIBs | QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under applicable law.<br><br>In addition, Eligible QIBs are QIBs who are outside the United States, to whom Equity Shares are being offered in “offshore transactions”, as defined in, and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers, and sales are made. |
| Escrow Account | The account titled “Max Estates Limited – QIP Escrow Account” to be opened with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the application monies payable by Bidders in connection with subscription to Equity Shares pursuant to the Issue shall be deposited |
| Escrow Bank | ICICI Bank Limited |
| Escrow Agreement | The escrow agreement dated August 29, 2024 entered into amongst our Company, the Escrow Bank and the BRLMs for collection of the Bid Amounts and remitting refunds, if any, of the amounts collected, to the Bidders in relation to the issue. |
| Floor Price | The floor price ₹ 628.74 per Equity Share, which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations. |

| Term | Description |
| --- | --- |
| | Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through a special resolution passed in the Annual General Meeting on August 23, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations. |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended. |
| Issue | The offer, issuance and Allotment of [•] Equity Shares each at a price of ₹ [•] per Equity Share, including a premium of ₹ [•] per Equity Share, aggregating up to ₹ [•] lakhs pursuant to Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder |
| Issue Closing Date | [•], 2024 the last date up to which the Application Forms and the Bid Amount shall be accepted by our Company (or the BRLMs, on behalf of our Company) |
| Issue Opening Date | August 29, 2024 the date on which the acceptance of the Application Forms and the Bid Amount shall have commenced by our Company (or the BRLMs, on behalf of our Company) |
| Issue Period | Period between the Issue Opening Date and the Issue Closing Date, inclusive of both days during which Eligible QIBs can submit their Bids along with the Application Amount |
| Issue Price | A price per Equity Share of ₹ [•] |
| Issue Size | The aggregate size of the Issue, up to [•] Equity Shares aggregating up to ₹ [•] lakhs |
| Monitoring Agency | CARE Ratings Limited |
| Monitoring Agency Agreement | Agreement dated August 29, 2024 entered into by and between our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the Net Proceeds of the Issue, after deducting fees, commissions and expenses of the Issue |
| Mutual Fund | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended |
| Mutual Fund Portion | 10% of the Equity Shares proposed to be Allotted in the Issue, which is available for Allocation to Mutual Funds |
| Net Proceeds | The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue |
| Pay-In Date | Last date specified in the CAN for the payment of application monies by Bidders in the Issue |
| Placement Agreement | The placement agreement dated August 29, 2024 entered into between our Company and the BRLMs |
| Placement Document | The placement document to be issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder |
| Preliminary Placement Document | This preliminary placement document dated August 29, 2024 issued in accordance with Chapter VI of the SEBI ICDR Regulations and other applicable provisions of the Companies Act, 2013 and the rules made thereunder |
| QIBs/ Qualified Institutional Buyers | A qualified institutional buyer as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations |
| QIP | Qualified institutions placement, being a private placement to Eligible QIBs under Chapter VI of the SEBI ICDR Regulations and applicable sections of the Companies Act, 2013, read with applicable provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014 |
| Refund Amount | The aggregate amount to be returned to the Bidders who have not been Allocated Equity Shares for all or part of the Bid Amount submitted by such Bidder pursuant to the Issue |
| Relevant Date | August 29, 2024 which is the date of the meeting wherein the Board of Directors, or a duly authorised committee, decides to open the Issue |
| Stock Exchanges | Together, BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) |
| Successful Bidders | The Bidders who have Bid at or above the Issue Price, duly paid the application amount along with the Application Form and who will be Allocated Issue Shares |
| Wilful Defaulter or Fraudulent Borrower | An entity or person categorised as a wilful defaulter or fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations. |
| Working Day | Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, Maharashtra, India |

## Conventional and General Terms/Abbreviations

| Term | Description |
|---|---|
| AGM | Annual general meeting |
| AIF(s) | Alternative investment funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| BSE | BSE Limited |
| CAGR | Compounded Annual Growth Rate |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate identity number |
| Civil Code | The Indian Code of Civil Procedure, 1908 |
| Companies Act, 1956 | The erstwhile Companies Act, 1956 and the rules made thereunder |
| Companies Act/ Companies Act, 2013 | The Companies Act, 2013 and the rules made thereunder to the extent in force pursuant to the notification of the Notified Sections |
| Competition Act | The Competition Act, 2002 |
| Consolidated FDI Policy | The consolidated FDI Policy, issued by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time |
| CSR | Corporate Social Responsibility |
| Depositories Act | The Depositories Act, 1996 |
| Depository | A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 |
| DP/ Depository Participant | A depository participant as defined under the Depositories Act |
| DPIIT | Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry (formerly Department of Industrial Policy and Promotion), Government of India |
| DIN | Director Identification Number |
| EGM | Extraordinary general meeting |
| FBIL | Financial Benchmark India Private Limited |
| FDI | Foreign Direct Investment |
| FDI Policy | Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade (Formerly Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, GoI by circular DPIIT file number 5(2)/2020-FDI Policy, with effect from October 15, 2020 |
| FEMA | The Foreign Exchange Management Act, 1999 read with rules and regulations thereunder |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Financial Year / Fiscal Year/ Fiscal/ FY | A period of 12 months ending March 31, unless otherwise stated |
| Form PAS-4 | Form PAS-4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014 |
| FPI/ Foreign Portfolio Investor(s) | Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations. |
| FVCI | Foreign venture capital investors as defined under and registered with SEBI pursuant to the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| GAAP | Generally accepted accounting principles |
| GAAR | General Anti-Avoidance Rules |
| GDP | Gross domestic product |
| GIR | General Index Register |
| GoI/ Government | Government of India |
| GST | Goods and Services Tax |
| HUF | Hindu Undivided Family |
| IAS Rules | The Companies (Indian Accounting Standards) Rules, 2015, as amended |
| ICAI | The Institute of Chartered Accountants of India |
| Ind AS | Indian accounting standards as notified by the MCA pursuant to Section 133 of the Companies Act, 2013 read with the IAS Rules |
| Indian GAAP | Generally accepted accounting principles in India |
| Income Tax Act/IT Act | The Income tax Act, 1961 |
| Ltd. | Limited |
| MCA | Ministry of Corporate Affairs |

| Term | Description |
|---|---|
| Net worth | Net worth is aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation; which we have calculated as owner equity which is share capital plus other equity plus share application money pending allotment. |
| Non-Resident Indian(s)/ NRI | Non-Resident Indian, as defined under Foreign Exchange Management (Deposit) Regulations, 2016 |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| p.a. | Per annum |
| PAN | Permanent account number |
| PAS Rules | The Companies (Prospectus and Allotment of Securities) Rules, 2014 |
| PAT | Profit after tax / profit for the respective period / year |
| PBT | Profit before tax |
| P-Notes | Offshore derivative instruments, by whatever name called, which are issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India or unlisted debt securities or securitized debt instruments, as its underlying |
| RBI | The Reserve Bank of India |
| RBI Act | The Reserve Bank of India Act, 1934 |
| Regulation S | Regulation S under the U.S. Securities Act |
| Revenue | Revenue from operations is net of Goods and Service Tax as applicable. |
| Rs/Rupees/Indian Rupees | The legal currency of India |
| RoC / Registrar of Companies | Registrar of Companies, Punjab and Chandigarh at Chandigarh |
| SCRA | The Securities Contracts (Regulation) Act, 1956 |
| SCRR | The Securities Contracts (Regulation) Rules, 1957 |
| SEBI | Securities and Exchange Board of India |
| SEBI Act | The Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| SEBI FPI Regulations | The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| SEBI Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 |
| SEBI Listing Regulations | The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI ICDR Regulations | The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| Takeover Regulations | The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| U.S. GAAP | Generally accepted accounting principles in the United States of America |
| U.S.$ / USD / U.S. dollar | United States Dollar, the legal currency of the United States of America |
| U.S. Securities Act | United States Securities Act of 1933, as amended |
| USA/ U.S./ United States | The United States of America |
| VCF | Venture capital fund as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be |

### Technical and Industry Terms

| Term | Description |
|---|---|
| Adjusted EBITDA | Adjusted EBITDA is calculated by adjusting any exceptional item loss from EBITDA |
| Adjusted EBITDA Margin | Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by revenue from operations |
| ARHC | Affordable Rental Housing Complexes |
| BFSI | Banking, Financial Services and Insurance |
| BPO | Business Process Outsourcing |
| Built-up Area | "**Built-up Area**" comprises the total construction area of the Project in accordance with approved plans, in case of Ongoing Projects, and in accordance with the applicable development control rules and regulations, in case of Forthcoming Projects, |

| Term | Description |
|---|---|
| | including permissible transferable development rights ("**TDR**"), floor space index ("**FSI**") area, free of FSI area, fungible FSI, premium FSI, TDRs, ancillary FSI, additional FSI, incentive FSI, prorate FSI etc., as applicable. |
| CBD | Central Business District |
| Collections | Collections refers to gross collections from sale / lease of units excluding indirect taxes and facility management charges net of cancellations. |
| Completed Projects | Commercial<br><br>"**Completed Projects**" are those projects where the Entities have completed development/re-development; and in respect of which the occupation/completion certificate/building completion certificate, as applicable, has been obtained from the relevant authorities by the Entities.<br><br>Residential<br><br>"**Completed Projects**" are those projects where the Company and/or its Subsidiaries have completed development; and in respect of which the occupation/completion certificate/building completion certificate, as applicable, has been obtained from the relevant authorities by the Entities. |
| EBITDA | EBITDA is calculated as profit after tax for the year plus total tax expense, finance costs (including the interest expense charged to profit and loss through construction cost), depreciation and amortization expense |
| EBITDA Margin | EBITDA Margin is calculated as EBITDA divided by revenue from operations |
| Estimated Developable Area | "**Estimated Developable Area**" is the estimated total construction area of the Project as per the prevailing development control rules and regulations of the sanctioning authority including permissible TDR, FSI area, free of FSI area, fungible FSI, premium FSI, TDR, incentive FSI, ancillary FSI, prorate FSI etc., as applicable. This is inclusive of the total built-up area as per FSI and the area which is not included in the FSI e.g., staircases, passages, service areas, clubhouse, podiums, amenities, basements etc. |
| FAR Area | "**FAR Area**" Floor area ratio as defined by local authorities. |
| Forthcoming Projects | "**Forthcoming Projects**" are those projects in respect of which (i) all title or development rights or other interest in the land is held either directly or indirectly by the Company and/or its Subsidiaries or where development right agreements are in the process of execution; and/or (ii) preliminary management development plans/designs are in place; and/or (iii) requisite applications for approvals and conversion of usage, if applicable, have been made; and/or (iv) architects have been identified and they have commenced planning; but (iv) in respect of which, no construction, development activities have commenced. |
| ITES | Information Technology Enabled Services |
| Pre-Sales | Pre-Sales for any period refers to the value of all units sold (net of any cancellations) during such period, for which the booking amount has been received. |
| Leasable Area | "**Leasable Area**" is the total area of a project that can be occupied by/assigned to a tenant, calculated in accordance with the Company's policy for calculation of Leasable Area, for which the prospective tenant or lessee or licensee, as the case may be, is obliged to pay rent/license fee or for which the Company expects that the respective tenant or lessee or licensee, as the case may be, will pay. |
| Leased Area | "**Leased Area**" is the area for which a lease deed or LOI is executed by "Lessor" and "Lessee". |
| NCR | National Capital Region |
| NCT | National Capital Territory |
| NEPZ | Noida Export Processing Zone |
| NSEZ | Noida Special Economic Zone |
| Net Debt | Net Debt refers to the sum of non-current borrowing, current borrowing, interest accrued but not due on borrowings which is forming part of other non-current or current financial liabilities reduced by cash and cash equivalent, bank balances other than cash and cash equivalents and long term deposits with bank – deposits with original maturity of more than 12 months (including restricted deposits) forming part of other non-current financial assets and deposits with bank remaining maturity of less than 12 months forming part of other current financial assets. |
| Occupancy Rate | Occupancy Rate refers to projects whose lease agreement or letter of intent are signed. |
| Ongoing Projects | Commercial<br><br>"**Ongoing Project**" are those projects in respect of which (i) all title or development/re-development rights/development management, or other interest in the |

| Term | Description |
|---|---|
| | land is held either directly or indirectly by the Entities; and (ii) development/re-development or construction work is ongoing/started; and (iii) the requisite approvals for commencement of development/re-development, including the commencement certificate/development permission, have been obtained by the Entities<br><br>Residential<br><br>"**Ongoing Projects**" are those projects in respect of which (i) all title or development rights/development management, or other interest in the land is held either directly or indirectly by the Company and/or its Subsidiaries; (ii) development or construction work is ongoing/started; and (iii) the requisite approvals for commencement of development, including the commencement certificate/development permission, have been obtained by the Company and/or its Subsidiaries |
| PMAY | Pradhan Mantri Awas Yojana |
| Portfolio | Collectively, Completed Projects, Ongoing Projects and Forthcoming Projects |
| QTS | Quarter to Sell |
| Rental Income | Rental Income refers to income from rent from Completed Projects (commercial) |
| SBD | Secondary Business District |
| STEM | Science, Technology, Engineering, and Mathematics |
| Saleable Area | Saleable Area is defined as the area where construction has been completed and occupation certificate/building completion certificate has been received. |
| Saleable Carpet Area | "**Saleable Carpet Area**" is the carpet area available for sale as per the prevailing laws viz. MOFA/RERA which were applicable at that time. |

## SUMMARY OF BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 62, 351 and 160, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2022 included herein is derived from the Special Purpose Audited Consolidated Financial Statements, for Fiscal 2023 and Fiscal 2024 included herein is derived from the Audited Consolidated Financial Statements, and the financial information for the three months ended June 30, 2024, included herein is derived from the Unaudited Interim Condensed Consolidated Financial Statements included in this Preliminary Placement Document. For further information, see "Financial Statements" on page 351. The Unaudited Interim Condensed Consolidated Financial Statements of our Company are not indicative of our Company's annual performance and are not comparable with the Special Purpose Audited Consolidated Financial Statements/financial information and Audited Consolidated Financial Statements/ financial information.*

*The NCLT had pursuant to its order dated July 3, 2023 approved the composite scheme of amalgamation and arrangement between Max Ventures and Industries Limited and Max Estates Limited and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws (the "Scheme"). Pursuant to the Scheme, the entire business and undertaking of Max Ventures and Industries Limited was transferred and vested in our Company with effect from April 1, 2022, that is, the Appointed Date. Accordingly, the consolidated financial information for Fiscal 2024 and Fiscal 2023 is not directly comparable with the financial information for Fiscal 2022.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Real Estate Industry Report" dated August 2024 (the "**KFIPL Report**") prepared and issued by Knight Frank (India) Private Limited, appointed by us on July 26, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the KFIPL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### OVERVIEW

*Who We Are*

We are a leading Indian real estate developer active primarily in the Delhi-NCR Region with a focus on developing sustainable, "*Grade A*" developments. *(Source: KFIPL Report)* We are the real estate development arm of Max group, one of India's business conglomerates with a strong presence in life insurance, senior living and real estate and allied businesses. (*Source: KFIPL Report*) We are focused on developing commercial real estate as well as residential real estate projects and as of June 30, 2024, we had 6 Commercial Projects and 4 Residential Projects which includes Completed Projects, Ongoing Projects and Forthcoming Projects with a total area of 11.50 million square feet (delivered, under-construction and under-development) in the Delhi NCR Region. We aspire to build sustainable commercial and residential developments in the Delhi NCR region, with a focus on well-being. Our aim is to be the most preferred brand in real estate in the Delhi NCR region, driven by our vision to enhance quality of life through the spaces we create.

*Our Journey*

<u>*Experiment*</u>. Our erstwhile parent company, Max Ventures and Industries Limited ("**MVIL**") was focused on manufacturing of specialty packaging films business while selectively exploring opportunities in real estate development. In 2018, we completed our inaugural project, *222 Rajpur*, a luxury residential villa community on Rajpur Road in Dehradun, Uttarakhand.

*Establish*. Building on the success of *222 Rajpur* and recognizing the growth potential in commercial real estate in the Delhi-NCR region, we shifted our focus to office-led commercial developments. With the purpose of 'enhancing quality of life through spaces it creates', We adopted the "*one region and multiple asset classes*" as our strategy to grow. During this period, we expanded our operations and ventured into certain notable projects. One of the key projects delivered was *Max Towers*, a commercial office space located at the cusp of Delhi and Noida. *Max Towers* stood out as a marquee development, offering innovative features and amenities to cater to the needs of modern businesses and enable holistic well-being of occupiers. Following that in 2020, Phase I of *Max House*, a redevelopment project of an office campus in Okhla, South Delhi, was also completed. Both *Max Towers* and *Max House Phase I* achieved and maintain a full occupancy with 100.00% leasing, as on date.

To focus on expanding our real estate portfolio, our erstwhile parent, MVIL, exited the specialty packaging films business by selling 51% stake in Max Speciality Films Limited to its former partner, who previously held a 49% stake. This divestment provided us with capital to further grow our real estate operations.

*Expansion*. From Fiscal 2023 onwards, our focus has shifted to the premium residential real estate market in Delhi-NCR. We acquired a 10-acre residential land parcel in Noida, entered the Gurugram market with a 7.15 acre commercial land parcel, and embarked on our first residential joint development in Sector 36A, Gurugram with an area of 11.80 acres. Additionally, our subsidiary, Max Square Limited, acquired a land parcel in Sector 129, Noida. We believe that these acquisitions coupled with strengthening of our organization capacity, capability and institutionalizing processes and systems, we are geared for execution at scale and further grow our portfolio.

We concluded the merger of MVIL into our Company in Fiscal 2023 and were listed on the NSE and BSE on October 30, 2023. The merger has enhanced our balance sheet flexibility to further expand and grow the real estate business and we are targeting time and cost synergies through streamlining of administrative operations.

*Our Philosophy*

Guided by our core operating philosophy promoting holistic well-being - Work*Well* and Live*Well*, we strive to provide distinct consumer experiences that seamlessly blend innovative design and exceptional hospitality.

1. **Empathetic Hospitality** An emotionally intelligent approach to hospitality & service that begins with empathy
2. **Elemental Harmony** Focus on elements like air, water and biophilia through interventions like, purifying plant, rainwater harvesting, green design, etc.
3. **Generosity** of time, space, and attention to detail. Providing more green cover per person
4. **Inclusivity** Age and needs inclusive design for wellbeing of all users
5. **Peace of Mind** Focus on best-in-practice safety measures, high standards of sanitation, and carefully selected locations
6. **Belonging** with Specially designed amenities for engagement among residents to promote social well-being
7. **Intentional Design** Promoting a healthier lifestyle through design interventions to ensure comfort, aesthetics, mobility and best-in-class technology solutions
8. **Sustainability** with use of sustainable materials, recycling, resource conservation and efficient use
9. **Food & Nutrition** Access to organic vegetables & biotic food sales, curated F&B options with focus on quality & nutrition

*Our Business Model*

Our commercial projects follow our philosophy of Work*Well*, which entails developing commercial real estate projects where all physical amenities of a modern workspace come together with human centric design. Our Commercial Projects are situated at among the most sought after locations in the Delhi-NCR Region. (*Source: KFIPL Report*) Certain of our Commercial Projects that are currently in operation include Max Towers, Noida, Max Square at Sector 129, Noida, Max House Phase 1 and 2 at Okhla, New Delhi. Max Square was awarded Best Commercial Project at CNBC Aawaz's 14th Real Estate Awards & Conclave 2023 (North Zone) and Commercial Project of the Year – Office Building (Non Metro: Ongoing) at the Economic Times Real Estate Awards & Conclave 2022.

Our operating model for our commercial properties focuses on an "owned and then built to lease" approach, which generates a steady annuity income for our Company. This provides significant financial stability and resilience, especially during economic downturns or cyclical fluctuations in the residential market. By having a portfolio of leased properties, we can mitigate the impact of periods when residential real estate may not be performing optimally which ensures that we remain financially robust and capable of sustaining growth, even amidst market volatility.

Our residential real estate projects cater to a diverse range of homeowners, accommodating various price points and preferences. We are led by our Live*Well* ethos which entails developing real estate projects that can enhance and enrich the quality of life of its residents by building a project that enables comfort, healthy living, and community experiences, while ensuring their well-being. Our portfolio of Completed, Ongoing and Forthcoming Residential Projects include one residential community of luxury villas (*222 Rajpur*), Estate 128 in Noida, Estate 360 in Gurugram and Max 36A in Gurugram, respectively.

*Portfolio of Completed, Ongoing and Forthcoming Real Estate Projects*

| Asset | Location | Asset Class | Size (Leasable/ Saleable area) (Million Square Feet) |
|---|---|---|---|
| Max Towers | Noida | Commercial | 0.30[(1)] |
| Max House – Phase 1 | Delhi | Commercial | 0.11 |
| Max Square | Noida | Commercial | 0.68 |
| Max House – Phase 2 | Delhi | Commercial | 0.15 |
| Estate 128 | Noida | Residential | 1.05 |
| Estate 128- II | Noida | Residential | 0.35 |
| Max 65 | Gurugram | Commercial | 1.59 |
| Max 36A | Gurugram | Residential | 3.69 |
| Estate 360 | Gurugram | Residential | 2.48 |
| Max Square Two | Noida | Commercial | 1.01 |
| 222 Rajpur | Dehradun | Residential | 0.09 |

*Note:*

*(1) Total area is 0.53 million square feet*

As part of our business model, we prioritize effective capital deployment across all asset classes while maintaining a diversified portfolio within the Delhi NCR region. Our land acquisition approach for our residential projects involves outright approach as well as entering into joint development agreements to optimize resource allocation. For instance, we have acquired land for the Estate 128, Noida project and have also entered into joint development agreements for ongoing project Estate 360 in Gurugram and forthcoming project Max 36A in Gurugram. Further, our commercial properties are situated on land leased on a long-term basis for 90 years from NOIDA.

*The 'Max' Brand*

We believe that the 'Max' brand is one of the key contributors to our success and the strength of our brand is attributable to our ability to understand customer preferences and inspire customer confidence. An affirmation of the strength of our brand is also reflected in various awards and recognitions we have received, including Best Realty Brands by ET Now Realty Convention + Best Realty Brands 2024, Emerging Developer of the Year by Economic Times Real Estate Awards 2022.

*Integrated Operations*

We have adopted an integrated real estate development model, with in-house capabilities and resources to execute developments from initiation to completion. Several strategic initiatives have been undertaken to strengthen systems and processes, including transition to our new ERP platform and digital interventions across the value chain. We have developed in-house competencies for every stage of the property development life cycle, commencing from business development, which involves identification of land parcels and the conceptualization of the development, to execution, comprising planning, designing and overseeing the construction activities, marketing and sales. In addition to our in-house competencies, we also leverage the expertise of external specialists to match our wide range of operations, such as architects, interior designers, landscaping experts, engineers and building services consultants for the development and management of our real estate operations.

*Technology Driven*

We leverage technology in various aspects of our operations with the endeavour to deliver world class spaces and enhanced customer satisfaction. Digital interventions as part of our execution process include solutions to offer virtual tours of our assets to prospective clients, enhanced air purification and real-time air quality monitoring for the wellness of occupants, call center software designed to boost sales and customer service agent performance, and an AI-based video analytics tool for enhancing customer experience, crowd control, safety and security.

*Association with New York Life Insurance Company*

We also benefit from our strategic partnership with New York Life Insurance Company ("**NYL**") for our commercial real estate projects and we are NYL's exclusive real estate partner in India. *(Source: KFIPL Report)* Our partnership with NYL started in 2017 when it invested approximately ₹ 22,528.04 lakhs to acquire 23% stake in erstwhile MVIL which was subsequently amalgamated into our Company. Subsequently in 2020, NYL committed ₹ 8,575.92 lakhs to acquire 49% in Max Square, Sector 129 and in Fiscal 2022 and Fiscal 2023 it made a commitment of ₹ 19,600.00 lakhs and ₹ 28,572.09 lakhs, respectively, to acquire 49% stake each in Max Square Two and the Sector 65, Gurugram commercial projects. Further, NYL in 2024 has entered into a memorandum of understanding and made a commitment of ₹ 38,841.56 Lakhs to acquire 49% equity shareholding each into our Subsidiaries that owns Max Towers and Max House (Phase-I and Phase-II), which is subject to certain closing conditions. Until June 30, 2024, NYL has committed ₹ 118,117.61 lakhs across six investment rounds and continues to evaluate co-investment opportunities.

We intend to allocate the proceeds to retire the debt associated with our Subsidiaries that will significantly enhance our free cash flow. As a result, we will be better positioned to reinvest these resources into further growth opportunities and operational expansion. This approach not only strengthens our balance sheet but also supports our long-term growth strategy by reducing financial obligations and improving our capability to pursue new projects and maintain our leadership position.

*Sustainability Focused*

Our operations lay special emphasis on sustainability. Environment, social and governance ("**ESG**") elements such as reduction of carbon emissions, use of sustainable materials, energy efficiency and wellness enhancements are a key focus for our real estate development activities. With our first Sustainability Report in 2021, we have embarked towards our commitment to sustainability, and we expect this to be a key differentiator for us in the real estate market. We continue to embrace ESG best practices across the organization, with participation in GRESB rankings and in 2023, we achieved GRESB 4-star rating in the second year of our participation. We believe this would enable us to benchmark ourselves against best practices of leading players, both domestic and global.

*Seasoned Promoter and Senior Management Team*

We are led by a diverse management team having extensive experience across the real estate sector and related industries. Our Chairman, Analjit Singh provides strategic direction and leadership to the Max group as a whole and is widely recognized as an industry statesman and has a long history of entrepreneurship and building successful businesses in the insurance, healthcare and other lifestyle related segments. He has been awarded the Padma Bhushan in 2011, one of India's top civilian honours. He has also received the Outstanding Lifetime Achievement Award from Indian American Centre for Political Awareness in 2003 and Golden Peacock Award for Business Leadership in 2012. Our Vice Chairman and Managing Director, Sahil Vachani is responsible for the overall strategic vision, direction and growth of our Company. He was earlier associated with Dixon Appliances Private Limited. Our Chief Operating Officer, Rishi Raj was previously associated with McKinsey & Co, while our Chief Financial Officer, Nitin Kumar has an extensive experience across hospitality and real estate.

*Strong Financial and Operational Performance*

We maintain a conservative approach to debt, leveraging a limited amount of borrowing to ensure financial stability. Specifically, we utilize lease rental discounting and construction finance as our primary forms of debt. This strategic focus on financing not only underscores our commitment to prudent financial management but also positions us to effectively manage and mitigate risk while supporting our growth and development projects.

The following table sets forth certain of our financial performance as of and for the years/period indicated:

| Particulars | As of and for the year ended March 31, | | | As of and for the three months ended June 30, 2024 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | |
| Revenue from Operations (₹ lakhs) | 6,928.87 | 10,734.20 | 9,294.37 | 4,048.62 |

| Particulars | As of and for the year ended March 31, | | | As of and for the three months ended June 30, 2024 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | |
| Total income (₹ lakhs) | 7,393.47 | 13,127.83 | 12,027.01 | 4,770.03 |
| Profit/ (loss) before tax (₹ lakhs) | 845.08 | 2,208.20 | (6,774.02) | (287.66) |
| Profit/ (loss) after Tax for the Year / Period (₹ lakhs) | 492.20 | 1,846.70 | (5,512.44) | (199.56) |
| Profit after Tax for the Year / Period Margin[(1)] (%) | 7.10% | 17.20% | (59.31)% | (4.93)% |
| EBITDA[(2)] (₹ lakhs) | 3,530.14 | 5,560.89 | 64.81 | 2,244.44 |
| Adjusted EBITDA[(3)] (₹ lakhs) | 3,530.14 | 5,560.89 | 4,509.87 | 2,244.44 |
| Adjusted EBITDA Margin[(4)] (%) | 50.95% | 51.81% | 48.52% | 55.44% |
| Total Equity (₹ lakhs) | 64,310.00 | 1,25,387.44 | 1,45,053.32 | 144,936.51 |
| Net Debt[(5)] (₹ lakhs) | 27,867.04 | 79,027.64 | 66,738.28 | 95,367.61 |
| Net Worth[(6)] (₹ lakhs) | 60,886.73 | 1,21,120.50 | 1,17,089.84 | 1,17,329.80 |
| Total assets[(7)] (₹ lakhs) | 1,02,537.96 | 2,22,718.89 | 3,10,139.88 | 3,46,155.86 |

*Notes:*

1. *Profit after Tax Margin for the Year / Period (%) is calculated by dividing profit after tax for the year by revenue from operations.*
2. *EBITDA is calculated as profit after tax for the year plus total tax expense, finance costs (including the interest expense charged to profit and loss through construction cost), depreciation and amortization expense.*
3. *Adjusted EBITDA is calculated by adjusting any exceptional item loss from EBITDA.*
4. *Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by revenue from operations.*
5. *Net Debt refers to the sum of non-current borrowing, current borrowing, interest accrued but not due on borrowings which is forming part of other non-current or current financial liabilities reduced by cash and cash equivalent, bank balances other than cash and cash equivalents and long term deposits with bank – deposits with original maturity of more than 12 months (including restricted deposits) forming part of other non-current financial assets and deposits with bank remaining maturity of less than 12 months forming part of other current financial assets.*
6. *Net Worth is calculated as owner equity which is share capital plus other equity plus share application money pending allotment.*
7. *Total assets is sum total of all assets i.e. current assets and non-current assets.*

The following table sets forth certain of our operational performance as of and for the years/period indicated:

| Particulars | As of and for the year ended March 31, | | | As of and for the three months ended June 30, 2024 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | |
| Pre-Sales[(1)] (₹ lakhs) | 2,861.76 | 1,852.82 | 184,117.26 | - |
| Pre-Sales (Number of units) | 4 | 3 | 201 | - |
| Collections[(2)] (₹ lakhs) | 2,861.76 | 1,852.82 | 45,329.36 | 45,767.54 |
| Saleable Area[(3)] (million square feet) | 0.09 | 0.09 | 1.05 | - |
| FAR (million square feet) | 0.09 | 0.09 | 0.06 | 0.06 |
| Leased Area (million square feet) | 0.41 | 0.41 | 0.81 | 0.91 |
| Rental Income[(4)] (₹ lakhs) | 3,468.38 | 4,824.44 | 6,617.13 | 2,542.35 |
| Occupancy Rate[(5)] | 100.00% | 100.00% | 74.18% | 78.43% |

*Notes:*

1. *Pre-Sales for any period refers to the value of all units sold (net of any cancellations) during such period, for which the booking amount has been received.*
2. *Collections refers to gross collections from sale / lease of units excluding indirect taxes and facility management charges net of cancellations.*
3. *Saleable Area is defined as the area where construction has been completed and occupation certificate/building completion certificate has been received.*
4. *Rental Income refers to income from rent from completed projects.*
5. *Occupancy Rate refers to projects whose lease agreement or letter of intent are signed.*

We believe our brand equity, geographical focus, local connect and expertise, design and hospitality led differentiation in consumer experience, strong balance sheet and institutionalized processes and systems uniquely positions us to capture opportunities in the growing Delhi NCR market.

## OUR COMPETITIVE STRENGTHS

***Leading Real Estate Developer in the Delhi-NCR Region with a Portfolio of Commercial and Residential Projects***

We are a leading Indian real estate developer active primarily in the Delhi-NCR Region and are one of the few players in the Delhi-NCR region specializing in residential, commercial, and mixed-use properties, distinguishing ourselves with a broad and diversified geographical footprint. (*Source: KFIPL Report*) Our unique position as a diversified developer allows us to cater to a wide range of market needs and capitalize on various opportunities. By maintaining a balanced presence in multiple asset class, we enhance our ability to navigate market fluctuations and optimize growth potential across different areas.

We focus on developing "*Grade A*" developments and launched our flagship project, Max Towers Noida in 2017 and Max House (Phase 1), our second flagship project in Okhla, Delhi in 2018. Both of these projects are operating at 100.00% occupancy and command a rental premium of 25% to 30% compared to their respective micro-markets highlighting their appeal to both domestic and multinational corporations (*Source: KFIPL Report*), as well as demonstrating our strong execution capability and organizational systems and processes that us to develop high quality premium office space. Further, in February 2023, we received the completion certificate for our third flagship commercial real estate project, Max Square located in Sector 129 Noida, which as of June 30, 2024 has 63.22 % Occupancy Rate (including commitments pursuant to letter of intent). Further, we expanded our presence in Delhi, by completing phase II of Max House which is located in the same campus as Max House – Phase I which received its occupancy certificate in the third quarter of Fiscal 2024 and as of June 30, 2024 has 88.61% occupancy rate.

The table below provides the spread of our portfolio as of June 30, 2024:

| Region | Completed Projects (Million Square Feet) | Ongoing Projects (Million Square Feet) | Forthcoming Projects (Million Square Feet) |
|---|---|---|---|
| Delhi | 0.26 | - | - |
| Noida | 0.98* | 2.06 | 0.35 |
| Gurugram | - | 4.07 | 3.69 |
| Other** | 0.09 | - | - |
| **Total** | **1.33** | **6.13** | **4.04** |

* *This considers Max Towers which is under the ownership of MTPL.*
** *Includes 222 Rajpur in Dehradun.*

As of June 30, 2024, we had 6 Commercial Projects and 4 Residential Projects with a total area of 11.50 million square feet. The table below provides details of our portfolio, as of June 30, 2024:

*Commercial Portfolio*

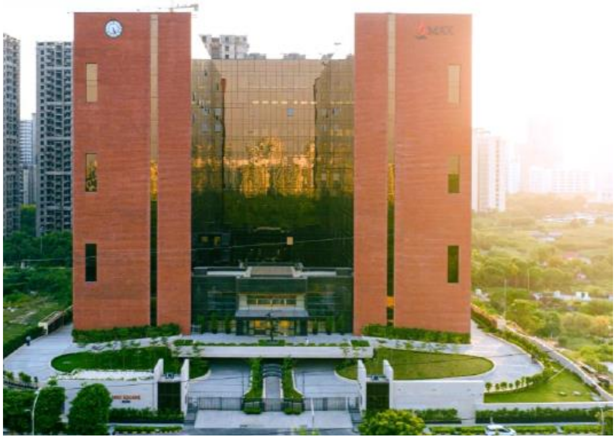
| Asset | Leasable Area(1) (Million Square Feet) | Leased Area(2) (Million Square Feet) | Occupancy Rate(3) (%) | Status |
|---|---|---|---|---|
| Max Towers, Noida | 0.30 | 0.30 | 100.00% | Delivered |
| Max House – Phase I, Okhla | 0.11 | 0.11 | 100.00% | Delivered |
| Max Square, Sector 129, Noida | 0.68 | 0.37 | 63.22% | Delivered |
| Max House – Phase II, Okhla | 0.15 | 0.13 | 88.61% | Delivered |
| Max 65, Gurugram | 1.59 | - | - | Ongoing |
| Max Square Two, Noida | 1.01 | - | - | Ongoing |
| **Total** | **3,84** | **0.92** | **78.43%** | |

1. *Leasable Areas refers to maximum area of the building which can be let out.*
2. *Leased Area refers to area for which lease deeds have been executed and/or commitments in the form of Letter of Intent has been received .*
3. *Occupancy Rate refers to % of Leasable Area that has been leased.*
4. *Computed based on property leased out.*

***Commercial Projects in Operations***

*Max Towers, Noida* *Max House-Phase I, Noida*

*Max Square, Noida*



*Residential*

| Asset | Saleable Area (Million Square Feet) | FAR (Million Square Feet) | Number of Units | Status |
|---|---|---|---|---|
| 222 Rajpur, Dehradun | 0.09 | 0.09 | 29[(1)] | Completed |
| Estate 128, Noida | 1.05 | 0.68 | 201 | Ongoing |
| Estate 128- II, Noida | 0.35 | 0.22 | 67 | RERA to be applied |
| Estate 360, Gurugram | 2.48 | 1.85 | 864 | Ongoing |
| Max 36A, Phase 2, Gurugram | 3.69 | 2.88 | Under design | Designing phase |

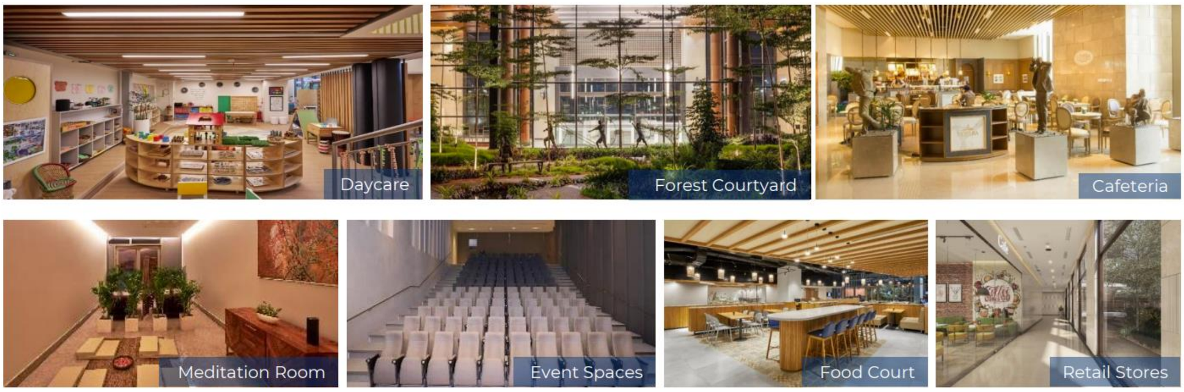
*Note:*

*(1) Includes 22 villas, 6 residential plots and 1 commercial plot*

*222 Rajpur, Dehradun*

Our assets are developed and managed to international standards making them amongst the preferred options for both domestic and multinational corporations in their respective submarkets. (*Source: KFIPL Report*) We focus on creating a holistic living experience with thoughtfully planned green spaces, world-class recreational facilities, and seamless connectivity to major commercial hubs. (*Source: KFIPL Report*) Our commercial real estate assets focus on design, well-being and tenant experience and provide a complete business ecosystem with modern infrastructure and amenities that enable our tenants to provide their employees with a safe, efficient and sustainable working environment.

*Customer Centricity*




Our residential real estate portfolio includes one Completed Project, 222 Rajpur in Dehradun which was completed in 2018, one Ongoing Project in Noida and two Forthcoming Projects in Gurugram. We have leveraged our experience and reputation in developing grade A quality commercial real estate projects to develop luxury residential projects which has been met by strong customer support. For example, Estate 128 in Noida, our first luxury residential project in the Delhi-NCR Region has been completely sold and garnered a launch sale of ₹ 184,117.26 lakhs and our Collections from this project amounted to ₹ 45,767.54 lakhs. We have two Forthcoming Projects in Gurugram, with estimated Saleable Area of 2.4 million square feet and 3.6 million square feet, respectively, which are currently under design phase, that are strategically located at the confluence of Dwarka Expressway, Central Peripheral Road and the planned Metro Corridor offering connectivity to central and secondary business districts of Gurugram such as Cyber City, Golf Course Road and Southern Peripheral Road.

We also have a healthy pipeline of Forthcoming Projects under our commercial portfolio with Max Square Two in Sector 129, Noida and Max 65, Golf Course Extension currently under design stage. The Leasable Area for Max Square Two and Max 65, Golf Course are between 1.0 to 1.1 million square feet and 1.5 to 1.6 million square feet, respectively, which will further help us grow our rental income from our commercial real estate portfolio. With a strong pipeline of commercial and residential portfolio we are well placed to further grow our business operations in the NCR region.

***Grade A Commercial Project Portfolio with a Diversified and Marquee Tenant Profile***

Our Commercial Projects are situated among the most sought after locations in the Delhi-NCR Region. (*Source: KFIPL Report*) All of our completed Commercial Projects are currently revenue generating and count reputed firms as tenants. As of June 30, 2024, we had over 38 tenants for our Commercial Projects. The table below provides certain operational details of our Commercial Projects as of the periods indicated:

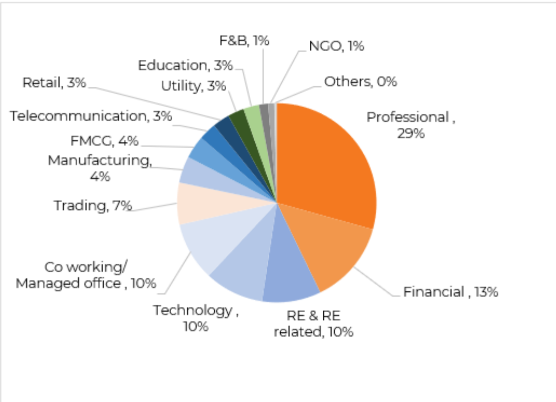
| Asset | Leasable Area (Million Square Feet) as of June 30, 2024 | Leased Area (Million Square Feet) as of June 30, 2024 | Occupancy Rate (%) as of June 30, 2024 | WALE (in years) as of June 30, 2024 | Total rent | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Fiscal 2022 (₹ lakhs) | Fiscal 2023 (₹ lakhs) | Fiscal 2024 (₹ lakhs) | Three months ended June 30, 2024 (₹ lakhs) |
| Max Towers, Noida | 0.30 | 0.30 | 100.00% | 5.1 | 2,758.01 | 3,396.18 | 3,813.64 | 1,019.91 |
| Max House – Phase I, Okhla | 0.11 | 0.11 | 100.00% | 6.1 | 710.37 | 1,428.26 | 1,404.26 | 373.13 |
| Max Square, Sector 129, Noida | 0.68 | 0.43 | 63.22% | 7.3[(1)] | - | - | 1,059.05 | 636.67 |
| Max House – Phase II, Okhla | 0.15 | 0.13 | 88.61% | 8.3 | - | - | 340.18 | 512.64 |
| **Total** | **1.24** | **0.96** | **78.43%** | **6.6[(2)]** | **3,468.38** | **4,824.44** | **6,617.13** | **2,542.35** |

*Notes:*

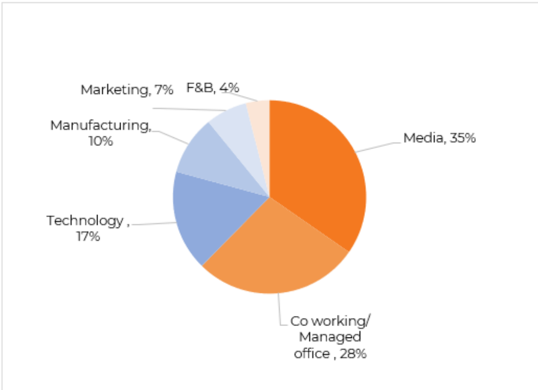
*(1) For Max Square WALE calculation, two of our tenants which have a lease tenure of 5 years and have the option to continue on same terms for next 4 years.*

*(2) Weighted Average of all buildings*

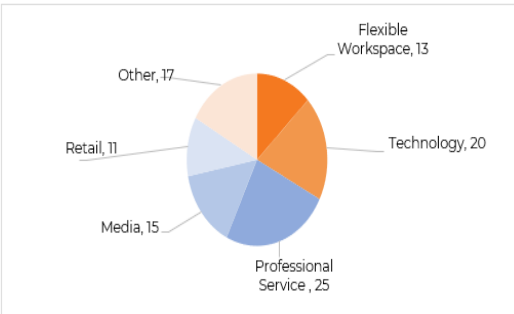
*Split of Portfolio Across Sectors as of June 30, 2024*




***Max Towers***




***Max Square***




***Max House***

We believe that our ability to attract and retain tenants across multiple sectors is a reflection of the leading position of our assets in their respective markets. This is driven by high quality infrastructure and amenities of our assets, and our best-in-class asset management capabilities. Further, leases in India are typically on a "warm shell" basis, and as a result tenants typically undertake significant capex at their own expense, they have significantly higher "stickiness" due to high exit costs which helps us to retain our existing tenants. (*Source: KFIPL Report*)

We maintain regular communication with our tenants through a dedicated customer relationship management program which ensures we anticipate and cater to tenant needs. This has resulted in tenant engagement which drive tenant growth as well result into retaining existing tenants. Further, no single tenant occupying more than 20% of our total leasable area, which helps minimize tenant concentration risk and ensures a more balanced and stable occupancy profile.

The table below provides details of rent generated from top 10 tenants for the respective asset as a percentage of total rent from the relevant asset in the last three Fiscals and three months ended June 30, 2024:

| Particulars | Fiscal 2022 | | Fiscal 2023 | | Fiscal 2024 | | Three months ended June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ lakhs) | Percentage of total rent of the relevant asset (%) | Amount (₹ lakhs) | Percentage of total rent of the relevant asset (%) | Amount (₹ lakhs) | Percentage of total rent of the relevant asset (%) | Amount (₹ lakhs) | Percentage of total rent of the relevant asset (%) |
| Max Towers, Noida | 2,647.95 | 96.01% | 3,338.06 | 98.29% | 3,452.22 | 90.52% | 947.68 | 92.92% |
| Max House – Phase I, Okhla | 684.57 | 96.37% | 1,336.19 | 93.55% | 1,348.10 | 96.00% | 354.37 | 94.97% |
| Max Square, Sector 129, Noida | - | - | - | - | 1,059.05 | 100.00% | 636.67 | 100.00% |
| Max House – Phase II, Okhla | - | - | - | - | 340.18 | 100.00% | 495.26 | 96.61% |

The table below provides details of leased area and occupancy rates across our Commercial Projects as of the dates set forth:

| Asset | As of March 31, 2022 | | As of March 31, 2023 | | As of March 31, 2024 | | As of June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | Leasable Area (Million Square Feet) | Occupancy Rate (%) | Leasable Area (Million Square Feet) | Occupancy Rate (%) | Leasable Area (Million Square Feet) | Occupancy Rate (%) | Leasable Area (Million Square Feet) | Occupancy Rate (%) |
| Max Towers, Noida | 0.30 | 100.00% | 0.30 | 100.00% | 0.30 | 100.00% | 0.30 | 100.00% |
| Max House – Phase I, Okhla | 0.11 | 100.00% | 0.11 | 100.00% | 0.11 | 100.00% | 0.11 | 100.00% |
| Max Square, Sector 129, Noida | - | - | - | - | 0.68 | - | 0.68 | 63.22% |
| Max House – Phase II, Okhla | - | - | - | - | 0.15 | 50.00% | 0.15 | 88.61% |
| **Total** | **0.41** | **100.00%** | **0.41** | **100.00%** | **1.24** | **74.18%** | **1.24** | **78.43%** |

***Proven Project Execution Capabilities with a Focus on Technology***

We have an integrated real estate development model, with capabilities and in-house resources to execute developments from its initiation to completion. We have developed in-house competencies for every stage of the property development life cycle, and rely on the domain knowledge, experience and functional expertise of our in-house experts to deliver quality developments in compliance with regulations.

Our project execution capabilities are spread across verticals which helps us to codify the process for faster turnaround time. Our execution verticals include:

- Sales and Leasing: Focus on lead generation, client engagement, lead conversion and achieving revenue targets.
- Planning: In-depth planning, cost estimation and granular monitoring of project cost and timelines.
- CRM (Customer Relationship Management): Manage customer interactions, documentation and enhance customer satisfaction through personalized strategies.
- Marketing: Drive brand promotion and lead generation through digital and traditional campaigns.
- Quality: Ensure product/service quality through compliance, auditing and process improvement.
- Legal: Handle due diligence, contract negotiations, contract documentation, compliance, and dispute resolution.
- Growth and Business Development: Build pipeline of potential growth opportunities, shortlist and execute project acquisition opportunities.
- Strategy: Set long-term vision, business strategy and execute initiatives.
- HR and Payroll: Manage talent acquisition, retention, performance management, compensation, and employee engagement.
- Design: Be custodian of design guidelines and principals; lead design development process in coordination with international and domestic architects and consultants.
- Finance and Accounts: Manage financial budgeting, auditing, accounting, profit and loss management, and compliance with regulations.
- Procurement: Handle sourcing, negotiations, and contract execution.
- Projects: Plan and execute projects with a focus on quality, time, and cost.

Our project management consultancy model involves, breaking down projects into smaller components and assigning these segments to various contractors which allows us to leverage specialized skills and competitive pricing, ensuring high-quality developments while maintaining cost efficiency. The use of contractors, who offer both expertise and competitive rates, contributes to overall project affordability without compromising standards. Furthermore, this model enhances our ability to oversee and manage each segment closely, facilitating quality control and timely issue resolution. This structured and cost-effective approach underscores our commitment to delivering high-quality projects while optimizing financial resources.

We also leverage the expertise of external specialists to match our wide range of operations, such as architects, interior designers, engineers and building services consultants for the development and management of our developments. For instance, we have been associated with a global design and architecture firm, since 2019 to design Max Towers. We benefit from their strong design research practice and have currently engaged them for our Max 65 and Max 36A projects.

We believe that our proven execution capabilities to deliver developments in a time bound manner while achieving operational and design efficiencies positions us more favourably compared to our competitors. As a testament of our strong project execution capability, we were able to receive the competition certificate for our Max Square Project within 30 months from the start of construction.

We also leverage technology as an enabler in various aspects of our operations, including project planning and execution, and customer relationship management. Our technology initiatives include a customized central standard operating repository and training management module for our employees; a call center software to engage with customers; a cloud based relationship management solution to monitor new leads; a comprehensive enterprise resource planning for real estate modules; and a machine learning management platform for real-time visibility over our customers / employees. We also use a 3-dimensional BIM software for our assets which helps us to detect clashes and design flaws. As a result of our clash detection abilities, we are able to detect design flaws earlier and improve scheduling of construction material thereby helping us save time, and costs resulting in better project execution capabilities.

***Strong Focus on Sustainability Across our Operations***

We intend to enhance the quality of life of our customers through our sustainable operations. In 2022, we participated in the Global Real Estate Sustainability Benchmark, and received a rating of 69/100 for our Completed Projects and 75/100 for our Ongoing Projects. Following the announcement of the ratings, we undertook a detailed analysis to improve our score, and in 2023 results, we improved our score from 69 to 83 for Completed Projects and 75 to 93 for Ongoing Projects, which enabled our Company to achieve 4 star rating. In addition, all of our projects adhere to the National Building Code 2016 for safety standards. In addition, Max House is Leadership in Energy and Environmental Design Gold ("**LEED**") certified for green building strategies and Indian Green Building Mentioning ("**IGBC**") Gold certified for health and well-being aspects. Max Square is also rated IGBC Green Platinum. Having assets LEED/ IGBC certified endorses the commitment towards environmental sustainability and providing a greener and safer work environment for the occupants.

Our sustainable initiatives include the following:

- *Energy*: integration of double-glazing units and information of technology-based chiller operations optimizing energy efficiency from Smart Joules Private Limited, while heat recovery mechanisms and rooftop solar PV systems reduce environmental impact.
- *Water*: zero water discharge by treating the wastewater in sewage treatment plants.
- *Waste*: waste segregation at source, minimizing landfill waste, and an organic waste converter system for responsible reuse, promoting a greener future for resident.
- *Indoor environment quality*: real time air quality monitoring adjusts ventilation based on PM2.5 and PM 10 levels and filers reduce pollutants in conditioned areas, improving air quality usings solutions from Aliferous Technologies Private Limited.
- *Material Sourcing*: we adhere to material guidelines defined by LEED and IGBC of the certificate that were received for Max Tower, low VOC content paint and locally sourced materials.

***Strong Brand Equity Coupled with Experienced Management Team***

We are the real estate development arm of Max group, one of India's business conglomerates with a strong presence in life insurance, senior living and real estate and allied businesses. (*Source: KFIPL Report*) Further, we also believe that the "Max" brand provides us with competitive advantages in attracting talent, access to a global network, exploring potential business opportunities and corporate governance practices. We are able to leverage the "Max" brand through our strategic branding initiatives, consumer engagement programs and integrated marketing campaigns across our various businesses.

Our board comprises eminent and experienced members with deep expertise in real estate and other industries. Our Chairman, Mr. Analjit Singh provides strategic direction and leadership to the Max group as a whole and is widely recognized as an industry statesman and has a long history of entrepreneurial ventures including in the insurance, healthcare and other lifestyle related ventures. He has been awarded the Padma Bhushan in 2011, one of India's top civilian honours. He has also received the Outstanding Lifetime Achievement Award from Indian American Centre for Political Awareness in 2003 and Golden Peacock Award for Business Leadership in 2012. Our Non-Executive Directors, Anthony R Malloy, is currently associated with the New York Life Insurance Company; and Atul B Lall was associated with the Ministry of Communication & Information Technology, Government of India, Elcina Electronic Industries Association of India and Weston Electroniks Limited.. Our Independent Directors include, D K Mittal, who is a former Indian Administrative Service officer and board of various companies including Indus Tower Ltd., Lohia Corp Limited and Niva Bupa Health Insurance Company Limited..

We also have a committed senior management team. Our Vice Chairman and Managing Director, Sahil Vachani is responsible for the overall strategic vision, direction and growth of our Company. He was earlier associated with Dixon Appliances Private Limited. Our Chief Operating Officer, Rishi Raj was previously associated with McKinsey & Co, while our Chief Financial Officer, Nitin Kansal has an extensive experience across hospitality and real estate.

We believe that the experience of our board of directors and senior management team provides us with the ability to anticipate trends in the real estate market, identify and acquire lands in emerging locations and design our properties in accordance with customer trends.

## OUR GROWTH STRATEGIES

***Expand our Leadership Position in Commercial and Residential Developments in the Delhi NCR Region***

We intend to focus on acquiring land parcels for both our commercial and residential projects to expand our leadership position in the Delhi NCR region. Our strategic focus will be on creating a balanced portfolio that includes both residential and commercial projects, with an emphasis on premium developments. We are committed to maintaining a diverse and dynamic mix of high-quality properties to cater to varying market needs. To achieve this, we will strategically distribute our projects across key locations, ensuring a balanced presence in the Delhi-NCR micro-markets which will help us to leverage opportunities in each micro-market while delivering value and quality across our entire portfolio.

For our residential developments, we have executed a joint development agreement for 18.23 acres of Group Housing development in Gurugram. We intend to add an additional 2 million square feet of development potential in NCR cities of Gurugram, Noida and Delhi through which we intend to launch additional projects in the coming Fiscals. Further, we will also strategically develop projects on approximately 100 acres of land owned by our Promoter under the land pooling policy, capitalizing on these valuable assets to enhance our development portfolio. By utilizing promoter-owned land, we can optimize land use and streamline the development process, ensuring cost efficiency and effective resource management which will not only maximize the value of our existing assets but also enables us to undertake high-quality projects with greater control and flexibility. Leveraging promoter land will help us accelerate project timelines, reduce acquisition costs, and drive overall growth and profitability.

In addition, our focus will be on selecting projects that can be developed swiftly and efficiently. By prioritizing developments with shorter timelines, we aim to accelerate our project delivery and capitalize on market opportunities more effectively. This approach allows us to quickly bring new properties to market, respond promptly to demand, and optimize our overall project cycle to maintaining our competitive edge and maximizing returns on investment.

To further align with our strategy, we will also consider bidding for projects that are currently under insolvency proceedings. This approach allows us to explore opportunities for acquiring assets and potentially accelerate our development timeline. For example, our Company is the successful resolution applicant in Delhi One insolvency process. The Delhi One project consists of one commercial tower, one hotel tower, retails spaces and three residential towers with an Estimated Developable Area of 2.5 million square feet - 3 million square feet. The implementation and takeover of Delhi One is pending approval on select set of business pre-requisites requested in the resolution plan.

***Continue to Maintain Asset Light Operations***

We believe that an asset light model helps to unlock capital that can be used for future growth. We aspire to find new partners to enter into joint development agreements which will help us to source premium land at strategic locations with minimal initial investment, help us continue to focus on and execute developments with land-owners. We believe that the strong brand equity of the Max Group, combined with our proven execution capabilities, enhances our ability to secure land through joint ventures and joint development agreements. As of June 30, 2024, 70.18% of the Saleable Area of our Ongoing Projects and 91.32% of the estimated Saleable Area of our Forthcoming Projects, respectively, were based on the joint development, joint venture or re-development model. We intend to leverage our established brand, proven track record and execution capabilities to actively pursue this model. We also intend to continue to selectively acquire land, which results in efficient utilization of capital resulting in lower debt, allowing us to have higher return on capital employed.

*Continue to Focus on Sustainability*

We assess the environmental impact of our developments and have adopted a comprehensive approach to sustainable development from an early design phase through the construction period. We will continue to focus our attention towards sustainability across our operations by incorporating environmental-friendly elements in our construction. We aim to continuously improve our operations and achieve a 5 star rating. We aspire to obtain LEED certifications by the IGBC for our Forthcoming Developments. Further, we have applied for ISO9001 certification for Quality Management, ISO45001 certification for Occupational and health safety and ISO14001 for environmental certification for our projects.

## SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Preliminary Placement Document, including the sections "*Risk Factors*", "*Use of Proceeds*", "*Placement*", "*Issue Procedure*" and "*Description of the Equity Shares*" on pages 62, 96, 295, 278 and 312 respectively.

| | |
|---|---|
| **Issuer** | Max Estates Limited |
| **Face value** | ₹ 10 per Equity Share |
| **Issue Price** | ₹ [●] per Equity Share (including a premium of ₹ [●] per Equity Share) |
| **Floor Price** | ₹ 628.74 per Equity Share, calculated on the basis of Regulation 176 of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price.<br><br>However, our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the Shareholders accorded through their special resolution dated August 23, 2024 and in terms of Regulation 176(1) of the SEBI ICDR Regulations. |
| **Issue Size** | Issue of [●] Equity Shares, aggregating up to ₹ [•] lakhs, at a premium of ₹ [●] each.<br><br>A minimum of 10% of the Issue Size, i.e., at least [●] Equity Shares shall be available for Allocation to Mutual Funds only and the balance [●] Equity Shares shall be available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription in the portion available for Allocation only to Mutual Funds, such undersubscribed portion may be Allotted to other Eligible QIBs. |
| **Date of Board resolution authorizing the Issue** | July 15, 2024 |
| **Date of Shareholders' resolution authorizing the Issue** | August 23, 2024 |
| **Dividend** | See "*Description of Equity Shares*" and "*Dividends*" on pages 312 and 108. |
| **Eligible Investors** | Eligible QIBs, to whom this Preliminary Placement Document and the Application Form are delivered and who are eligible to bid and participate in the Issue. FVCIs are not permitted to participate in the Issue.<br><br>For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 278, 297 and 305, respectively. The list of Eligible QIBs to whom this Preliminary Placement Document and Application Form is delivered has been determined by our Company in consultation with the BRLMs. |
| **Equity Shares issued and outstanding immediately prior to the Issue** | 147,408,912 Equity Shares |
| **Equity Shares issued and outstanding immediately after the Issue** | [●] Equity Shares |
| **Issue procedure** | This Issue is being made only to Eligible QIBs in reliance on Section 42 and Section 62 of the Companies Act, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act and Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 278. |
| **Listing and trading** | Our Company has obtained in-principle approvals dated August 29, 2024 each from BSE and NSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue. |

| | |
|---|---|
| | Our Company will make applications to each of the Stock Exchanges after Allotment and credit of Equity Shares to the beneficiary account with the Depository Participant to obtain final listing and trading approval for the Equity Shares, to be issued pursuant to this Issue.<br><br>The trading of the Equity Shares would be in dematerialised form and only in the cash segment of each of the Stock Exchanges. |
| **Lock-up** | For details of the lock-up, see "*Placement – Lock-up*" on page 295. |
| **Transferability restrictions** | The Equity Shares Allotted pursuant to this Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange. Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. See "*Issue Procedure*", "*Selling Restrictions*" *and "Purchaser Representations and Transfer Restrictions"* on pages 278, 297 and 305, respectively. |
| **Use of proceeds** | The gross proceeds from the Issue will be aggregating to approximately ₹ [•] lakhs. The net proceeds from the Issue, after deducting fees, commissions and Issue related expenses is expected to be approximately ₹ [●] lakhs.<br><br>See "*Use of Proceeds*" on page 96 for information regarding the use of Net Proceeds from the Issue. |
| **Risk factors** | See "*Risk Factors*" on page 62 for a discussion of risks you should consider before investing in the Equity Shares. |
| **Indian taxation** | For details of statement of possible tax benefits available to the Company and its Material Subsidiaries and to shareholders of the Company under the applicable laws in India, see *"Taxation"* on page 316. |
| **Closing Date** | The Allotment of the Equity Shares is expected to be made on or about [●], 2024. |
| **Ranking and dividends** | The Equity Shares to be issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* with the existing Equity Shares of our Company, including rights in respect of voting and dividends.<br><br>The Shareholders who hold Equity Shares as on the relevant record date will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, SEBI Listing Regulations and other applicable laws and regulations. Shareholders may attend and vote in shareholders' meetings in accordance with the provisions of the Companies Act. Please see "*Dividends"* and "*Description of the Equity Shares"* on pages 108 and 312, respectively. |

| | | |
|---|---|---|
| **Security Codes/ Symbols for the Equity Shares** | **ISIN** | INE03EI01018 |
| | **BSE Code** | 544008 |
| | **BSE Symbol** | MAXESTATES |

| | | |
|---|---|---|
| | | |
| | **NSE Symbol** | MAXESTATES |

# SELECTED FINANCIAL INFORMATION

The following tables set out selected financial information derived from our Audited Consolidated Financial Statements and the Special Purpose Audited Consolidated Financial Statements for Fiscal 2022 and the Unaudited Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024. For further details, please see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*", on pages 160 and 351, respectively.

*[The remainder of this page has intentionally been left blank]*

**Summary of Consolidated Balance Sheet as at March 31, 2024, March 31, 2023 and March 31, 2022**

*(All amounts are in ₹ lakhs)*

| Particulars | As at | | |
|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 463.08 | 582.66 | 116.48 |
| Investment properties | 1,80,379.75 | 1,40,508.93 | 89,672.35 |
| Other intangible assets | 303.84 | 333.05 | 3.45 |
| Right-of-use assets | 1,437.33 | 1,317.55 | - |
| Intangible assets under development | 26.60 | - | - |
| Financial assets | | | |
| (i) Investments | 269.41 | 5,363.17 | - |
| (ii) Trade receivables | 659.83 | 968.61 | 63.78 |
| (iii) Other bank balances | 2,451.02 | 1,001.35 | 10.26 |
| (iv) Other financial assets | 9,811.89 | 2,997.87 | 245.06 |
| Deferred tax assets (net) | 6,487.46 | 1,998.45 | 43.83 |
| Non-current tax assets (net) | 1,723.45 | 1,552.71 | 793.33 |
| Other non current assets | 6,736.35 | 5,337.43 | 1,790.50 |
| | | | |
| **Current assets** | | | |
| Inventories | 53,287.43 | 38,691.83 | 1,375.52 |
| Financial assets | | | |
| (i) Investments | 8,996.41 | 10,596.36 | 1,274.28 |
| (ii) Trade receivables | 801.44 | 578.06 | 193.31 |
| (iii) Cash and cash equivalents | 23,073.62 | 1,762.70 | 272.20 |
| (iv) Bank Balances other than (iii) above | 2,924.31 | 2,374.31 | 4,566.40 |
| (v) Other financial assets | 5,265.91 | 4,665.46 | 1,268.01 |
| Other current assets | 5,040.75 | 2,088.39 | 849.20 |
| | | | |
| **Total assets** | **3,10,139.88** | **2,22,718.89** | **1,02,537.96** |
| | | | |
| **Equity** | | | |
| Equity share capital | 14,713.45 | - | 7,791.00 |
| Pending for allotment | 38.69 | 14,710.36 | - |
| Other equity | 1,02,337.70 | 1,06,410.14 | 53,095.73 |
| **Equity attributable to equity holders of parent company** | **1,17,089.84** | **1,21,120.50** | **60,886.73** |
| Non-controlling interest | 27,963.48 | 4,266.94 | 3,423.27 |
| **Total equity** | **1,45,053.32** | **125,387.44** | **64,310.00** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 82,587.12 | 75,081.26 | 28,335.38 |
| (ii) Lease liabilities | 4,142.53 | 3,488.11 | - |
| (iii) Other non current financial liabilities | 13,081.01 | 4,536.85 | 3,742.96 |
| Long term provisions | 280.04 | 169.33 | 72.94 |
| Deferred tax liabilities | 742.99 | 1,083.41 | 391.19 |
| | | | |

*(All amounts are in ₹ lakhs)*

| Particulars | As at | | |
|---|---|---|---|
| | **March 31, 2024** | **March 31, 2023** | **March 31, 2022** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 8,832.14 | 7,358.04 | 3,176.68 |
| (ii) Trade payables | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 78.85 | 501.79 | 96.52 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,650.32 | 2,201.72 | 900.96 |
| (iii) Lease liabilities | 613.81 | 236.66 | - |
| (iv) Other current financial liabilities | 3,927.39 | 1,655.24 | 762.99 |
| Current Tax Liabilities (net) | 26.00 | - | - |
| Other current liabilities | 46,753.29 | 767.41 | 633.89 |
| Short term provisions | 371.07 | 251.63 | 114.45 |
| | | | |
| **Total Equity and Liabilities** | **3,10,139.88** | **2,22,718.89** | **1,02,537.96** |

**Summary of Consolidated Statement of Profit and Loss for the years ended March 31, 2024, March 31, 2023 and March 31, 2022**

*(All amounts are in ₹ lakhs, unless otherwise stated)*

| Particulars | For the year ended | | |
|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | | | |
| | | | |
| **INCOME** | | | |
| Revenue from operations | 9,294.37 | 10,734.20 | 6,928.87 |
| Other income | 2,732.64 | 2,393.63 | 464.60 |
| **Total income** | **12,027.01** | **13,127.83** | **7,393.47** |
| | | | |
| **EXPENSES** | | | |
| Cost of land, plots, development rights, constructed properties and others | - | 1,015.55 | - |
| Change in inventories of constructed properties | - | 1,138.84 | 1,850.94 |
| Employee benefits expense | 1,227.96 | 1,537.73 | 347.49 |
| Finance costs | 4,298.60 | 1,861.87 | 1,616.92 |
| Depreciation and amortization expense | 2,540.23 | 1,490.82 | 1,068.14 |
| Advertisement and Sales promotion expense | 2,258.98 | - | - |
| Facility and management services | 1,825.87 | - | - |
| Other expenses | 2,204.33 | 3,874.82 | 1,664.90 |
| **Total expenses** | **14,355.97** | **10,919.63** | **6,548.39** |
| | | | |
| **Profit/ (Loss) before exceptional items and tax** | **(2,328.96)** | **2,208.20** | **845.08** |
| | | | |
| Exceptional item | (4,445.06) | - | - |
| | | | |
| **Profit/ (Loss) before tax** | **(6,774.02)** | **2,208.20** | **845.08** |
| | | | |
| **Tax expense** | | | |
| - Current tax | 323.51 | 2,050.11 | - |
| - Income tax for earlier years | 154.96 | 4.17 | 77.82 |
| - Deferred tax | (1,740.05) | (1,692.78) | 275.06 |
| **Total tax expense/ (Credit)** | **(1,261.58)** | **361.50** | **352.88** |
| | | | |
| **Profit/(loss) for the year** | **(5,512.44)** | **1,846.70** | **492.20** |
| | | | |
| Attributable to: | | | |
| Equity holders of the parent | (4,216.30) | 1,901.49 | 499.89 |
| Non-controlling interests | (1,296.14) | (54.79) | (7.69) |
| | | | |
| **Other comprehensive income not to be reclassified to profit or loss in subsequent period:** | | | |
| Re-measurement loss/(gain) of defined benefit plans | (15.81) | 0.02 | 3.93 |
| Income tax effect | 3.98 | (0.01) | (0.99) |
| **Net comprehensive income not to be reclassified to profit or loss in subsequent period:** | **(11.83)** | **0.01** | **2.94** |
| | | | |
| **Other comprehensive income/(loss) for the year, net of tax** | **(11.83)** | **0.01** | **2.94** |

*(All amounts are in ₹ lakhs, unless otherwise stated)*

| Particulars | For the year ended | | |
|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| | | | |
| Attributable to: | | | |
| Equity holders of the parent | (11.83) | 0.01 | 2.94 |
| Non-controlling interests | - | - | - |
| | | | |
| **Total comprehensive income/(loss) for the year** | **(5,524.27)** | **1,846.71** | **495.14** |
| | | | |
| Attributable to: | | | |
| Equity holders of the parent | (4,228.13) | 1,901.50 | 502.83 |
| Non-controlling interests | (1,296.14) | (54.79) | (7.69) |
| | | | |
| **Earnings per equity share (Nominal value of share Rs.10/-)** | | | |
| Basic (Rs.) | (3.75) | 1.29 | 0.63 |
| Diluted (Rs.) | (3.75) | 1.29 | 0.11 |

**Summary of Consolidated Cash Flow Statement for years ended March 31, 2024, March 31, 2023 and March 31, 2022**

*(All amounts are in ₹ lakhs)*

| Particulars | For the year ended | | |
|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2022 |
| **Operating activities** | | | |
| Profit/ (Loss) before tax | (6,774.02) | 2,208.20 | 845.08 |
| | | | |
| **Adjustments to reconcile profit before tax to net cash flows:** | | | |
| Exceptional item | 4,445.06 | - | - |
| Depreciation and amortisation expenses | 2,540.23 | 1,490.82 | 1,068.14 |
| Expense recognised on employee stock option scheme | 76.13 | 105.87 | - |
| Fair value gain on financial instruments at fair value through profit or loss | (7.10) | (13.78) | - |
| Profit on derecognition of ROU asset | (15.82) | (135.97) | - |
| Profit on sale of mutual funds | (804.92) | (101.82) | - |
| Liabilities/provisions no longer required written back | (74.76) | - | (30.57) |
| Profit on sale of non-current investments | (106.49) | (944.14) | - |
| Interest income | (1,649.70) | (25.25) | (338.37) |
| Interest expense on lease liability | 438.76 | - | - |
| Finance costs | 3,859.84 | 1,861.87 | 1,616.92 |
| Loss on disposal of property, plant and equipment | - | - | 0.42 |
| Revenue from Rental (Equalisation) | - | - | (176.41) |
| Unwinding of interest on security deposit | - | (319.88) | - |
| **Operating profit before working capital changes** | **1,927.21** | **4,125.90** | **2,985.23** |
| **Working capital adjustments:** | | | |
| Increase/ (decrease) in trade payables and other payables | 7,652.60 | 1,505.44 | (1,171.34) |
| Increase/ (decrease) in other current and non-current liabilities | 45,985.88 | (145.30) | 1,640.74 |
| Decrease / (increase) in trade receivables | 85.40 | (436.37) | (296.64) |
| Decrease / (increase) in inventories | (13,307.81) | (37,299.88) | 1,886.95 |
| Decrease / (increase) in other current and non current assets | (14,644.39) | (10,160.40) | (533.52) |
| **Cash generated from operations** | **27,698.89** | **(42,410.61)** | **4,511.42** |
| Income tax paid (net of refund) | (628.84) | (3,224.62) | (440.60) |
| **Net cash flows from/(used) in operating activities** | **27,070.05** | **(45,635.23)** | **4,070.81** |
| | | | |
| **Investing activities** | | | |
| Purchase of property, plant and equipment (including investment property, intangible assets, CWIP and capital advances) | (32,051.31) | (50,143.71) | (12,882.43) |
| Proceeds from sale of property, plant and equipment | - | (2,096.87) | 0.72 |
| Interest received | 1,437.58 | 1,190.35 | 357.77 |
| Net movement in deposits | (1,999.67) | 38,933.62 | 464.19 |
| Sale/ (Purchase) of current investments (net) | 3,174.04 | (6,270.64) | (35.27) |
| Sale of non current investments | 307.95 | 13,172.86 | - |
| Purchase of non current investments | (34.60) | - | - |
| **Net cash flows used in investing activities** | **(29,166.01)** | **(5,214.39)** | **(12,095.01)** |
| | | | |
| **Financing activities** | | | |
| Proceeds from issuance of equity share capital including security premium | 18.86 | 24.86 | - |
| Proceeds from exercise of employee stock option plan | 38.69 | 1,851.13 | - |

*(All amounts are in ₹ lakhs)*

| Particulars | For the year ended | | |
|---|---|---|---|
| | **March 31, 2024** | **March 31, 2023** | **March 31, 2022** |
| Repayment of lease liability | (744.66) | 886.26 | - |
| Sale of stake in subsidiary | 14,490.64 | - | - |
| Proceeds from issue of securities to Non controlling interest | 16,096.44 | - | - |
| Repayments of borrowings | (6,216.80) | (34,724.58) | - |
| Proceeds from borrowings | 6,397.51 | 6,856.75 | 10,270.12 |
| Proceeds from long-term borrowings | - | 81,470.46 | - |
| Interest paid | (6,673.80) | (4,236.05) | (2,471.84) |
| **Net cash flows from financing activities** | **23,406.88** | **52,128.83** | **7,798.29** |
| | | | |
| Net decrease in cash and cash equivalents | 21,310.92 | 1,279.21 | (225.90) |
| Add Merger adjustment | - | 211.29 | - |
| Cash and cash equivalents at the beginning of the year | 1,762.70 | 272.20 | 498.10 |
| **Cash and cash equivalents at the year end** | **23,073.62** | **1,762.70** | **272.20** |

**Summary of Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024**

*(All amounts are in ₹ lakhs unless otherwise stated)*

| Particulars | For the three months period ended June 30, 2024 |
|---|---|
| **INCOME** | |
| Revenue from operations | 4,048.62 |
| Other income | 721.41 |
| **Total income** | **4,770.03** |
| | |
| **EXPENSES** | |
| Change in inventories of constructed properties | 186.75 |
| Employee benefits expenses | 381.58 |
| Finance costs | 1,655.24 |
| Depreciation and amortization expense | 876.86 |
| Advertisement and Sales promotion expense | 781.19 |
| Facility and management services | 617.45 |
| Other expenses | 558.62 |
| **Total expenses** | **5,057.69** |
| | |
| **Loss before tax** | **(287.66)** |
| | |
| **Tax expense** | |
| - Current tax | 71.33 |
| - Deferred tax | (159.43) |
| **Total tax credit** | **(88.10)** |
| | |
| **Loss for the period** | **(199.56)** |
| | |
| **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) |
| Income tax effect | 0.85 |
| **Net comprehensive income/(loss) not to be reclassified to profit or loss in subsequent period:** | **(6.50)** |
| | |
| **Other comprehensive income/(loss) for the period, net of tax** | **(6.50)** |
| | |
| **Total comprehensive income/(loss) for the period** | **(206.06)** |
| | |
| **Net profit/(loss) Attributable to:** | |
| Equity holders of the parent | 157.21 |
| Non-controlling interests | (356.77) |
| | |
| **Other comprehensive income/(loss) attributable to:** | |
| Equity holders of the parent | (6.50) |
| Non-controlling interests | - |
| | |

*(All amounts are in ₹ lakhs unless otherwise stated)*

| Particulars | For the three months period ended |
|---|---|
| | June 30, 2024 |
| **Total comprehensive income**/(loss) attributable to: | |
| Equity holders of the parent | 150.71 |
| Non-controlling interests | (356.77) |
| | |
| **Earnings per equity share (Nominal value of share Rs.10/-)** | |
| Basic and Diluted per share (not annualized) | (0.14) |

**Summary of Consolidated Statement of assets and liabilities as at June 30, 2024**

*(All amounts are in ₹ lakhs)*

| Particulars | As at June 30, 2024 |
|---|---|
| **Non-current assets** | |
| Property, plant and equipment | 516.88 |
| Investment properties | 1,82,686.18 |
| Intangible assets | 289.87 |
| Right-of-use assets | 1,313.80 |
| Intangible assets under development | 32.09 |
| Financial assets | |
| (i) Investments | 273.22 |
| (ii) Trade receivables | 585.04 |
| (iii) Other bank balances | 2,478.90 |
| (iv) Other financial assets | 23,716.44 |
| Deferred tax assets (net) | 6,671.94 |
| Non-current tax assets (net) | 2,366.05 |
| Other non current assets | 7,248.66 |
| | |
| **Current assets** | |
| Inventories | 63,280.71 |
| Financial assets | |
| (i) Investments | 5,991.80 |
| (ii) Trade receivables | 1,425.59 |
| (iii) Cash and cash equivalents | 29,546.15 |
| (iv) Bank Balances other than (iii) above | 4,154.71 |
| (vi) Other financial assets | 7,741.09 |
| Other current assets | 5,836.74 |
| | |
| | |
| **Total assets** | **3,46,155.86** |
| | |
| **EQUITY AND LIABILITIES** | |
| **Equity** | |
| Equity share capital | 14,740.89 |
| Share capital pending issuance | 24.87 |
| Other equity | 1,02,564.04 |
| **Equity attributable to equity holders of parent company** | **1,17,329.80** |
| Non-controlling interest | 27,606.71 |
| **Total equity** | **1,44,936.51** |
| | |
| **Liabilities** | |
| **Non-current liabilities** | |
| Financial liabilities | |
| (i) Borrowings | 1,25,032.29 |
| (ii) Lease liabilities | 3,979.03 |
| (iii) Other non current financial liabilities | 14,637.83 |
| Non-current provisions | 348.75 |
| Deferred tax liabilities | 809.13 |

*(All amounts are in ₹ lakhs)*

| Particulars | As at June 30, 2024 |
|---|---|
| | **1,44,807.03** |
| **Current liabilities** | |
| Financial liabilities | |
| (i) Borrowings | 1,848.74 |
| (ii) Lease liabilities | 630.85 |
| (iii) Trade payables | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 133.44 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 3,710.58 |
| (iv) Other current financial liabilities | 3,306.83 |
| Contract Liabilities | 45,772.94 |
| Other current liabilities | 515.91 |
| Current provisions | 455.45 |
| Current Tax Liabilities (net) | 37.58 |
| | |
| | |
| **Total Liabilities** | **2,01,219.35** |
| **Total Equity and Liabilities** | **3,46,155.86** |

**Summary of Consolidated Cash Flow Statement for the three months period ended June 30, 2024**

*(All amounts are in ₹ lakhs)*

| Particulars | For the three months period ended June 30, 2024 |
|---|---|
| **Operating activities** | |
| Loss before tax | (287.66) |
| **Adjustments to reconcile loss before tax to net cash flows:** | |
| Depreciation and amortisation expenses | 876.86 |
| Expense recognised on employee stock option scheme | 25.70 |
| Profit on sale of mutual funds | (29.17) |
| Liabilities/provisions no longer required written back | (9.75) |
| Interest income | (670.32) |
| Finance costs | 1,655.24 |
| **Operating profit before working capital changes** | **1,560.90** |
| | |
| **Working capital adjustments:** | |
| Increase/ (decrease) in trade payables, provision and other financial payables | 830.93 |
| Increase/ (decrease) in other current and non-current liabilities | (464.44) |
| (Increase) in trade receivables | (549.36) |
| (Increase) in inventories | (9,321.12) |
| (Increase) in other current and non current assets | (17,585.29) |
| **Cash generated from/(used in) operations** | **(25,528.39)** |
| Income tax paid (net of refund) | (703.73) |
| **Net cash flows from/(used in) operating activities** | **(26,232.12)** |
| | |
| **Investing activities** | |
| Purchase of property, plant and equipment (including investment property, intangible assets, CWIP, capital advances & capital creditor) | (2,312.56) |
| Interest received | 645.78 |
| Net movement in deposits | (1,258.28) |
| Purchase of current investments | (7,003.49) |
| Sale of non current investments | 10,163.45 |
| **Net cash flows from/ (used in) investing activities** | **234.91** |
| | |
| **Financing activities** | |
| Proceeds on exercise of employee stock option plan (including securities premium) | 47.50 |
| Repayment of lease liability | (274.98) |
| Repayments of borrowings | (24,169.21) |
| Proceeds from borrowings | 59,630.96 |
| Interest paid | (2,764.53) |
| **Net cash flows from financing activities** | **32,469.74** |

*(All amounts are in ₹ lakhs)*

| Particulars | For the three months period ended June 30, 2024 |
|---|---:|
| | |
| Net increase in cash and cash equivalents | 6,472.53 |
| Cash and cash equivalents at the beginning of the period | 23,073.62 |
| **Cash and cash equivalents at the period end** | **29,546.15** |

## RELATED PARTY TRANSACTIONS

For details of the related party transactions during the (i) three months period ended June 30, 2024, and (ii) year ended March 31, 2024, (iii) year ended March 31, 2023 and (iv) year ended March 31, 2022, as per Ind AS 24, see "*Financial Statements*" on pages 352, 382, 454 and 534, respectively.

## RISK FACTORS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 351 and 160, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2022 included herein is derived from the Special Purpose Audited Consolidated Financial Statements, for Fiscal 2023 and Fiscal 2024 included herein is derived from the Audited Consolidated Financial Statements, and the financial information for the three months ended June 30, 2024, included herein is derived from the Unaudited Interim Condensed Consolidated Financial Statements included in this Preliminary Placement Document. For further information, see "Financial Statements" on page 351. The Unaudited Interim Condensed Consolidated Financial Statements of our Company are not indicative of our Company's annual performance and are not comparable with the Special Purpose Audited Consolidated Financial Statements/financial information and Audited Consolidated Financial Statements/ financial information.*

*The NCLT had pursuant to its order dated July 3, 2023 approved the composite scheme of amalgamation and arrangement between Max Ventures and Industries Limited and Max Estates Limited and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws (the "Scheme"). Pursuant to the Scheme, the entire business and undertaking of Max Ventures and Industries Limited was transferred and vested in our Company with effect from April 1, 2022, that is, the Appointed Date. Accordingly, the consolidated financial information for Fiscal 2024 and Fiscal 2023 is not directly comparable with the financial information for Fiscal 2022.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Real Estate Industry Report" dated August 2024 (the "**KFIPL Report**") prepared and issued by Knight Frank (India) Private Limited, appointed by us on July 26, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the KFIPL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### Internal Risk Factors

1. ***We are dependent on our relationship with our Promoters and the Max group. Any adverse change in our relationship with our Promoters or the Max group could adversely affect our business, results of operations, financial condition and cash flows.***

We are part of the Max group, a leading Indian business conglomerate with a strong presence in life insurance and allied businesses. Accordingly, we benefit from our relationship with our Promoters and the Max group in many ways, such as their business acumen, reputation, experience, strategic business advice, managing businesses as well as by leveraging their business connections and industry knowledge. We believe that our customers, vendors and members of the financial community perceive the Max brand to be that of a trusted provider of quality products and services. Our growth and future success is impacted in part by our continued relationship with our Promoters and the Max group. We cannot assure that we will be able to continue to take advantage of the benefits from these relationships in the future. If we cease to benefit from these relationships for any reason, our business and growth prospects may decline and our business, financial condition results of operations and cash flows may be adversely affected.

2. ***Our operations are conducted through our Subsidiaries. Therefore, our ability to generate equity and investment returns and pay dividends depends on the success of our Subsidiaries business operations.***

We are a holding company and conduct our business operations through our Subsidiaries. Our Company's income is therefore largely dependent on investment income and dividends from our Subsidiaries. As of June 30, 2024, our

Company has 10 Subsidiaries, Max Asset Services Limited ("**MASL**"), Max Towers Private Limited ("**MTPL**"), Acreage Builders Private Limited ("**ABPL**"), Max I. Limited ("**Max I.**"), Max Estates 128 Private Limited ("**Max 128**"), Pharmax Corporation Limited ("**PCL**"), Max Square Limited ("**MSL**"), and Max Estates Gurgaon Limited ("**MEGL**"), Max Estate Gurgaon Two Limited ("**MEGL-II**") and Astiki Realty Private Limited ("**ARPL**").

Our business operations include real estate (commercial and residential), business investments, and asset management. We are engaged in the real estate development business which is conducted through our subsidiaries, MASL, MTPL, ABPL, Max 128, MSL, MEGL, MEGL-II and ARPL.

Our Company's ability to make dividend payments and other distributions in cash, pay expenses, service any debts incurred, and fund the financial needs of our Subsidiaries, depends upon the receipt of dividends, distributions or advances from our Subsidiaries. The ability of our Subsidiaries to generate equity and investment returns and pay dividends depends on the success of their business operations, financial condition and ability to generate profits. In addition, our Subsidiaries may be restricted from paying dividends by contract, including financing arrangements, charter provisions, partners of the Subsidiaries or by the applicable laws and regulations.

We may not be able to monetize our investments in the Subsidiaries and may not derive fair value from our investments. Therefore, eventually we may not be able to derive any investment income from the Subsidiaries. Further, we cannot assure that our Subsidiaries will generate sufficient profits and cash flows, or otherwise will prove willing or able to pay dividends to our Company. The inability of one or more of these entities to pay dividends could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition. In addition, our financial condition and results of operations could be adversely affected should our equity stake in our Subsidiaries be diluted or in the event that they cease to be our Subsidiaries, which could in turn adversely affect our business, financial condition results of operations and cash flows.

***3. We have a limited trading history which could lead to increased market volatility and price fluctuations.***

Pursuant to the Scheme of Arrangement, all assets and liabilities of MVIL have vested with our Company with effect from April 1, 2022, pursuant to which our Equity Shares were listed on October 30, 2023 (in accordance with the BSE and NSE trading and listing approvals each dated October 26, 2023). Accordingly, our Company has a relatively limited trading history compared to other listed real estate players which can result in increased market volatility and price fluctuations, as the stock may be less liquid and have fewer historical performance benchmarks for investors to analyze. Consequently, the market's reaction to company-specific or broader economic events might be more pronounced, potentially leading to significant swings in our stock's value.

***4. We have a limited operating history in our real estate development business more particularly in residential, which makes it difficult to accurately assess our future growth prospects.***

We commenced operations in our real estate development business in March 2016 and launched 222 Rajpur situated at Rajpur Road, Dehradun, our first residential project. Subsequently, through our Subsidiaries, we have successfully developed certain residential and commercial real estate projects which have received completion certificates and further we are in the process of developing other commercial and residential real estate projects.

Growth prospects in the real estate development business can be affected by a wide variety of factors including: competition from existing and established real estate developers; availability and accessibility to large contiguous parcels of land or development rights over such land; access to adequate financing; performance of the real estate market specifically in North India and the economy in general; ability to secure relevant approvals and licenses required for carrying out such business; and the ability to adapt to the increasingly regulated real estate sector, in particular with respect to the enactment of the Real Estate (Regulation and Development) Act, 2016.

As such, we have a limited operating history in the real estate business more particularly in residential, which we are now expanding and our success is dependent on our ability to effectively implement these businesses. Assessing the future prospects of our business is challenging in light of both known and unknown risks and difficulties that we may encounter, and could place significant demands on the management team and our other resources. We will be subject to all the business risks and uncertainties associated with setting up any new business venture, which may adversely affect our business, prospects, results of operations, cash flows and financial condition.

***5. Any adverse impact on the brand "Max", or our ability to use the "Max" name or related logos or brand names, may affect our reputation, business, financial condition and results of operations. Further, any failure to protect or enforce our rights to own or use trademarks and brand names and identities could have an adverse effect on our business and competitive position.***

We do not own the "Max" trademark and logo and we use this trademark and logo pursuant to a license agreement dated August 6, 2016, entered into with the Max India Limited ("**License Agreement**"). Further, we share our brand "Max" with certain other of our group companies. We may not be able to control the operations of such group companies and in case any such entity is involved in any matter that adversely affects its reputation, it could have an adverse impact on our reputation, which could have an adverse effect on our business, financial condition and results of operations. Further, we cannot assure you that we will continue to have the uninterrupted use and enjoyment of the "Max" trademark or logo, in the event that we are unable to renew the License Agreement. Furthermore, we cannot assure you that the "Max" brand name and logo will not be adversely affected in the future by actions that are beyond our control, including customer complaints or adverse publicity from any other source. Any damage to this brand name, if not immediately and sufficiently remedied, could have an adverse effect on our business and competitive position.

Unauthorized use of our licensed trademarks, including imitations or copies, by unrelated third parties may damage our reputation and brand. Preventing trademark infringement, particularly in India, is difficult, costly and time-consuming. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our reputation, which could in turn adversely affect our business, financial condition, results of operations, cash flows and prospects.

6. ***Our business and profitability is significantly dependent on the performance of the commercial and residential real estate market generally in India and particularly in the Delhi-NCR Region ("Delhi-NCR"). Varying market conditions in the Delhi-NCR may affect our ability to ensure sale of our projects and the pricing of units in such projects, which may adversely affect our results of operations, cash flows and financial condition***

The real estate sector is marked by volatile prices and a fragmented market structure because of regional players. In addition, being a cyclical industry, in our experience, the real estate sector is highly dependent on macro-economic factors that render our sales vulnerable to any downturn in demand.

Our real estate development activities are principally focused within the Delhi-NCR, which may be subject to market conditions and regulatory developments that are different from other real estate markets within India. As of June 30, 2024, 2.23% of our Portfolio was located in Delhi, 29.52% of our Portfolio was located in Noida and 67.43% of our Portfolio was located in Gurugram.

The table below provides the spread of our Portfolio as of June 30, 2024:

| Region | Completed Projects (million Square Feet) | Ongoing Projects (million Square Feet) | Forthcoming Projects (million Square Feet) |
|---|---|---|---|
| *Commercial Assets* | | | |
| Delhi | 0.26 | - | - |
| Noida | 0.98 | 1.01 | - |
| Gurugram | - | 1.59 | - |
| **Total (A)** | **1.24** | **2.60** | **-** |
| | | | |
| *Residential Assets* | | | |
| Delhi | - | - | - |
| Noida | - | 1.05 | 0.35 |
| Gurugram | - | 2.48 | 3.69 |
| Other* | 0.09 | - | - |
| **Total (B)** | **0.09** | **3.53** | **4.04** |
| **Total (A+B)** | **1.33** | **6.13** | **4.04** |

* *Includes 222 Rajpur in Dehradun.*

The real estate market in Delhi-NCR may be affected by various factors outside our control, including prevailing socio-economic and market conditions, changes in supply of and demand for real estate developments comparable to developments undertaken by us, changes in applicable governmental regulations and related policies, availability of financing for real estate projects and applicable interest rates, change in demographic trends, employment and income levels, among other factors.

The development of real estate projects involves a significant time period, and the real estate market is relatively illiquid, which may limit our ability to respond promptly to changing market conditions. These factors may contribute to fluctuations in real estate prices and adversely impact the demand for, and valuation of, our Portfolio, which may adversely affect our business, financial condition, cash flows and results of operations.

7. ***Our Ongoing Projects and Forthcoming Projects may not be completed by their expected completion dates or at all. Such delays may adversely affect our business, results of operations, cash flows and financial condition.***

Our Ongoing Projects and Forthcoming Projects may be subject to significant changes and modifications from our currently estimated management plans and timelines as a result of factors outside our control, including, among others:

- defects or challenges to our land titles, including failure or delay in obtaining consent of current occupants;
- expiration of agreements to develop land or leases, and our inability to renew them in time or at all;
- lack of availability of financing;
- failure or delay in securing necessary statutory or regulatory approvals and permits for us to develop some of ourprojects;
- natural disasters and weather conditions;
- reliance on third-party contractors and the ability of third parties to complete their services on schedule andin budget; and
- the risk of decreased market demand subsequent to the launch of a project.

Such changes and modifications to our timelines may have a significant impact on our ongoing and planned projects, and consequently, we may not develop these projects as contemplated, including quick monetization of land parcels after their acquisition, or at all, which may have an adverse effect on our business, results of operations and financial condition. Further, if there are any revisions made to the existing plans, approvals, permits or licenses granted for our ongoing projects by relevant authorities, then we may, as a result of such revisions, be required to undertake unplanned rework, including demolition on such projects. Such an occurrence may result in time and cost overruns in our ongoing projects.

In case of delay in delivery of our projects, our Company may be required to pay compensation to our customers. Such compensation, if paid, may affect the overall profitability of the project and therefore adversely affect our business, results of operation, cash flows and financial condition.

In addition, some of the sale agreements which we enter into with our residential customers contain penalty clauses wherein we are liable to pay penalties to our customers due to completion delays. We may not be able to successfully identify and acquire suitable land or development rights, which may affect our business and growth prospects.

Our ability to identify suitable parcels of land for development is a vital element of growing our business and involves certain risks, including identifying land with clean title and at locations that are preferred by our target customers. We have an internal assessment process for land selection and acquisition, which includes a due diligence exercise to assess the title of the land and its suitability for development and marketability. Our internal assessment process is based on information that is available or accessible to us. We can assure you that such information is accurate, complete or current, to the limited accessibility to the information and any decision based on such limited information may result in certain risks and liabilities associated with the acquisition of such land, which could adversely affect our business and growth prospects.

In addition, due to the increased demand for land in connection with the development of residential, commercial and retail properties, we may experience increased competition in our attempt to acquire land in the geographical areas in which we operate and the areas in which we anticipate operating in the future increased competition may result in a shortage of suitable land that can be used for development and can increase the price of land. We may not be able to or may decide not to acquire parcels of land due to various factors, such as the price of land.

Moreover, the availability of land, as well as its use and development, is subject to regulations by various local authorities. For example, if a specific parcel of land has been deemed as agricultural land, depending on its location, no commercial or residential development may be permitted beyond certain specified timelines or without the prior approval of the local authorities, as applicable. Further, certain land parcels can be subject to reservations, including reservations for railway lines, dams, freight corridors and road widening, and accordingly, such reserved areas will be deducted from the developable area. Further, certain areas may fall under eco-sensitive or buffer or green or forest zone, and due to such zoning, there may be restrictions on carrying out developmental activities in accordance with the applicable development regulations. We may also be required by applicable laws or court orders to incur expenditures and undertake activities in addition to real estate development on certain portions of our land reserves.

Accordingly, our inability to acquire parcels of land or development rights or any restrictions on use of our land or development thereof may adversely affect our business and growth prospects.

8. ***Our inability to identify and acquire large contiguous parcels of land or development rights over such parcels of land in locations with growth potential affects our business.***

We have a limited operating history in the real estate business, and our success and growth is dependent on our ability to effectively identify suitable parcels of land or development rights over such parcels of land for development in the right location. Our ability to identify and acquire suitable sites is dependent on a number of factors including the availability of suitable land, the willingness of landowners to sell land to us on attractive terms, the ability to obtain an agreement to sell from all the owners where the land has multiple owners, encumbrances on targeted land and the obtaining relevant permits and approvals for land acquisition and development. Any failure to identify and acquire suitable parcels of land for development or development rights over such parcels of land in a timely manner may reduce the number of properties that can be undertaken by us and thereby affect our business, results of operations, cash flows and financial condition.

9. ***We have entered into joint development agreements with third parties which may entail title disputes and impose liabilities and obligations on us.***

We have used the "joint development model" for developing properties, which entails entering into a development agreement with the owner(s) of the land parcel(s) sought to be developed and also entails developing the project jointly with the land owner. We are entitled to a share in the development property, or a share of the revenue or profits generated from the sale of the developed property, or a combination of both entitlements. For example, we have entered into two separate joint development agreement for Sector 36A, Gurugram. The Developable Area (FAR) for the project is 4.73 million square feet. While we conduct extensive due diligence prior to entering into any such arrangements, in the event of any underlying irregularities with respect to title or use of land for which we have acquired development rights, we may not be able to pursue such project which could have an adverse effect on our brand, business prospects, cash flows and financial performance.

Investments through development agreements involve risks, including the possibility that our development partners may fail to meet their obligations under the development agreement, causing the whole project to suffer. Certain parties granting us development rights may not have acquired ownership rights or clear title in respect of land that we have categorised as part of our land reserves. We cannot assure that projects that involve collaboration with third parties will be completed as scheduled, or at all, or that our ventures with these parties will be successful. Further, determining the Developable Area and Saleable/ Leasable Area of a particular project are subject to municipal planning and land use regulations in effect in the regions in which we operate. These regulations limit the maximum square footage of completed buildings on plots to specified amounts, calculated based on a ratio of maximum floor space of completed buildings to the surface area of each plot of land.

The table below provides the details of the Ongoing and Forthcoming Projects which are being developed under joint development agreements as of June 30, 2024:

| **Category** | **Developable Area (in million square feet) (FAR)** | **Percentage of Total Developable Area (%)** | **Saleable Area (in million square feet)** | **Percentage of Total Saleable Area (%)** |
|---|---|---|---|---|
| Ongoing Projects | 1.85 | 39.14% | 2.47 | 40.18% |
| Forthcoming Projects | 2.88 | 60.86% | 3.69 | 59.82% |
| **Total** | **4.73** | **100.00%** | **6.16** | **100.00%** |

We may continue to enter into similar arrangements with third parties such as landowners/ real estate developers for the joint development of our projects in the future. There are certain risks associated in operating with joint development partners, including the risk that our joint development partners may have economic or business interests or goals that are inconsistent with our interests and goals; be unable or unwilling to fulfil their obligations under the relevant joint development or other agreement and have disputes with us or terminate such agreements; take actions that are not acceptable to regulatory authorities; or experience financial or other difficulties. Further, disputes that may arise between us and our joint development partners may cause delay in completion, suspension or complete abandonment of a project, which may adversely affect our business, financial condition, cash flows and results of operations. In this case, we may be required to make additional investments and/or provide additional services or become liable or responsible for the obligations of these entities in the project, which could result in reduced profits or, in some cases, significant losses and a diversion of our management's attention.

***10. We intend to utilise a portion of the Net Proceeds for part funding of costs for certain of our projects for which we have not executed any definitive agreements.***

We intend to utilise a portion of the Net Proceeds for acquisition of land, interest in land and/or land development rights directly by the Company or indirectly through our Subsidiaries. For details, see "*Use of Proceeds*" on page 96. We have not entered into any definitive agreements for our forthcoming projects and have executed only the letter of intent / letter of appointment / non-binding term sheet, as applicable, for the aforementioned developments. We cannot assure you that we will be able to execute a definitive agreement in a timely manner or at all, in relation to the aforementioned developments.

Additionally, we intend to utilise the Net Proceeds to acquire developments/land under the joint development/joint venture/development management arrangements/outright purchase on opportunistic basis or undertake redevelopment of properties, through our Subsidiaries for which currently we have not entered into any definitive agreements and do not have any specific commitments for acquisitions. Additionally, we have not yet identified the potential land/properties for acquisition/development/redevelopment/development management for which we intend to utilise the Net Proceeds and we may be subjected to risks in relation to acquisition of unidentified properties. These future developments are subject to development risks, including (a) the identification of, conducting diligence on and ascertaining title rights associated with suitable properties and the acquisition of such properties on favourable terms, (b) maintaining good and marketable title in our properties, free and clear of any unauthorised or illegal encumbrance, (c) availability, terms and conditions associated with and timely receipt of other regulatory approvals, (d) onerous conditions requiring us to alter the design or operational parameters of the developments, (e) our dependency on our partners and the third parties whom we contract to construct our developments. We may not be able to conclude such agreements or commitments on terms anticipated by us, or at all. Further, in the event any claim or litigation involving the title of such properties arises, then the Net Proceeds already utilised on such development would be a sunk cost. Consequently, there can be no assurance that we will be able to utilise the Net Proceeds in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our business, results of operations, financial condition, cash flows and future prospects.

***11. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds.***

We intend to utilize portions of the Net Proceeds for the purposes as described in the section titled "*Use of Proceeds*" on page 96. As on the date of this Preliminary Placement Document, our funding requirements are based on management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Our management, in accordance with the policies established by our Board of Directors from time to time, will have flexibility in deploying the Net Proceeds of the Issue. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. We may have to revise our funding requirement on account of various factors, such as financial and market conditions, delay in procuring and operationalizing assets or necessary licenses and approvals, competition, price fluctuations, interest rate fluctuations and other external factors, which may not be within the control of our management. This may also entail rescheduling of the proposed deployment of the Net Proceeds at the discretion of our management, subject to compliance with applicable laws. Further, in the event, the Net Proceeds are not utilized (in full or in part) for the objects of the Issue due to any reason, including (i) market conditions outside the control of our Company; and (ii) any other economic, business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods in such manner as may be determined by our Company, in accordance with applicable laws. Our management estimates may differ from the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our expenditure, subject to applicable laws, and may have an adverse impact on our business, financial condition, results of operations and cash flows. Accordingly, investors in the Equity Shares will be relying on the judgment of our management regarding the application of the Net Proceeds.

***12. We depend on our relationships with our strategic partners and any dispute or adverse changes to our relationships with such partners may have an adverse effect on our ability to manage our businesses.***

Erstwhile MVIL which was merged into our Company, entered into an investment agreement dated January 9, 2017 with New York Life International Holdings Ltd ("**New York Life**"), which shall remain in full force and effect with our Company, as the effect of the scheme and our Promoters, pursuant to which New York Life and New York Life Insurance Company, together held 22.63% of our Company's Equity Share capital. Pursuant to the terms of the investment agreement, our Company is required to inform New York Life seven days prior to undertaking certain corporate actions such as, amongst others, alteration in the capital structure of our Company, any merger, acquisition, liquidation or disinvestment by our Company and commencement of any new business.

Further, New York Life Insurance Company ("**NYL**") is also the strategic partner of our Company in two of our subsidiary companies i.e. ABPL and MSL and holding shares in the ratio of 51:49 as on the date of this Preliminary Placement Document and the shareholders agreements entered between our Company, our Subsidiary Companies and NYL also contains the reserved matters which cannot be considered by our Subsidiary Companies without the written consent of NYL. Further, NYL in 2023 has entered into shareholders agreement to acquire 49% equity shareholding each into our Subsidiaries that operate Max Towers and Max House (Phase-I and Phase-II), which is subject to certain closing conditions.

We may experience disputes in relation to such partnerships. Such strategic partnerships, and any disputes we may experience, may require significant attention from our management, and the diversion of our management's attention and resources could have an adverse effect on our ability to manage our business. In addition, any divestment by our partners could materially impact the trading price of our Equity Shares.

13. ***The real estate industry in India is intensely competitive and our inability to compete effectively may adversely affect our business, financial condition, cash flows and the results of operations.***

We operate in an intensely competitive and highly fragmented industry with low entry barriers. We face significant competition in our business from a large number of Indian real estate development companies who also operate in the same regional markets as us. The extent of the competition we face in a potential property market depends on a number of factors, such as the size and type of property development, contract value and potential margins, the complexity and location of the property development, facilities and supporting infrastructure services, the reputation of our competitors, and the risks relating to revenue generation.

Given the fragmented nature of the real estate development industry, we often do not have adequate information about the property developments our competitors are developing and accordingly, we run the risk of underestimating supply in the market. Our business plan is to expand across the National Capital Region and North India, as a result we face the risk that some of our competitors may be better known in these markets, enjoy better relationships with land-owners and international or domestic joint venture partners, may gain early access to information regarding attractive parcels of land and be better placed to acquire such land. Further, our competitors may commence operations in the vicinity of our Ongoing Projects and Forthcoming Projects and may offer their products at competitive prices, resulting in decrease of sales in our projects.

Some of our competitors are larger than us and have greater land reserves or financial resources or a more experienced management team. They may also benefit from greater economies of scale and operating efficiencies and may have greater experience in regional markets, especially in relation to local laws and regulations. We cannot assure that we can continue to compete effectively with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition, cash flows and results of operations.

14. ***We derived majority of our revenue from operations from our Commercial Projects. Any adverse development in the demand for our Commercial Projects may adversely impact our results of operations, cash flows and financial condition.***

As of June 30, 2024, we had four rent generating Commercial Projects. During Fiscal 2022, 2023 and 2024 and three months ended June 30, 2024, we derived 58.77%, 75.13%, 100.00%, and 83.93%, respectively of our revenue from operations from our Commercial Projects. The table below provides details of revenue from operations generated from our Commercial Projects, Residential Projects and income from shared services in the last three Fiscals and three months ended June 30, 2024:

| Category | Fiscal 2022 | | Fiscal 2023 | | Fiscal 2024 | | Three months ended June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | Total Revenue (₹ lakhs) | Percentage of Revenue from Operations | Total Revenue (₹ lakhs) | Percentage of Revenue from Operations | Total Revenue (₹ lakhs) | Percentage of Revenue from Operations | Total Revenue (₹ lakhs) | Percentage of Revenue from Operations |
| Commercial Projects[(1)] | 4,067.11 | 58.77% | 8,064.37 | 75.13% | 9,294.37 | 100.00% | 3,397.81 | 83.93% |
| Residential Projects | 2,861.76 | 41.23% | 1,852.82 | 17.26% | - | - | 650.81 | 16.07% |

| Category | Fiscal 2022 | | Fiscal 2023 | | Fiscal 2024 | | Three months ended June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | **Total Revenue (₹ lakhs)** | **Percentage of Revenue from Operations** | **Total Revenue (₹ lakhs)** | **Percentage of Revenue from Operations** | **Total Revenue (₹ lakhs)** | **Percentage of Revenue from Operations** | **Total Revenue (₹ lakhs)** | **Percentage of Revenue from Operations** |
| Income from shared services | - | - | 817.01 | 7.61% | - | - | - | - |
| **Total** | **6,928.87** | **100.00** | **10,734.20** | **100.00** | **9,294.37** | **100.00** | **4,048.62** | **100.00** |

*(1) Includes rent as well as common area maintenance*

Further, among our Commercial Projects, we derived a significant portion of our revenue from operations from Max Towers, Noida and Max House – Phase – I, Okhla during Fiscal 2022, 2023, 2024 and three months ended June 30, 2024.

The table below provides details of revenue from operations generated from the respective asset in the last three Fiscals and three months ended June 30, 2024:

| Particulars | Fiscal 2022 | | Fiscal 2023 | | Fiscal 2024 | | Three months ended June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | **Amount (₹ lakhs)** | **Percentage of total rent of the relevant asset (%)** | **Amount (₹ lakhs)** | **Percentage of total rent of the relevant asset (%)** | **Amount (₹ lakhs)** | **Percentage of total rent of the relevant asset (%)** | **Amount (₹ lakhs)** | **Percentage of total rent of the relevant asset (%)** |
| Max Towers, Noida | 2,647.95 | 96.01% | 3,338.06 | 98.29% | 3,452.22 | 90.52% | 947.68 | 92.92% |
| Max House – Phase I, Okhla | 684.57 | 96.37% | 1,336.19 | 93.55% | 1,348.10 | 96.00% | 354.37 | 94.97% |
| Max Square, Sector 129, Noida | - | - | - | - | 1,059.05 | 100.00% | 636.67 | 100.00% |
| Max House – Phase II, Okhla | - | - | - | - | 340.18 | 100.00% | 495.26 | 96.61% |

In the event there is any adverse impact on the demand of our Commercial Projects and in particular, Max Towers, Noida and Max House-Phase-I, our business, revenue from operations and cash flows may be adversely affected.

***15. We derive a significant portion of our total contracted rent from our top 10 tenants across our Commercial Portfolio. Any significant developments affecting such tenants may have an adverse impact on our business, results of operations, financial condition and cash flows.***

As of June 30, 2024, we had 38 tenants across our Commercial Portfolio. We derive a significant portion of our total contracted rent for a limited set of tenants across our Commercial Portfolio. The table below provides details of total contracted rent generated from our top 1, top five and top 10 tenants across our Commercial Projects in the last three Fiscals and three months ended June 30, 2024:

| Category | Fiscal 2022 | | Fiscal 2023 | | Fiscal 2024 | | Three months ended June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | **Total Contracted Rent (₹ lakhs)** | **Percentage of Total Contracted Rent** | **Total Contracted Rent (₹ lakhs)** | **Percentage of Total Contracted Rent** | **Total Contracted Rent (₹ lakhs)** | **Percentage of Total Contracted Rent** | **Total Contracted Rent (₹ lakhs)** | **Percentage of Total Contracted Rent** |
| Top 1 Tenant | 583.01 | 16.81% | 1,053.51 | 21.84% | 1,053.51 | 15.92% | 274.63 | 10.80% |
| Top 5 Tenants | 2,329.28 | 67.16% | 2,836.26 | 58.79% | 3,356.78 | 50.73% | 1,065.35 | 41.90% |
| Top 10 Tenants | 2,893.79 | 83.43% | 3,872.89 | 80.28% | 4,667.33 | 70.53% | 1,528.49 | 60.12% |

Accordingly, if one or more of our top 10 tenants seek to prematurely terminate their lease agreements for any reason or experience a downturn in their business which may weaken their financial condition and result in failure to make timely rental payments or not renewing their lease agreements, our business, financial condition and results of operations may be adversely impacted. While none of our top 10 customers have terminated their lease agreements in any of our Commercial Portfolio, we cannot assure you that such instances will not occur going forward which could materially impact our business, financial condition, cash flows and results of operations.

16. ***Our lease business is dependent on our ability to enter into new leases or renew existing leases, we may be unable to renew lease agreements or lease vacant Leasable Area on favourable terms or at all, which could adversely affect our business, results of operations, and cash flows.***

We earn income from the lease of commercial and retail properties, and from providing utilities and facility management services to our tenants. The table below provides details of total rent generated across our Commercial Projects in the last three Fiscals and three months ended June 30, 2024:

| Fiscal/Period | Total Rent ( ₹ lakhs) |
|---|---|
| Fiscal 2022 | 3,468.38 |
| Fiscal 2023 | 4,824.44 |
| Fiscal 2024 | 6,617.13 |
| Three months ended June 30, 2024 | 2,542.35 |

All of our Subsidiaries, operating our Commercial Portfolio, have entered into lease agreements with their tenants for terms that generally extent from 3 years to 9 years. Leases and rent agreements with tenants of the assets may expire in the near future and may not be renewed by such tenants. In the event of termination, we may face delays in finding suitable replacements, which could result in vacant premises and have an adverse impact on our business, results of operations and cash flows. During Fiscal 2022, 2023 and 2024 and three months ended June 30, 2024, we were able to renew all our lease agreements.

Further, the renewal process of the lease agreements with existing tenants may involve delay in execution and registration of such agreements, resulting in the tenants being in possession of units without enforceable legal documents for a limited period, which may limit our ability to enforce the terms of such agreements in a court of law during such period. We may be subject to dispute or litigation on account of non-compliance by any party of the terms of such agreements which may have a negative impact on our reputation and operations. While there have been litigation with any of our tenants in the last three Fiscals and three months ended June 30, 2024, we cannot assure you that such instances will occur going forward.

Further, for our under-construction projects, we generally enter into pre-committed lease arrangements or letter of intent with prospective tenants and any changes to our delay in execution or non-execution of the final lease agreements may adversely affect our business, results of operations and cash flows. Accordingly, if vacancies continue for a longer period than expected, it would have an adverse impact on our results of operations, financial condition and cash flows.

The table below provides details of agreements that have been terminated during the last three Fiscals and three months ended June 30, 2024:

| Fiscal/Period | Agreement | Net Leasable Area (million square feet) |
|---|---|---|
| Fiscal 2022 | - | - |
| Fiscal 2023 | - | - |
| Fiscal 2024 | 1 | 0.01 |
| Three months ended June 30, 2024 | - | - |

We have historically targeted, and will continue to target, large multinational and Indian corporates. Our growth and success will therefore depend on our ability to provide high quality office and retail space to attract and retain tenants who are willing and able to pay rent at suitable levels and on our ability to anticipate the future needs and expansion plans of these tenants. Further, we may not be able to re-let or renew lease contracts promptly, or the amount of rent and the terms on which lease renewals and new leases are agreed may be less favorable than those in the current leases.

17. ***Increase in price of, shortages of, or delays or disruptions in the supply of labour and building materials could adversely affect our estimated construction cost and timelines resulting in cost overruns or less profit.***

We generally incur all of the construction costs with respect to our projects. We procure building materials for our projects, such as steel, cement, flooring products, hardware, bitumen, sand and aggregates, doors and windows, bathroom fixtures and other interior fittings from third party suppliers. The prices and supply of such building materials depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs, geopolitical events (such as the conflicts concerning Russia, Ukraine, and Israel), commodity prices, indirect taxes and import duties. Our ability to develop and construct projects profitably is dependent upon our ability to source adequate building supplies for use by our construction contractors. During periods of shortages in building materials, especially cement and steel, we may not be able to complete projects according to our construction schedules, at our estimated cost, or at all. As we source our building materials from third parties, our supply chain may be interrupted by circumstances beyond our control. Poor quality roads and other transportation-related infrastructure problems, inclement weather and road accidents may also disrupt the transportation of supplies. Prices of certain building materials and, in particular, cement and steel prices, are susceptible to rapid increases. For instance, the prices of certain materials that we use for construction at our projects, such as steel and aluminium, had increased significantly on account of geopolitical events including at the beginning of the Russia-Ukraine conflict in February 2022. In addition, during periods where the prices of building materials significantly increase, we may not be able to pass these price increases on to our customers, which could reduce or eliminate the profits we intend to attain with regard to our projects. Prices of certain building materials, such as cement and steel, in particular, are susceptible to rapid increases. While there have been certain instances of delays in sourcing of building materials in the normal course of operations, however, such instances did not have any significant impact on our operations.

***18. Any negative operating cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.***

The following table sets forth certain information relating to our net cash flows from operating activities on a consolidated basis for the years/period indicated:

| Particulars | Fiscal | | | Three months ended June 30, 2024 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | |
| | (₹ lakhs) | | | |
| Net cash flows from/ (used in) operating activities | 4,070.81 | (45,635.23) | 27,070.05 | (26,232.12) |

Negative operating cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further information, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" on page 190.

***19. Certain of our Subsidiaries have incurred losses in the past, which may have an adverse effect on our reputation and business.***

Certain of our Subsidiaries have incurred losses during Fiscal 2022, 2023 and 2024 and three months ended June 30, 2024 as set out below derived from their respective standalone financial statements for the years/period indicated:

| Name of Subsidiary Company | Profit / (Loss) in Fiscal 2022 (in ₹ lakhs) | Profit / (Loss) in Fiscal 2023 (in ₹ lakhs) | Profit / (Loss) in Fiscal 2024 (in ₹ lakhs) | Profit / (Loss) in the three months ended June 30, 2024 (in ₹ lakhs) |
|---|---|---|---|---|
| Acreage Builders Private Limited | (248.04) | (5.24) | (18.57) | (4.42) |
| Astiki Realty Private Limited** | - | - | (0.20) | (0.20) |
| Max Asset Services Limited | (301.62) | 94.58 | (4,495.89) | (27.84) |
| Max I. Limited | (48.89) | (47.84) | 43.22 | (8.84) |
| Max Estates 128 Private Limited | (7.98) | (138.42) | (403.33) | 227.26 |
| Max Estates Gurgaon Limited* | - | (0.71) | (327.32) | (438.41) |
| Max Estate Gurgaon Two Limited** | - | - | (0.20) | (0.20) |
| Max Square Limited | (33.04) | (111.80) | (2,626.61) | (723.69) |

| Name of Subsidiary Company | Profit / (Loss) in Fiscal 2022 (in ₹ lakhs) | Profit / (Loss) in Fiscal 2023 (in ₹ lakhs) | Profit / (Loss) in Fiscal 2024 (in ₹ lakhs) | Profit / (Loss) in the three months ended June 30, 2024 (in ₹ lakhs) |
|---|---|---|---|---|
| Max Towers Private Limited | 705.05 | 310.41 | (62.44) | 92.89 |

** Max Estates Gurgaon Limited was incorporated on September 5, 2022, therefore, the financial statements for Fiscal 2022 is not available.*
*** Astiki Realty Private Limited was incorporated on June 30, 2023 and Max Estates Two Limited was incorporated on January 3 , 2024 and therefore the respective financial statements for Fiscal 2022 and 2023 are not available.*

***20. It is difficult to compare our performance between periods, as our revenues and expenses may vary significantly between fiscal periods.***

Our income may fluctuate significantly due to a variety of factors including size of our developments and general market conditions. We derive income from the sale of residential/commercial units and the sale or lease of office and retail spaces we have developed. Rental income arising is accounted for on a straight-line basis over the lease terms and may be relatively predictable, revenues from sales of units are dependent on various factors such as the size of our developments, competition and general market conditions. A combination of these and other factors may result in significant variations in our revenues and profits, and our financial position in a particular period may not accurately reflect our level of activity in that period. Contingent rents are recognised as revenue in the period in which they are earned. Therefore, we believe that period-to-period comparisons of our results of operations are not necessarily meaningful and should not be relied upon as indicative of our future performance.

The following table sets forth certain of our financial performance as of and for the years/period indicated:

| Particulars | As of and for the year ended March 31, | | | As of and for the three months ended June 30, 2024 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | |
| Revenue from Operations (₹ lakhs) | 6,928.87 | 10,734.20 | 9,294.37 | 4,048.62 |
| Total income (₹ lakhs) | 7,393.47 | 13,127.83 | 12,027.01 | 4,770.03 |
| Profit/ (loss) before tax (₹ lakhs) | 845.08 | 2,208.20 | (6,774.02) | (287.66) |
| Profit/ (loss) after Tax for the Year / Period (₹ lakhs) | 492.20 | 1,846.70 | (5,512.44) | (199.56) |
| Profit after Tax for the Year / Period Margin(1) (%) | 7.10% | 17.20% | (59.31)% | (4.93)% |
| Adjusted EBITDA(2) (₹ lakhs) | 3,530.14 | 5,560.89 | 4,509.87 | 2,244.44 |
| Adjusted EBITDA Margin(3) (%) | 50.95% | 51.81% | 48.52% | 55.44% |
| Total Equity (₹ lakhs) | 64,310.00 | 125,387.44 | 145,053.32 | 144,936.51 |
| Net Debt(4) (₹ lakhs) | 27,867.04 | 79,027.64 | 66,738.28 | 95,367.61 |
| Net Worth(5) (₹ lakhs) | 60,886.73 | 121,120.50 | 117,089.84 | 117,329.80 |
| Total assets(6) (₹ lakhs) | 102,537.96 | 222,718.89 | 310,139.88 | 346,155.86 |

*Notes:*

1. *Profit after Tax Margin for the Year / Period (%) is calculated by dividing profit after tax for the year by revenue from operations.*
2. *Adjusted EBITDA is calculated by adjusting any exceptional item loss from EBITDA.*
3. *Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by revenue from operations.*
4. *Net Debt refers to the sum of non-current borrowing, current borrowing, interest accrued but not due on borrowings which is forming part of other non-current or current financial liabilities reduced by cash and cash equivalent, bank balances other than cash and cash equivalents and long term deposits with bank – deposits with original maturity of more than 12 months (including restricted deposits) forming part of other non-current financial assets and deposits with bank remaining maturity of less than 12 months forming part of other current financial assets.*
5. *Net Worth is calculated as owner equity which is share capital plus other equity plus share application money pending allotment*
6. *Total assets is sum total of all assets i.e. current assets and non-current assets.*

Consequently, our revenue from operations may vary significantly between fiscals, depending on the size of projects under development and construction, and the stage of development. Variation of project timelines due to project delays and estimates may also have an adverse effect on our ability to recognize revenue in a particular fiscal. In addition, our revenues and costs may vary significantly between fiscals due to a combination of various factors beyond our control.

21. ***We may provide guarantees to lenders on behalf of third parties, and any failure to repay such loans by third parties, may affect our business, results of operations, cash flows and financial condition.***

As part of our business operations, from time to time we may provide guarantees to lenders for financing provided to our Subsidiaries. As of June 30, 2024, we provided ₹ 5,000 lakhs of guarantees to third parties on behalf of our Subsidiaries. Any failure to repay such loans by our Subsidiaries may require us to repay the loans availed, which may affect our business, results of operations, cash flows and financial condition.

22. ***Our Ongoing Projects require us to obtain approvals or permits, and we are required to fulfil certain conditions precedent in respect of some of them.***

As of June 30, 2024, we had 4 Ongoing Projects, including 2 Commercial Projects and 2 Residential Projects. To successfully execute each of these projects, we are required to obtain statutory and regulatory approvals, and permits and applications need to be made at appropriate stages of the projects with various government authorities. For example, we are required to obtain the approval of building plans and layout plans, no-objection certificates for construction of high-rise projects, environmental consents and fire safety clearances. In addition, we are required to obtain a certificate of change of land use in respect of lands designated for purposes other than real estate development. Any failure to obtain the necessary approvals in time or at all may result in material delays in our Ongoing Projects, which may prejudice our growth strategy and could have an adverse impact on our results of operation, cash flows and results of operations. We cannot assure you that we will be able to obtain approvals or renewals in relation to our new projects, at such times or in such form as we may require, or at all. The laws and regulations, under which we and our subcontractors operate, may result in delays or stoppage in construction and development, causing us to incur substantial compliance costs and other increased costs, and prohibit or severely restrict our real estate and construction businesses. If we are unable to continue to acquire, construct and develop land as a result of these restrictions or if our compliance costs increase substantially, our business, financial condition, cash flows and results of operations may be adversely affected.

23. ***There are various outstanding litigation proceedings involving our Subsidiaries, Promoters, and Directors, adverse outcome in which, could have a material adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

Our Company, its Promoters, and Subsidiaries are currently involved in legal proceedings in India which are pending at different levels of adjudication before the concerned authority. We cannot assure you that these proceedings will be decided in favour of our Company, our Promoters, and Subsidiaries, as the case may be. Any adverse decision in such proceedings may render us liable to penalties and may have a material adverse effect on the financials and reputation of our Company, its Directors or its Promoters which may in turn have an adverse effect on our business. Additionally, during the course of our business we are subject to risk of litigation in relation to contractual obligations, employment and labour law related, personal injury, damage to property amongst others. Please note that one of our Promoter *i.e.,* Neelu Analjit Singh has not provided any confirmation with respect to her litigation and any other disclosures in this Preliminary Placement Document, and the same has been included in this Preliminary Placement Document basis the confirmation given by our Company.

The Company had been approved as the successful applicant for the resolution of Boulevard Projects Private Limited. This resolution plan, granted by the NCLT, New Delhi, on February 27, 2023, related to the development of a commercial plot measuring 34,697 square meters under the project name "Delhi One”. However, the implementation of the resolution plan was contingent upon obtaining requisite approvals from regulatory and statutory authorities, including NOIDA. Following this, the Company filed an appeal with the NCLAT on April 11, 2023, seeking essential reliefs necessary for implementing the Resolution Plan. Thereafter, the Company submitted a revised offer to NOIDA, including specific business prerequisites, for their consideration. The Company received approval from NOIDA for this project on August 23, 2024. Our Company is in the process of taking the necessary steps to clarify the details of this approval with NOIDA and to approach the NCLAT to seek ratification and approval for the implementation of the resolution plan.

The Company and Sahil Vachani, one of our Directors, have received certain notices dated August 24, 2020, March 27, 2024, August 20, 2024 and August 24, 2024 from the Office of the Superintendent of Police, Economic Offence Investigation Establishment, Meerut alleging misappropriation and embezzlement in relation to the Delhi One project. Our Company has subsequently replied to these notices, denying the allegations therein. These matters are pending. For details, see "*Legal Proceedings - Actions Taken by Regulatory and Statutory Authorities against our Company*" on page 340.

These legal proceedings may not be decided in our favor and we may incur significant expenses and management time in such proceedings. Since the amount involved in some pending legal proceedings are not ascertainable or quantifiable, the final decree, judgment or award is required to assess the extent of actual exposure. Hence, financial exposure of some ongoing legal proceedings may not be provisioned and may have been recorded on the basis of the internal and/or independent assessments. In addition, the actual cost of resolving a suit, proceeding or a legal claim may be substantially higher than any amounts provisioned for that matter. If such claims are determined against us and if we are required to pay all or a portion of the disputed amounts or is unable to recover amounts for which it has filed cases, there could be a material adverse effect on our reputation, liquidity, business, financial condition, cash flows and results of operations, which could adversely affect the trading price of our Equity Shares. Further, such legal proceedings could divert management time and attention and consume financial resources. Decisions in such proceedings adverse to our interests may have an adverse effect on our business, results of operations, cash flows and financial condition.

For further information, see "*Legal Proceedings*" on page 339.

24. ***Our success and future growth depend significantly on our successful marketing efforts, and if such efforts are not successful, our business, prospects, results of operations, financial condition and cash flows may be adversely impacted.***

We intend to continue to dedicate significant resources to marketing efforts, including for our real estate development business, particularly as we continue to grow, complete new projects and expand into new markets in India. Our ability to attract customers for our specialty films business and clients for our real estate development business depends in large part on the success of these marketing efforts and the success of the marketing channels we use to promote our businesses. Our marketing channels include and will continue to include social media and the press, online affiliations, search engine marketing, offline partnerships, and television advertising. If any of such marketing channels become less effective, if we are unable to continue to use any of these channels, if the cost of using these channels were to significantly increase or if we are not successful in generating new channels, we may not be able to attract our target customers in a cost-effective manner. If we are unable to recover our marketing costs through growth of our businesses, or if we discontinue our broad marketing campaigns, it could have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

25. ***Our business is capital intensive and requires significant expenditure for real estate development and is therefore dependent on the availability of real estate financing, which may not be available on terms acceptable to us in a timely manner or at all.***

Real estate development involves significant expenses, a large part of which we fund through financing from banks and other financial institutions. We typically meet our working capital requirements from external debt availed from banks and financial institutions. Our ability to borrow and the terms of our borrowings will depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment. If we are unable to sell or lease our inventory of units, or there are cancellation of Pre-Sales or regulatory changes restricting the use of revenue generated from Pre-Sales, our working capital requirements are likely to increase significantly and may thereby adversely impact our operations. All these factors may result in increases in the amount of our receivables and short-term borrowings.

The actual amount and timing of our future capital requirements may also differ from estimates as a result of, among other things, unforeseen delays or cost overruns in developing our projects, change in business plans due to prevailing economic conditions, unanticipated expenses, regulatory changes and engineering design changes. To the extent our planned expenditure requirements exceed our available resources, we will be required to seek additional debt or equity financing. We may also have difficulty accessing capital markets, which may make it more difficult or expensive to obtain financing in the future.

Moreover, certain of our loan documents contain provisions that may limit our ability to incur future debt, make certain payments or take certain actions. In addition, the availability of borrowed funds for our business may be greatly reduced, and lenders may require us to invest increased amounts of funds in a certain project or require increased security coverage in connection with both new loans and the extension of facilities under existing loans. We may not be successful in obtaining these additional funds in a timely manner, or on favourable terms or at all. Without sufficient liquidity, we may not be able to acquire additional land or develop additional projects, which would adversely affect our results of operations. If we do not have access to additional capital, we may be required to delay, postpone or abandon some or all of our projects or reduce capital expenditures and the size of our operations, any of which may adversely affect our business, cash flows, financial conditions and results of operations.

Our ability to make payments on our indebtedness will depend on our future performance and our ability to generate cash, which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, many of which are beyond our control. If our future cash flows from operations and other capital resources are insufficient to pay our debt obligations, our contractual obligations, or to fund our other liquidity needs, we may be forced to sell our assets or attempt to restructure or refinance our existing indebtedness. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our creditworthiness and/ or credit rating, which could harm our ability to incur additional indebtedness on acceptable terms. In addition, changes in the global and Indian credit and financial markets may affect the availability of credit to our customers and decrease in demand for our development. Our inability to obtain funding on reasonable terms, or at all, could affect our ability to develop our projects and would have an adverse effect on our business, financial condition, cash flows and results of operations.

***26. Our financing agreements impose certain restrictions on our operations, and our failure to comply with operational and financial covenants may adversely affect our reputation, business, cash flows and financial condition.***

As of June 30, 2024, our total outstanding borrowings (including current borrowings and non-current borrowings) were ₹ 126,881.03 lakhs. We may also incur additional indebtedness in the future. Our ability to meet our debt service obligations and repay our outstanding borrowings depends primarily on the revenue generated by our business, and we cannot assure you that we will generate sufficient revenues to service existing or proposed borrowings or fund other liquidity needs. Increasing our level of indebtedness could have several consequences, including but not limited to the following: a portion of our cash flow may be used towards repayment of our existing debt, which will reduce the availability of our cash flow to fund working capital and other general corporate requirements; our ability to obtain additional financing in the future at reasonable terms may be affected; fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness are at variable interest rates. We may have difficulty satisfying payment and other obligations under our existing financing arrangements and an inability to comply with these requirements could result in an event of default, acceleration of our repayment obligations and/ or other assets; there could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements.

Additionally, our financing agreements contain certain restrictive covenants and events of default that limit our ability to undertake certain types of transactions, which may adversely affect our business and financial condition. These financing agreements also require us to maintain certain financial ratios. While we are in compliance with compulsive ratios required to be maintained by us in terms of the financing documentation, we cannot assure you that we will be compliant with such ratios going forward. Further, certain restrictive covenants under our financing agreements which require seeking a prior consent from the respective lenders of our Company or Subsidiaries including restrictions on: undertaking any merger, de-merger, consolidation, reorganisation, dissolution, scheme of arrangement or compromise with our Company's creditors or Shareholders; declaring or paying any dividend for any year; effecting any change to our Company's or Subsidiaries' capital structure; changing the accounting method or policies, and paying, repaying or prepaying certain borrowings of the Company or the Subsidiaries. Further, under the terms of certain of our financing agreements, a charge has been created, in favour of the lenders, over the land being developed by us, in respect of the projects for which financing has been availed along with a charge on the receivables from the respective projects. Such security may be invoked by the lenders in the event of defaults under the respective financing agreements.

Failure to meet the conditions listed above or obtain consents from lenders, as may be required, could invoke certain penalty clauses or any other consequence of events of default set out in the respective financing arrangement, which could have significant consequences for our business. Compliance with the various terms of such financing arrangements, however, is subject to interpretation and it may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents in a timely manner or at all. While we have received consents from our lenders for undertaking this Issue , however, any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, acceleration of all amounts due under such facilities and trigger cross default provisions under certain of our other financing agreements, and may materially and adversely affect our ability to conduct our business and operations or implement our business plans.

We cannot assure you that we will always have adequate funds to repay these credit facilities and may also be subject to demands for the payment of penal interest. Moreover, our ability to borrow and the terms of our borrowings depend on our financial condition, the stability of our cash flows and our capacity to service debt in a rising interest rate environment.

***27. Failure to successfully implement our business strategies and our development plans may materially and adversely affect our business prospects, financial condition, cash flows and results of operations.***

We are embarking on a growth strategy which involves an expansion of our current business. Pursuing these strategies may place significant demands on our management as well as our financial resources and accounting and operating systems. Even if we have successfully executed our business strategies in the past, we cannot assure you that we will be able to execute our strategies on time and within the estimated budget, or that we will meet the expectations of targeted customers. Our failure to execute our growth strategy may result in our inability to maintain prior rates of growth.

Further, as we expand our operations, we may be unable to manage our business efficiently, which could result in delays, increased costs and affect the quality of our Portfolio, and may adversely affect our reputation. Such expansion also increases the challenges involved in preserving a uniform culture, set of values and work environment across our business operations, developing and improving our internal administrative infrastructure, particularly our financial, operational, communications, internal control and other internal systems, recruiting, training and retaining management, technical and marketing personnel, maintaining high levels of customer satisfaction, and adhering to health, safety, and environmental standards. Our failure to manage our growth could have an adverse effect on our business and financial condition.

Each of the elements of new project initiatives that we develop to grow our business carries significant risks, as well as the possibility of unexpected consequences, including acceptance by and sales of the new project initiatives to our customers may not be as high as we anticipate; our marketing strategies for the new projects may be less effective than planned and may fail to effectively reach the targeted consumer base or engender the desired consumption; we may incur costs exceeding our expectations as a result of the continued development and launch of the new projects; we may experience a decrease in sales of certain of our existing projects as a result of the introduction of new projects nearby; and any delays or other difficulties impacting our ability, or the ability of our third party contractors and developers, to develop and construct projects in a timely manner. In the event of failure on our part to successfully implement our business strategies and our development plans for any of the foregoing reasons, our business, cash flows and financial condition could be adversely affected.

***28. Sales of our Residential Real Estate Projects may be adversely affected by the inability of our prospective customers to obtain financing or changes in taxation laws for purchase of property.***

Lower interest rates on housing finance from banks and housing finance companies, particularly for residential real estate, combined with the favourable tax treatment of loans facilitate growth of the Indian real estate market. Any changes in the tax treatment with respect to the repayment of principal on housing loans and interest paid on housing loans is likely to affect demand for residential real estate. There are various tax benefits under the Income-tax Act which are available to purchasers of residential premises who utilize loans from banks or financial institutions. This could adversely affect the ability or willingness of our potential customers to purchase residential apartments in our residential projects. Further, adverse changes in interest rates affect the ability and willingness of prospective real estate customers, particularly customers of residential properties, to obtain financing for the purchase of our projects. A decision by the Reserve Bank of India to increase the repo rate could impose an inflation risk as the interest rates charged by banks on home loans from our prospective customers have in the past, and may continue to, be increased. Interest rates at which our customers may borrow funds for the purchase of our properties affects the affordability of our Residential Real Estate Projects. Any changes in the home loans market, making home loans less attractive to our customers may adversely affect our business, cash flows, future growth and results of operations.

***29. An inability to maintain adequate insurance cover in connection with our business may adversely affect our business, cash flows and results of operations.***

We have obtained a number of insurance policies in connection with our operations including contractors all risk policy, fire insurance and special perils policy and money insurance. For further information, see "*Our Business – Insurance*" on page 221.

While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part, or on time, or that we have taken out sufficient insurance to cover all our losses. While there have been no instances where our insurance claims have been rejected in the last three Fiscals and three months ended June 30, 2024, we cannot assure you that such events will not happen going forward. Our insurance policies may not provide adequate coverage in certain circumstances and are subject to certain deductibles, exclusions and limits on coverage. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at an acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance or exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial condition may be adversely affected.

Further, we may also be subject to claims resulting from defects in our projects. The proceeds of any insurance claim with respect to insurance that either we or our contractors have taken may be insufficient to cover any expenses faced by us including higher rebuilding costs as a result of inflation, changes in building regulations, environmental issues as well as other factors. Should an uninsured loss or a loss in excess of insured limits occur, we may lose the capital invested in and the anticipated revenue from the affected property. We could also remain liable for any debt or other financial obligation related to that property. We cannot assure you that losses in excess of insurance proceeds will not occur in the future. In addition, any payments we make to cover any uninsured loss may have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, any payment we make to cover any uninsured losses, damages or liabilities could have a material adverse effect on our business, financial condition, cash flows, and results of operations.

***30. Our operations and the work force, customers and/ or third parties on property sites are exposed to various hazards, which could adversely affect our business, financial condition, cash flows and results of operations.***

We conduct various site studies to identify potential risks prior to construction and development. However, there are certain unanticipated or unforeseen risks that may arise due to adverse weather and geological conditions such as lightning, floods, and earthquakes and other reasons. Additionally, our operations are subject to hazards inherent in providing such services, such as risk of equipment failure, impact from falling objects, collision, work accidents, fire, or explosion, including hazards that may cause injury and loss of life, severe damage to and destruction of property and equipment, and environmental damage. While there have been no accidents at any of our project sites during the last three Fiscals and three months ended June 30, 2024, we cannot assure you that as we expand our operations, such instances will not occur in future. Accidents and, in particular, fatalities may have an adverse impact on our reputation and may result in fines and/or investigations by public authorities as well as litigation from injured workers or their dependents.

If any one of these hazards or other hazards were to occur involving our workforce, customers and/or third parties on property sites, our business, financial condition, cash flows and results of operations may be adversely affected. Further, we may incur additional costs for reconstruction of our projects which are damaged by hazards which may not be covered adequately or at all by the insurance coverage we maintain, and this may adversely affect our business, reputation, financial condition and cash flows.

***31. We rely on independent contractors to execute our projects and any failure on their part to perform their obligations could adversely affect our business, results of operations and cash flows.***

Our Company and its Subsidiaries utilize independent contractors to execute our real estate projects. If a contractor fails to perform its obligations satisfactorily or within the prescribed time periods with regard to a project, or terminates its arrangement with us, we may be unable to develop the project within the intended timeframe and at the intended cost. If this occurs, we may be required to incur additional cost or time to develop the property to appropriate quality standards in a manner consistent with our development objective, which could result in reduced profits or, in some cases, significant penalties and losses, which we may not be able to recover from the relevant independent contractor. We cannot assure you that the services rendered by any of our independent contractors will always be satisfactory or match our requirements for quality. Further, we may be subject to litigation challenging the quality of our projects, which may adversely affect our business and reputation.

In addition, we may be subject to claims in the future in relation to defaults and late payments to our contractors, which may adversely affect our business, results of operations, and cash flows.

***32. Our business and growth plan could be adversely affected by the incidence and change in the rate of property taxes and stamp duties.***

As a real estate development company present in the Delhi-NCR, we are subject to the property tax regime in the Delhi-NCR. We are also subject to stamp duty for the agreement entered into in respect of the properties we lease and sell. These taxes could increase in the future, and new types of property taxes and stamp duties may be introduced which will increase our overall costs. If these property taxes and stamp duties increase, the cost of buying, selling and owning properties may rise. Additionally, if stamp duties were to be levied on instruments evidencing transactions which we believe are subject to nil or lesser duties, our acquisition costs and sale values may be affected, resulting in a reduction of our profitability. Any such changes in the incidence or rates of property taxes or stamp duties could have an adverse effect on our financial condition and results of operations. The Finance (No 2) Act, 2024 has increased the rate of taxation for long term and short capital gain with effect from July 23, 2024.

***33. Compliance with, and changes to, safety, health and environmental laws and various labour, workplace and related laws and regulations impose additional costs and may increase our compliance costs and may adversely affect our results of operations, cash flows and our financial condition.***

We are subject to a broad range of safety, health and environmental laws in the ordinary course of our business, including on controls on noise emissions, air and water discharges, employee exposure to hazardous substances and other aspects of our operations. Under these laws, owners and operators of property may be liable for the costs of removal or remediation of certain hazardous substances or other regulated materials on or in such property. Such laws often impose such liability without regard to whether the owner or operator knew of, or was responsible for, any environmental damage or pollution and the presence of such substances or materials. The cost of investigation, remediation or removal of these substances may be substantial. Environmental laws may also impose compliance obligations on owners and operators of real property with respect to the management of hazardous materials and other regulated substances. Failure to comply with these laws can result in penalties or other sanctions.

In addition, we are required to conduct an environmental assessment for our projects before receiving regulatory approval for these projects for which we hire external consultants. These environmental assessments may reveal material environmental problems, which could result in our not obtaining the required approvals. If environmental problems are discovered during or after the development of a property, we may incur substantial liabilities relating to clean up and other remedial measures and the value of the relevant projects could be adversely affected. Environmental reports that we may request a third party to prepare with respect to any of our properties may not reveal (i) all environmental liabilities, (ii) that any prior owner or operator of our properties did not create any material environmental condition not known to us, or (iii) that a material environmental condition does not otherwise exist as to any one or more of our properties. There also exists the risk that material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future. Finally, future laws, ordinances or regulations and future interpretations of existing laws, ordinances or regulations may impose additional material environmental liability.

Further, we cannot assure you that we will be able to obtain approvals in relation to our new projects, at such times or in such form as we may require, or at all. Accordingly, compliance with, and changes in, safety, health and environmental laws may increase our compliance costs and as a result adversely affect our financial condition, cash flows and results of operations.

***34. A significant number of our Company's offices, including our registered and corporate office, are not registered in our name and are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.***

A significant number of our offices, including our corporate office, are located on leased premises, and we do not own any of these premises. In the event such leases are not renewed or are terminated, it could adversely affect our operation unless we arrange for similar premises. Further, our registered office is located on a premise owned by Max India Limited and is leased by us.

The table below provides details of properties that have been leased by us as of June 30, 2024:

| Address of Property | Purpose | Validity | Leased from related parties |
|---|---|---|---|
| Max Towers, Level 15, Plot No. C-001/A/1, Sector 16B, Gautam Buddha Nagar, Uttar Pradesh - PIN-201301 | Sub-leasing | June 14, 2031 | Yes. Leased from Max Life Insurance Company Limited |
| Max Towers, Level 12, Plot No. C-001/A/1, Sector 16B, Gautam Buddha Nagar, Uttar Pradesh - PIN-201301 | Sub-leasing | September 24, 2031 | Yes. Leased from Max Life Insurance Company Limited |
| 1 Rajesh Pilot Lane (South End), New Delhi - 110011 | Official purpose | August 31, 2025 | Yes, SKA Diagnostic Private Limited |
| 2 Rajesh Pilot Lane (South End), New Delhi - 110011 | Official purpose | August 31, 2025 | Yes, Delhi Guest House Private Limited |
| Max Towers, Level 15, Plot No. C-001/A/1, Sector 16B, Gautam Buddha Nagar, Uttar Pradesh - PIN-201301 | Official purpose | December 31, 2026 | For use as office premises for the Company and its subsidiaries |
| Max Towers, Level 15, Plot No. C-001/A/1, Sector 16B, Gautam Buddha Nagar, Uttar Pradesh - PIN-201301 | Official purpose | December 31, 2026 | For use as office premises for the Company and its subsidiaries |

If we are unable to continue or renew such leases on same or similar terms, or find alternate premises on lease on similar terms or at all, it may affect our business operations.

***35. There have been certain instances of delays in payment of statutory dues by us in the past. Any delay in payment of statutory dues by us in future, may result in the imposition of penalties and in turn may have an adverse effect on our Company's business, financial condition, results of operation and cash flows.***

We are required to pay certain statutory dues including Tax Deducted at Source ("**TDS**") under Income tax Act. We are generally regular in paying the dues on time except an aggregate amount of ₹ 1.94 lakhs which was delayed in the period of Fiscal 2019 to Fiscal 2024 and is pending and outstanding as on date. Although we were not required to pay any penalty for such delays, we cannot assure you that there will be no such delays in the future or that we will not be subject to action by the authorities which could have an adverse effect on our Company's business, financial condition, results of operation and cash flows.

***36. The success of our residential, and commercial real estate development businesses is dependent on our ability to anticipate and respond to consumer requirements.***

The growth of the Indian economy has led to changes in the way businesses operate in India and the growing disposable income of India's middle and upper income classes has led to a change in lifestyle, resulting in a substantial change in the nature of their demands. Increasingly, consumers are seeking better housing and better amenities in new residential developments. The growth and success of our residential and commercial real estate development business depends on the provision of high quality office space to attract and retain clients and on our ability to anticipate the future needs and expansion plans of these clients. The growth and success of our real estate development business is therefore also dependent on being able to achieve the right mix of tenants in our commercial spaces to attract more customers to the outlets which lease retail space from us. Our inability to meet our customers' preferences or our failure to anticipate and respond to customer needs accordingly could materially and adversely affect our business and results of operations. If we fail to anticipate and respond to consumer requirements, we could lose potential clients to competitors, which in turn could materially and adversely affect our business and prospects.

***37. Certain information contained in this Preliminary Placement Document including that in relation to our Portfolio are based on management estimates and may be subject to change.***

Some of the information contained in this Preliminary Placement Document with respect to our Portfolio are based on certain assumptions and estimates and have not been independently appraised or verified by any bank or financial institution. Further, certain information in relation to our Portfolio have been certified by Kulmeet Shangari, independent architect, pursuant to his certificate dated August 29, 2024.

Leasable Area, Developable Area of our Ongoing Projects and estimated Leasable Area and Estimated Developable Area of our Forthcoming Projects have been calculated based on the current rules and regulations which govern the construction area of the respective projects. The total area of a project that is ultimately developed and leased and the actual Developable Area and Leasable Area may differ from the descriptions of the project presented herein and a particular project may not be completely leased, booked, sold, leased or developed until a date subsequent to the expected completion date. We may also have to revise our assumptions, estimates, development plans (including the type of proposed development) and the estimated construction commencement and completion dates of our projects depending on future contingencies and events, including, among others, changes in our business plans due to prevailing economic and market conditions, and changes in laws and regulations. Further, the information we have provided in relation to our Portfolio are not representative of our future results.

We may also change our management plans and timelines for strategic, marketing, internal planning and other reasons. Therefore, management's estimates and plans with respect to our projects are subject to uncertainty.

***38. Industry information included in this Preliminary Placement Document has been derived from an industry report exclusively commissioned and paid for by us for the Issue.***

We have used the report titled "*Real Estate Industry Report*" dated August 2024, by Knight Frank (India) Private Limited ("**KFIPL**" and such report "**KFIPL Report**") appointed on July 26, 2024, for purposes of inclusion of such information in this Preliminary Placement Document, which has been exclusively commissioned by our Company for purposes of inclusion of such information in the Issue documents at an agreed fees to be paid by our Company.

Further, KFIPL does not have any direct/ indirect interest in our Company or our Promoter, Directors or the management of our Company and its engagement does not create any material or direct/indirect interest for KFIPL in the projects of our Company.

There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. The report is a paid report and is subject to various limitations and based upon certain assumptions that are subjective in nature. In addition, statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document. Also see, "*Industry and Market Data*" on page 17.

***39. Our financial statements for the relevant financial reporting periods are not comparable on account of certain acquisition and divestments made by our Company in the relevant financial reporting periods.***

We have completed certain acquisitions and divestments in the last three Fiscals. Our Board, in its meeting dated November 14, 2021, had approved the divestment of remaining 51% shareholding in Max Speciality Films Limited ("**MSFL**"), our erstwhile subsidiary to a strategic partner which held 49% stake in MSFL in two separate tranches, subject to customary closing conditions, On February 1, 2022, 41% shareholding in MSFL was transferred by our Company and accordingly MSFL ceased to be our subsidiary with effect from February 1, 2022. Further, the remaining 10% shareholding in MSFL were transferred on March 28, 2023. Since the investment was already carried at fair value, this did not have any significant impact on our profit for the year ended March 31, 2023, except for interest recognized during the year.

Further, our Company executed a share purchase agreement dated June 4, 2022 for acquisition of 100.00% equity share capital of Max Estates 128 Private Limited (formerly Accord Hotels and Resorts Private Limited) for a total consideration of ₹ 30,600 lakhs to develop a mixed-use residential community and a share purchase agreement dated September 6, 2022 for acquisition of 100.00% equity share capital of Acreage Builders Private Limited for a total enterprise value of ₹ 32,500 lakhs to develop a commercial project at Golf Course Extension Road, Gurugram.

Accordingly our Special Purpose Audited Consolidated Financial Statements and Audited Financial Statements are not directly comparable. Potential investors should carefully take into account the discussion above and the discussions in "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on page 160, in evaluating our business and financial performance and in making any investment decision.

***40. Our success depends in large part upon our qualified personnel, including our senior management, directors and key management personnel, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations, cash flows and financial condition.***

Our operations are dependent on our ability to attract and retain qualified personnel. While we believe that we currently have adequate qualified personnel, we may not be able to continuously attract or retain such personnel, or retain them on acceptable terms, given the demand for such personnel. The loss of the services of our qualified personnel may adversely affect our business, results of operations and financial condition.

During Fiscal 2022, 2023 and 2024, our attrition rate was 10.08%, 27.38% and 19.69%, respectively. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting the qualified employees that our business requires.

Any loss of our senior management or key personnel or our inability to recruit further senior managers or other key personnel could impede our growth by impairing our day-to-day operations and hindering our development of ongoing and planned projects and our ability to develop, maintain and expand customer relationships. Additionally, any leadership transition that results from the departure of any members of our senior management team and the integration of new personnel may be difficult to manage and may cause operational and administrative inefficiencies, decreased productivity amongst our employees and loss of personnel with deep institutional knowledge, which could result in significant disruptions to our operations. We will be required to successfully integrate new personnel with our existing teams in order to achieve our operating objectives and changes in our senior management team may affect our results of operations as new personnel become familiar with our business.

***41. Work stoppages, shortage of labour and other labour problems could adversely affect our business. Further, our operations are dependent on contract labour and an inability to access adequate contract labour at reasonable costs at our project sites may adversely affect our business prospects, cash flows and results of operations.***

We operate in a labour-intensive industry and if our relationships with our employees deteriorate, or the relationships of the independent contractors and their personnel deteriorate, we may experience labour unrest, strikes or other labour action and work stoppages. Although none of our employees or workforce are currently unionized, we cannot assure you that our employees or workforce will not unionize, or attempt to unionize in the future, that they will not otherwise seek higher wages and enhanced employee benefits. The unionization of our employees or workforce could result in an increase in wage expenses and our cost of employee benefits, limit our ability to provide certain services to our customers, and result in increased expenditures, any of which could have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, disputes with employees could also adversely affect our reputation with our customers. Any initiatives we undertake to prevent unrest from our employees, may be ineffective, and there can be no assurance that we will not experience any labour unrest, strikes, or other labour action and work stoppages from our employees in the future.

Further, we also depend on third party contractors for the provision of various services associated with our business. Such third-party contractors and their employees/ workmen may also be subject to similar labour legislations. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such third-party contractors to pay the labourers' wage payments. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the Contract Labour (Regulation and Abolition) Act, 1970, notified and enforced by the Central Government and adopted with such modifications as may be deemed necessary by respective State Governments, we may be required to absorb a number of such contract labourers as permanent employees. The cost and supply of employee and contract labour depend on various factors beyond our control, including general economic conditions, competition and minimum wage rates. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may also be initiated against us. These factors could adversely affect our business, financial position, results of operations and cash flows.

***42. Changes in technology may affect our business by making our construction and development capabilities less competitive or obsolete.***

We are reliant on our information systems technology in connection with order booking, dealer management, material procurement, research and development, accounting and construction. Any failure of our information technology systems, including our ERP systems, or loss of data could result in business interruptions, including disruption in our distribution management, the loss of buyers, damaged reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations.

Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. The development and implementation of such technology entails technical and business risks. We cannot assure you that we will be able to successfully implement new technologies or adapt our systems to emerging industry standards. Changes in technology may require us to make additional capital expenditures to upgrade our capabilities. If we are unable, for technical, financial or other reasons, to adapt in a timely manner to changing market conditions, customer requirements or technological changes, our business and results of operations could be adversely affected.

Further, our information technology systems may be vulnerable to computer viruses, privacy, hacking or similar disruptive problems which could lead to disruptions in our ability to maintain a track record and analyse the work in progress, cause loss of data and disruption in operations, including an ability to assess the progress of the projects, process financial information or manage creditors/debtors or engage in normal business activities. Fixing such problems caused by computer viruses or security breaches may require interruptions or delays, which could adversely affect our operations. Breaches of our information technology systems may result in unauthorized access to confidential information. While there have been no breaches in the last three Fiscals and three months ended June 30, 2024, we cannot assure you that such instances will not occur going forward. Such breaches of our information technology systems may require us to incur further expenditure to put in place advanced security systems to prevent any unauthorized access to our networks.

***43. We have, in the past entered into certain related party transactions and may continue to do so in future. Any related party transactions that are not on an arm's length basis or that may lead to conflicts of interest may adversely affect our business, results of operation, cash flows and financial condition.***

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include reimbursement of expenses, revenue from rentals and other services, repair and maintenance, lease payments, contribution to provident fund trust, directors' sitting fees, key managerial remuneration – short term employment benefits, key managerial remuneration – post employment benefits, brokerage income, sale of investment in subsidiary company to New York Life Insurance Company Limited, interest paid on compulsory convertible debentures, corporate social responsibility and management fee.

While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Further, it is likely that we may continue to enter into related party transactions in the future.

For details of the related party transactions, see "*Related Party Transactions*" on page 61. There can be no assurance that such transactions in future or any future transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and it will not have an adverse effect on our business, results of operations, cash flows and financial condition.

***44. We may require additional equity or debt in the future in order to continue to grow our business, which may not be available on favorable terms or at all.***

Our strategy to grow our business may require us to raise additional funds or refinance our existing debt for our long-term loans. There can be no assurance that such funds will be available on favorable terms or at all. Additional debt financing may increase our financing costs. Our financing agreements may contain terms and conditions that may restrict our ability to operate and manage our business, such as terms and conditions that require us to maintain certain pre-set debt service coverage ratios and leverage ratios and require us to use our assets, including our cash balances, as collateral for our indebtedness. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows. Any issuance of equity to raise additional funds, on the other hand, would result in a dilution of the shareholding of existing shareholders. If we are unable to raise additional funds on favorable terms or at all as and when required, our business, financial condition, results of operations, cash flows and prospects could be adversely affected.

***45. Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.***

The cost and availability of capital depends on our credit ratings. For Fiscal 2024, long term bank facilities are rated "CARE A-; Stable" while long-term/short term bank facilities are rated "CARE A-; Stable / CARE A2" by CARE. Any downgrade in such credit ratings could increase interest rates for refinancing outstanding debt, which would increase financing costs, and would also adversely affect future issuances of debt and the ability to borrow on a competitive basis, which could adversely affect our business, financial condition, results of operations and cash flows.

***46. Any increase in or realisation of our contingent liabilities and commitments could have an adverse effect on our business, financial condition, cash flows, results of operations and prospects.***

From time to time, we may be contingently liable with respect to litigation and claims that arise in the normal course of operations. The following table sets forth our contingent liabilities as per Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets" as at June 30, 2024:

| **S. No.** | **Particulars** | **Amount (₹ lakhs)** |
|---|---|---|
| 1. | Uttarakhand VAT case | 21.24 |
| 2. | Bank guarantee | 5,000 |
| 3. | Income tax demand | 357.13 |

The following table sets forth our capital commitments as per Ind AS 16 – "Property, Plant and Equipment" as at June 30, 2024:

| **Particulars** | **Amount (₹ lakhs)** |
|---|---|
| • Estimated amount of contracts remaining to be executed on capital account and not provided for | 9,594.09 |
| • Less: Capital advances | (1,030.81) |
| • **Net capital commitment for acquisition of capital assets** | **8,563.28** |

We cannot assure you that we will not incur similar or increased levels of contingent liabilities in future. In the event that the level of contingent liabilities increase, or if a significant portion of these liabilities materialize, it could have an adverse effect on our business, cash flows, financial condition and results of operations

***47. A significant portion of our working capital needs are funded by our Pre-Sales. Any cancellation of sales or change in the laws or regulations governing the use of presales may affect our working capital and financial position.***

We typically focus on selling sizeable percentage of units within one year from the launch of a project as well as prior to the receipt of the occupation certificate. Our Pre-Sales, meaning sales done during launch and construction of a project, have allowed us to benefit from installment payments from our customers, which we are able to use as working capital and thereby allowing us to maintain healthy levels of working capital and to reduce our debt servicing costs. However, we cannot assure you that we will be able to achieve sizeable percentage of presales in future. During Fiscal 2022, 2023 and 2024 and three months ended June 30, 2024, our Pre-Sales were ₹ 2,861.76 lakhs, ₹ 1,852.82 lakhs, ₹ 184,117.26 lakhs and nil, respectively. Any decrease in our presales may cause our working capital needs to increase. we cannot assure you that we will be able to meet such target with respect to all our projects. In addition, our ability to use such presales to meet our working capital needs may be affected by laws or regulations, or changes in the Government's interpretation or implementation thereof. We may be unable to timely find alternative sources of working capital, which could have adverse effect on our financial position.

***48. Our Promoters and certain members of the Promoter Group may continue to take decisions jointly after the completion of the Issue.***

As of the date of this Preliminary Placement Document, our Promoters holding was 49.42% of our entire issued, subscribed and paid-up equity share capital of our Company. Upon completion of the Issue, our Promoters will continue to hold majority of our equity share capital, which will allow them to continue to take the decisions on matters presented before our Board or Shareholders for approval and may also control the outcome of voting in certain cases. After this Issue, our Promoters may continue to take decisions jointly-over our business and major policy decisions, including but not limited to controlling the composition of our Board, delaying, deferring or causing a change of control, or a change in our capital structure, as applicable, or undertaking a merger, consolidation, takeover or other business combination, as applicable, involving us that may adversely affect our business operations, and negatively impact the value of your investment in the Equity Shares.

***49. Our Directors, Senior Management and Key Managerial Personnel have interests in us other than the reimbursement of expenses incurred and normal remuneration and benefits.***

Our Directors, Senior Management, Key Managerial Personnel and Other Management Personnel may be deemed to be interested to the extent of Equity Shares held by them, directly or indirectly, in our Company and its Subsidiaries, as well as to the extent of any dividends, bonuses or other distributions on such shareholding. Additionally, some of our Directors and Key Managerial Personnel may also be regarded as interested to the extent of employee stock options granted by our Company under our ESOP Schemes, as applicable. Our Director, Sahil Vachani, who is also one of the Promoters of our Company has an interest in the promotion of our Company.

***50. We may be unable to enforce our rights under some of our agreements in relation to joint development of land or under our agreements with our customers on account of insufficient stamping and non-registration.***

We enter into sale, leasing and joint development agreements with our customers and partners for our projects. The terms, tenure and the nature of these agreements may vary depending, amongst other factors, on the project and the region where such project is being executed. Some of the agreements executed by us may be inadequately stamped or not registered. Inadequately stamped documents while not illegal cannot be enforced in a court of law until the applicable stamp duty, with penalty, has been paid and could impact our ability to timely enforce our rights under the agreements. In addition, we may not have good and marketable title to some of our land as a result of non-execution or non-registration or inadequate stamping of conveyance deeds and other acquisition documents.

***51. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

Our ability to declare and pay dividends in the future and the amount of any such dividends, if declared, will depend on a number of factors including distributable surplus available as per applicable law, our Company's liquidity position and future cash flow needs, track record of dividend distributed by our Company, payout ratios of comparable companies, the prevailing taxation policy or any amendments expected thereof, with respect to distribution of dividend, capital expenditure requirements considering opportunities for expansion and acquisition, cost and availability of alternative sources of financing, stipulations/ covenants contained under any loan agreements, prevailing macroeconomic and business conditions and other factors, as may be considered relevant by our Board.

The declaration and payment of dividends will be recommended by our Board, at its discretion, and approved by the Shareholders, at their discretion, subject to applicable law, including the Companies Act and the SEBI Listing Regulations.

We may decide to retain all future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. We cannot assure you that we will or have the ability to declare dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

***52. Significant differences exist between Ind AS, Previous GAAP, U.S. GAAP and IFRS, which may be material to investors' assessments of our financial condition.***

Our Audited Consolidated Financial Statements and Special Purpose Audited Consolidated Financial Statements included in this Preliminary Placement Memorandum, have been prepared in accordance with the Ind AS, read with the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Accounting Standards) Amendment Rules, 2016 and Unaudited Interim Condensed Consolidated Financial Statements included in this Preliminary Placement Memorandum, have been prepared in accordance with the Ind AS-34, read with the Companies (Indian Accounting Standards) Rules, 2015, and Companies (Accounting Standards) Amendment Rules, 2016.

We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Preliminary Placement Memorandum, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS and Previous GAAP. Accordingly, the degree to which the Financial Information included in this Preliminary Placement Memorandum will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Preliminary Placement Memorandum should accordingly be limited.

Given that Ind AS is different in many respects from Previous GAAP under which our financial statements were historically prepared, our financial statements prepared after the adoption of Ind AS may not be comparable to our historical financial statements that were prepared under Previous GAAP.

***53. We have in this Preliminary Placement Document included certain non-GAAP financial and operational measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the real estate industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies.***

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance have been included in this Preliminary Placement Document. We compute and disclose such non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of real estate companies, many of which provide such non-GAAP financial and operational measures, and other industry related statistical and operational information.

These non-GAAP financial measures and other measures are supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures and other measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these non GAAP measures and other measures are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures and other measures differently from us, limiting its usefulness as a comparative measure.

These non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry related statistical information of similar nomenclature that may be computed and presented by other real estate companies. The industry measures and other relevant information identified and included in the KFIPL Report takes into account such information for either all or certain of the peers only to the extent available to KFIPL. For example, we have derived certain industry information in this Preliminary Placement Document from the KFIPL Report, and the KFIPL Report highlights certain industry and market data relating to us and our competitors, which is not based on any standard methodology and subject to various assumptions. We cannot assure you that KFIPL assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Preliminary Placement Document.

Further, as the industry in which we operate continues to evolve, the measures by which we evaluate our business may change over time. While these numbers are based on what we believe to be reasonable estimates, our internal tools have a number of limitations, some of which may be beyond our control, and our methodologies for tracking these measures may change over time.

Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our Financial Information disclosed elsewhere in this Preliminary Placement Document.

**External Risk Factors**

***54. The real estate industry in India has witnessed significant downturns in the past, and any significant downturn in the future could adversely affect our business, financial condition, cash flows and results of operations.***

Economic developments within and outside India adversely affected the property market in India. The global credit markets have experienced, and may continue to experience, significant volatility and may continue to have an adverse effect on the availability of credit and the confidence of the financial markets, globally as well as in India.

Even though the global credit and the Indian real estate markets have shown signs of recovery, market volatility and economic turmoil may continue to exacerbate industry conditions or have other unforeseen consequences, leading to uncertainty about future conditions in the real estate industry. These effects include, but are not limited to, a decrease in the sale of, or pricing for, our projects, delays in the release of certain of our projects in order to take advantage of future periods of more robust real estate demand and the inability of our contractors to obtain working capital. We cannot assure you that the government's responses to the disruptions in the financial markets will restore consumer confidence, stabilize the real estate market or increase liquidity and availability of credit. Any significant downturn in future would have an adverse effect on our business, financial condition, cash flows and results of operations.

***55. Property litigation is common in India and may be prolonged over several years.***

Property litigation particularly litigation with respect to land ownership is common in India (including public interest litigation) and is generally time consuming and involves considerable costs. If any property in which we have invested is subject to any litigation or is subjected to any litigation in future, it could delay a development of a project and/or have an adverse impact, financial or otherwise, on us.

***56. The Government of India or state governments may exercise rights of compulsory purchase or eminent domain over our or our development partners' land, which could adversely affect our business.***

The right to own property in India is subject to restrictions that may be imposed by the GoI. In particular, the GoI, under the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (the "**Land Acquisition Act**") has the right to compulsorily acquire any land if such acquisition is for a "public purpose," after providing compensation to the owner. However, the compensation paid pursuant to such acquisition may not be adequate to compensate the owner for the loss of such property. The likelihood of such acquisitions may increase as central and state governments seek to acquire land for the development of infrastructure projects such as roads, railways, airports and townships.

Additionally, we may face difficulties in interpreting and complying with the provisions of the Land Acquisition Act due to limited jurisprudence on them or if our interpretation differs from or contradicts any judicial pronouncements or clarifications issued by the government. In the future, we may face regulatory actions, or we may be required to undertake remedial steps. Any such action in respect of any of the projects in which we are investing or may invest in the future may adversely affect our business, financial condition or results of operations.

Separately, in terms of certain approvals obtained by us, we are required to construct service roads on part of licensed area and transfer it free of cost to the relevant government. The government is also entitled to take over the project area in public interest without having to pay us any compensation.

***57. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares. Further, Restrictions on foreign direct investments ("FDI") and external commercial borrowings in the real estate sector may hamper our ability to raise additional capital. Further, foreign investors are subject to certain restrictions on transfer of shares.***

While the Government has permitted FDI of up to 100.00% without prior regulatory approval in the development of townships and in the construction of residential or commercial premises, industrial parks, roads or bridges, hotels, resorts, hospitals, educational institutions, recreational facilities, city and regional level infrastructure, and townships, subject to compliance with prescribed conditions, it has issued a notification and imposed certain restrictions or conditionality on such investments pursuant to Press Notes, circulars and regulations (including FEMA Non-debt Instruments Rules) issued by the DPIIT or the RBI or the Ministry of Finance, Government of India, from time to time, as the case may be (collectively, the "**FEMA Norms**"). Further, foreign investment in industrial parks, in terms of the FEMA Non-debt Instruments Rules ("**Industrial Parks**"), shall not be subject to the conditionalities applicable for construction development projects, provided the Industrial Parks meet the following conditions: (a) it shall comprise of a minimum of 10 units and no single unit shall occupy more than 50% of the allocable area; (b) the minimum percentage of the area to be allocated for industrial activity shall not be less than 66% of the total allocable area.

In accordance with the FEMA Non-debt Instruments Rules, participation by non-residents in the Issue is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Instruments Rules, in the Issue subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding 100.00% (sectoral limit); and (ii) Eligible NRIs only on non-repatriation basis under Schedule IV of the FEMA Non-debt Instruments Rules. Further, other non-residents such as FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government, OCBs cannot participate in this Issue.

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no–objection or a tax clearance certificate from the Indian income tax authorities. According to the foreign exchange controls currently in effect in India, the price at which our Equity Shares are transferred shall be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure you that any necessary approvals from the RBI or any other governmental agency can be obtained on any66particular terms, or at all. In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the equity shares is situated in or is a citizen of a country which shares a land border with India, can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules.

These investment restrictions shall also apply to subscribers of offshore derivative instruments. Further, in the event of transfer of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular term or condition or at all. Our ability to raise foreign capital under the FDI route is therefore constrained by Indian law, which may adversely affect our business, results of operations, financial condition and cash flows.

***58. Political, economic or other factors that are beyond our control may have an adverse effect on our business, financial condition, cash flows and results of operations.***

The Indian economy and its securities markets are influenced by economic developments, market and consumer sentiments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations

***59. Natural or man-made disasters, fires, epidemics, pandemics, acts of war, terrorist attacks, civil unrest and other events could materially and adversely affect our business.***

Natural disasters (such flooding and earthquakes), epidemics, pandemics such as COVID-19 and man-made disasters, including acts of war, terrorist attacks, religious or communal tensions, terrorist attacks and other acts of violence or war such as ongoing Ukraine-Russia and Israel-Hamas conflict, many of which are beyond our control, may lead to economic instability, including in India or globally, which may in turn materially and adversely affect our business, financial condition and results of operations. Our operations may be adversely affected by fires, natural disasters and/or severe weather, which can result in damage to our properties and projects and generally reduce our productivity and may require us to evacuate personnel and suspend operations. Any terrorist attacks or civil unrest as well as other adverse social, economic and political events in India or other countries could have a negative effect on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the price of the Equity Shares. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1, and H1N1 strains of influenza in birds and swine and more recently, the SARS-CoV-2 virus and the monkeypox virus.

Another outbreak of any new variant of COVID-19 pandemic such as the new JN.1 variant or future outbreaks of SARS-CoV-2 virus or a similar contagious disease could adversely affect the global economy and economic activity in the region. As a result, any present or future outbreak of a contagious disease could have a material adverse effect on our business and the trading price of the Equity Shares.

***60. We may be affected by the insolvency law in India and any adverse application or interpretation of the Insolvency and Bankruptcy Code, 2016, as amended could in turn adversely affect our business.***

The Insolvency and Bankruptcy Code (Second Amendment) Act, 2018 ("**IBC Amendment**") which came into effect on June 6, 2018, amended the Insolvency and Bankruptcy Code, 2016 ("**IBC**") thereby granting homebuyers a status of 'financial creditor'. Prior to the IBC Amendment, real estate allottees were treated as an 'unsecured creditors' and they were not regarded as 'financial creditors' or as 'operational creditors', due to which, the allottees were not capable of initiating insolvency proceedings against a defaulting builder or real estate developer.

The allottees after attaining the status of financial creditor further to the IBC Amendment have the right to invoke Section 7 of the IBC for initiating corporate insolvency resolution against defaulting builders or real estate developers. The Supreme Court has upheld the retroactive application of the IBC Amendment. While no such proceeding further to the IBC Amendment has been initiated against us, there is no guarantee that similar proceeding will not be initiated against us or our partners, in cases where development of projects is undertaken by our partners, thereby adversely affecting our business, cash flows and results of operations.

***61. A downgrade in ratings of India may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. Any adverse revisions to credit ratings for India may adversely impact our ability to raise additional financing. This could have an adverse effect on our ability to fund our growth on favourable terms and consequently adversely affect our business and financial performance and the price of the Equity Shares.

***62. Financial instability in other countries may cause increased volatility in Indian financial markets.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in United States, Asia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India.

Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Recent developments in the ongoing conflict between Russia and Ukraine has resulted in and may continue to result in a period of sustained instability across global financial markets, induce volatility in commodity prices, increase borrowing costs, cause outflow of capital from emerging markets and may lead to overall slowdown in economic activity in India. In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries.

In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented several policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, cash flows, financial condition and results of operations and reduce the price of the Equity Shares.

***63. Changing laws, rules and regulations and legal uncertainties, including the withdrawal of certain benefits or adverse application of tax laws, may adversely affect our business, prospects, cash flows and results of operations.***

In India, our business is governed by various laws and regulations including Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, the Real Estate (Regulation and Development) Act, 2016 and the rules made thereunder, including state specific rules, the Maharashtra Tenancy and Agricultural Lands Act, 1948, as amended, the Maharashtra Land Revenue Code, 1966, as amended, and rules made thereunder, the Indian Stamp Act, 1899, as amended, the Maharashtra Regional and Town Planning Act, 1966, as amended, the Maharashtra Stamp Act, 1958, as amended, the Environment (Protection) Act, 1986, as amended, Unified Development Control and Promotion Regulations for Maharashtra, and Transfer of Property Act, 1882, as amended

The Real Estate (Regulation and Development) Act, 2016, was introduced in 2016 to regulate the real estate industry and to ensure, amongst others, imposition of certain responsibilities on real estate developers and accountability towards customers and protection of their interest. The RERA has imposed certain obligations on real estate developers, including us, such as mandatory registration of real estate projects, not issuing any advertisements or accepting advances unless real estate projects are registered under RERA, maintenance of a separate escrow account for amounts realised from each real estate project and restrictions on withdrawal of amounts from such escrow accounts and taking customer approval for major changes in sanction plan. In the event our interpretation of provisions of the RERA differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions, or we may be required to undertake remedial steps.

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. There are also various tax benefits under the Income Tax Act which are available to us and the purchasers of residential premises who avail loans from banks or other financial institutions. We or our customers may not be able to realize these benefits if there is a change in law or in interpretation of law resulting in the discontinuation or withdrawal of these tax benefits. There can also be no assurance that the Central Government or the State Governments may not implement new regulations and policies which will require us to obtain additional approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations. Any new regulations and policies and the related uncertainties with respect to the implementation of such new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, cash flows, prospects and results of operations.

***64. Investors may not be able to enforce a judgment of a foreign court against us, our Directors and executive officers in India respectively, except by way of a lawsuit in India.***

Our Company is a company incorporated under the laws of India and all our Directors are located in India. All of our assets, our Key Managerial Personnel, members of Senior Management and officers are also located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons in jurisdictions outside India, or to enforce judgments obtained against such parties outside India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy, or if judgments are in breach or contrary to Indian law. In addition, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate outside India any amounts recovered.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Code of Civil Procedure, 1908 ("**CPC**"). India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, such as the United Kingdom, Singapore, Hong Kong and United Arab Emirates. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements established in the CPC. The CPC only permits the enforcement and execution of monetary decrees in the reciprocating jurisdiction, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India, including the United States, cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be directly enforceable in India. The party in whose favour a final foreign judgment in a non-reciprocating territory is rendered may bring a fresh suit in a competent court in India based on the final judgment within three years of obtaining such final judgment. However, it is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India or that an Indian court would enforce foreign judgments if it is viewed that the amount of damages is excessive or inconsistent with the public policy in India.

***Risks Relating to the Equity Shares and this Issue***

***65. Your ability to acquire and sell Equity Shares offered in the Issue is restricted by the distribution, solicitation and transfer restrictions set forth in this Preliminary Placement Document; you will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares.***

No actions have been taken to permit an offering of the Equity Shares offered in the Issue in any jurisdiction, except for India. As such, your ability to acquire Equity Shares offered in the Issue is restricted by the distribution and solicitation restrictions set forth in "***Selling Restrictions***" on page 267. Further, the Equity Shares offered in the Issue are subject to restrictions on transferability and resale. Pursuant to the SEBI ICDR Regulations, QIBs will be prohibited from selling any of the Equity Shares subscribed in this Issue other than on a recognised Indian stock exchange for a period of one year from the date of the allotment of the Equity Shares. For further information, see "*Purchaser Representations and Transfer Restrictions*" on page 305. You are required to inform yourself on, and observe, these restrictions. Our Company and its representatives and agents will not be obligated to recognise any acquisition, transfer or resale of the Equity Shares offered in the Issue made other than in compliance with applicable law.

***66. The trading volume and market price of the Equity Shares may be volatile following the Issue.***

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- our results of operations, financial condition and cash flows;
- the history of and prospects for our business;
- an assessment of our management, our past and present operations and the prospects for, as well as timing of, our future revenues and cost structures;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;
- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial condition, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements of significant claims or proceedings against us;
- new laws and government regulations that directly or indirectly affect our business;

- changes in interest rates;
- fluctuations in stock market prices and volume; and
- general economic conditions.

The Indian stock markets have, from time to time, experienced significant price and volume fluctuations that have affected market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our results of operations, financial condition or cash flows.

***67. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares issued pursuant to the Issue will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

***68. Investors may be subject to Indian taxes arising out of income arising on the sale of the Equity Shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a recognised stock exchange, held for more than 12 months immediately preceding the date of transfer will be subject to long-term capital gains tax in India at the specified rate depending on certain factors, such as whether the sale is undertaken on or off a recognised stock exchange, the quantum of gains and any available treaty relief. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax ("**STT**"), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any gain realized on the sale of our Equity Shares held for a period of 12 months or less immediately preceding the date of transfer, will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will not be chargeable to tax in India in cases where relief from such taxation in India is provided under a treaty between India and the country of which the seller is resident and the seller is entitled to avail benefits thereunder. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain realised upon the sale of the Equity Shares.

***69. Any future issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding and sale of Equity Shares by shareholders with significant shareholding may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us, including a primary offering of Equity Shares, convertible securities, or securities linked to Equity Shares including through the exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our shareholders may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities, or securities linked to Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

***70. Bidders are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date.***

In terms of the SEBI ICDR Regulations, Bidders are not allowed to withdraw their Bids or revise their Bids downwards in terms of quantity of Equity Shares or the Application Amount after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to an Allottees demat account with the depository participant could take approximately seven to 10 Working Days from the Issue Closing Date.

However, we cannot assure that adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, adverse changes in our business, results of operation, financial condition and cash flows, or other events affecting the Bidders decision to invest in the Equity Shares would not arise between the Issue Closing Date and the date of the Allotment of Equity Shares in the Issue.

The occurrence of any such events after the Issue Closing Date could also adversely impact the market price of the Equity Shares. Bidders shall not have the right to withdraw their Bids or revise their Bids downwards in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the Allottees' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

***71. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution. However, if the laws of the jurisdiction where such investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

***72. Our Company may undertake a fund-raise after completion of the Issue which is subject to the corporate approvals and other considerations.***

Subject to approval of the Board and Shareholders, our Company is proposing to raise funds by issuance of equity shares/ warrants/ preference shares/ any other security convertible into equity shares aggregating up to an amount of ₹ 15,000 lakhs to the promoters / members of the promoter group of our Company and/or potential investors through any permissible mode, including by way of a preferential issue or any other mode as may be permitted under applicable laws. We cannot assure you that our Board and Shareholders will accord their approval for such fund-raising and that our Company will be able to raise the funds in a timely manner or at all due to market conditions and other considerations. For details, see "*Capital Structure*" on page 101.

***73. A third-party could be prevented from acquiring control of us post Issue, because of anti-takeover provisions under Indian law.***

As a listed Indian entity, there are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that the interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company subsequent to completion of the Issue. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our shareholders, such a takeover may not be attempted or consummated because of Takeover Regulations.

## MARKET PRICE INFORMATION

As on the date of this Preliminary Placement Document, 147,408,912 Equity Shares have been issued, subscribed and paid up. The face value of the Equity Shares is ₹10 per Equity Share. The Equity Shares have been listed on BSE and NSE since October 30, 2023. The Equity Shares are listed and traded on BSE under the scrip code 544008 and symbol MAXESTATES and on NSE under the symbol MAXESTATES.

Pursuant to the Scheme of Arrangement, all assets and liabilities of MVIL have vested with our Company with effect from April 1, 2022, pursuant to which our Equity Shares were listed on October 30, 2023 (in accordance with the BSE and NSE trading and listing approvals each dated October 26, 2023). In accordance with proviso to the Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the transferor company i.e., MVIL have been listed for a period of at least one year prior to the date of the issuance of the notice for the meeting on August 1, 2024, to the Shareholders for the approval of this Issue, and is accordingly in compliance with Regulation 172 of the SEBI ICDR Regulations. On August 28, 2024 the closing price of the Equity Shares on BSE and NSE was ₹ 665.90 and ₹ 666.50 per Equity Share, respectively. Since, the Equity Shares are available for trading on BSE and NSE, the market price and other information for each of BSE and NSE has been given separately.

1. The following tables set out the reported high, low and average of the closing prices of the Equity Shares on BSE and NSE and number of Equity Shares traded on the days on which such high and low prices were recorded and the total trading turnover for Fiscals 2024, 2023 and 2022.

| BSE | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Fiscal** | **High (₹)** | **Date of high** | **Number of Equity Shares traded on the date of high** | **Total turnover of Equity Shares traded on date of high (₹)** | **Low (₹)** | **Date of low** | **Number of Equity Shares traded on the date of low** | **Total turnover of Equity Shares traded on date of low (₹)** | **Average price for the year (₹)** |
| 2024 ^ | 336.30 | December 27, 2023 | 1,654 | 5,42,842 | 242.80 | November 2, 2023 | 16,317 | 40,71,524 | 288.48 |
| 2023 * | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 2022 * | NA | NA | NA | NA | NA | NA | NA | NA | NA |

*(Source: www.bseindia.com)*

*^ Our Company was listed on the Stock Exchanges on October 30, 2023, and accordingly, the details for market price information for Financial Year ended March 31, 2024, are available from October 30, 2023, till March 31, 2024.*
** Our Company was listed on the Stock Exchanges on October 30, 2023, and accordingly the details for market price information for Financial Year ended March 31, 2023 and March 31, 2022, is not available.*

| NSE | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Fiscal** | **High (₹)** | **Date of high** | **Number of Equity Shares traded on the date of high** | **Total turnover of Equity Shares traded on date of high (₹)** | **Low (₹)** | **Date of low** | **Number of Equity Shares traded on the date of low** | **Total turnover of Equity Shares traded on date of low (₹)** | **Average price for the year (₹)** |
| 2024 ^ | 339.90 | Decembe 27, 202 | 74,317 | 2,44,14,479.35 | 245 | March 13, 2024 | 1,48,920 | 3,75,41,160.75 | 290.61 |
| 2023 * | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 2022 * | NA | NA | NA | NA | NA | NA | NA | NA | NA |

*(Source: www.nseindia.com)*

*^ Our Company was listed on the Stock Exchanges on October 30, 2023, and accordingly, the details for market price information for Financial Year ended March 31, 2024, are available from October 30, 2023, till March 31, 2024.*
** Our Company was listed on the Stock Exchanges on October 30, 2023, and accordingly the details for market price information for Financial Year ended March 31, 2023 and March 31, 2022, is not available.*

***Notes:***

1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*
3. *In the case of a year, average price for the year represents the average of the closing prices on each day of each year.*

2. The following tables set forth the reported high, low and average market prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded during each of the last six months, as applicable:

| BSE | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Month, year | High (₹) | Date of high | Number of Equity Shares traded on date of high | Total turnover of Equity Shares traded on date of high (₹) | Low (₹) | Date of low | Number of Equity Shares traded on date of low | Total turnover of Equity Shares traded on date of low (₹) | Average price for the month (₹)* | Equity Shares traded in the month | |
| | | | | | | | | | | Volume | Turnover (₹) |
| July 2024 | 580.80 | July 18, 2024 | 23,621 | 1,30,16,188 | 451.00 | July 8, 2024 | 14,551 | 68,77,511 | 521.64 | 2,05,765 | 10,70,78,852 |
| June 2024 | 486.70 | June 27, 2024 | 6,353 | 29,64,127 | 283.50 | June 4, 2024 | 21,029 | 69,09,154 | 422.37 | 3,31,105 | 13,66,64,576 |
| May 2024 | 387.95 | May 24, 2024 | 40,411 | 1,53,38,688 | 299 | May 2, 2024 | 69,296 | 2,34,50,146 | 352.67 | 6,21,290 | 22,26,38,222 |
| April 2024 | 320.00 | April 8, 2024 | 6,875 | 21,43,769 | 276.7 | April 1, 2024 | 390 | 12,27,827 | 296.46 | 1,41,959 | 4,21,67,265 |
| March 2024 | 283.35 | March 27, 2024 | 58,576 | 1,60,43,796 | 246.00 | March 21, 2024 | 7,48,931 | 18,73,75,268 | 261.14 | 18,23,019 | 46,19,78,040 |
| February 2024 | 334.35 | February 5, 2024 | 6,662 | 19,61,553 | 255.85 | February 22, 2024 | 7,444 | 19,57,117 | 279.02 | 1,03,113 | 2,87,10,209 |

*(Source: www.bseindia.com)*

| NSE | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Month, year | High (₹) | Date of high | Number of Equity Shares traded on date of high | Total turnover of Equity Shares traded on date of high (₹) | Low (₹) | Date of low | Number of Equity Shares traded on date of low | Total turnover of Equity Shares traded on date of low (₹) | Average price for the month (₹) | Equity Shares traded in the month | |
| | | | | | | | | | | Volume | Turnover (₹) |
| July 2024 | 580.80 | July 18, 2024 | 3,19,039 | 17,76,70,607.20 | 459.25 | July 8, 2024 | 1,90,138 | 9,08,50,970.80 | 521.88 | 35,24,728 | 1,84,50,41,990 |
| June 2024 | 484.95 | June 26, 2024 | 1,17,727 | 5,64,09,910.95 | 283 | June 4, 2024 | 4,02,375 | 13,23,07,472.05 | 422.24 | 39,70,197 | 1,63,80,25,970 |
| May 2024 | 388.00 | May 23, 2024 | 14,57,016 | 53,47,54,737.80 | 299.85 | May 2, 2024 | 14,34,249 | 48,09,89,923.10 | 352.59 | 77,65,117 | 2,77,74,16,769 |
| April 2024 | 320.10 | April 8, 2024 | 1,29,468 | 4,02,87,443.40 | 275.00 | April 1, 2024 | 96,320 | 2,71,56,648.30 | 296.48 | 20,28,963 | 60,32,15,290 |
| March 2024 | 283.00 | March 27, 2024 | 3,78,433 | 10,38,03,646.25 | 245.00 | March 13, 2024 | 1,48,920 | 3,75,41,160.75 | 261.74 | 42,45,663 | 1,10,37,58,068 |
| February 2024 | 304.70 | February 7, 2024 | 1,01,338 | 3,03,13,264.05 | 255.75 | February 22, 2024 | 2,13,340 | 5,60,47,316.75 | 279.10 | 23,29,447 | 64,79,71,827 |

*(Source: www.nseindia.com)*

***Notes:***
1. *High price indicates intraday high price, low price indicates intraday low price and average prices are based on the daily closing prices, for the respective periods.*
2. *In case of two days with the same high price, low price, the date with the higher traded volume has been chosen.*
3. *In the case of a month, average price for the month represents the average of the closing prices on each day of each month.*

- The following tables set forth the market price on the Stock Exchanges on July 16, 2024 being the first working day following the approval of the Board for the Issue:

| BSE | | | | | |
|---|---|---|---|---|---|
| Open | High | Low | Close | Number of Equity Shares traded | Volume (₹) |
| 530.30 | 552.95 | 529.20 | 536.55 | 24,927 | 1,34,88,046 |

*(Source: www.bseindia.com)*

| NSE | | | | | |
|---|---|---|---|---|---|
| **Open** | **High** | **Low** | **Close** | **Number of Equity Shares traded** | **Volume (₹)** |
| 520.80 | 553.70 | 518.95 | 536.10 | 3,10,963 | 16,85,84,063.35 |

*(Source: www.nseindia.com)*

## USE OF PROCEEDS

The Issue is being undertaken in accordance with Chapter VI of SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013 including the rules made thereunder, to the extent applicable.

The total gross proceeds from the Issue shall aggregate up to ₹ [•] lakhs (the "**Gross Proceeds**"). Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue, of approximately ₹ [●] lakhs, shall be approximately ₹ [●] lakhs (the "**Net Proceeds**").

**Purposes/Objects of the Issue**

Subject to compliance with applicable laws and regulations, and as approved by the Board of Directors, we intend to use the Net Proceeds towards the following objects ("**Use of Proceeds**"):

i. Acquisition of land, interest in land and/or land development rights directly by the Company or indirectly through our Subsidiaries; and
ii. General corporate purposes.

(collectively, referred to hereinafter as the "**Objects**").

Our main objects and objects incidental or ancillary to the attainment of the main objects of our Memorandum of Association enables us to undertake the Objects contemplated by us in this Issue.

**Requirement of funds**

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

*(in ₹ lakhs)*

| Sr. No. | Particulars | Estimated Amount |
|---|---|---|
| i. | Acquisition of land, interest in land and/or land development rights directly by the Company or indirectly through subsidiaries | 65,000.00 |
| ii. | General corporate purposes* | [●] |
| **Total Net Proceeds** | | [●] |

** The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds.*

In the event of a change in the final Issue size, the amounts shown in the table above against each of the Use of Proceeds specified therein shall be modified basis the final Issue size in the Placement Document.

***Utilization of Net Proceeds and Schedule of Deployment***

We propose to deploy the Net Proceeds towards the Use of Proceeds in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

*(In ₹ lakhs)*

| Sr. No. | Particulars | Amount to be funded from the Net Proceeds | Tentative schedule for deployment of the Net Proceeds | |
|---|---|---|---|---|
| | | | Fiscal 2025 | Fiscal 2026 |
| 1. | Acquisition of land, interest in land and/or land development rights directly by the Company or indirectly through subsidiaries | 65,000.00 | 35,000.00 | 30,000.00 |
| 2. | General corporate purposes* | [●] | [●] | [●] |
| **Total*** | | [●] | [●] | [●] |

** The amount utilised for general corporate purposes does not exceed 25% of the Gross Proceeds.*

The fund requirements, the proposed deployment of funds and the intended use of the Net Proceeds as set-out above are based on our current business plans, internal management estimates, management estimates of future growth projections of our Company and our Subsidiaries, current circumstances of our business, prevailing market conditions and other commercial and technical factors, which are subject to change. The fund requirements and proposed deployment of funds described herein have not been appraised by any bank or financial institution or any other independent agency.

We may have to revise our funding requirements and deployment from time to time on account of various factors, such as, financial and market conditions, competition, price fluctuations, business and strategy, and other external factors, which may not be within the control of our management. This may entail rescheduling or revising the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation including the expenditure for a particular purpose at the discretion of our management, subject to compliance with applicable law. For details on risks involved, see "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been appraised by any bank or financial institution and our management will have broad discretion over the use of the Net Proceeds*" on page 67.

If the actual utilization towards any of the Objects is lower than the proposed deployment, such balance will be used for future growth opportunities, if required, in accordance with applicable laws. In the event that estimated utilization out of the Net Proceeds in a fiscal is not completely met, the same shall be utilized in the subsequent fiscals or if required, the amount scheduled for deployment in a specific Fiscal may be utilized in an earlier Fiscal, as may be decided by our Company, in accordance with applicable laws. Any such change in our plans may require rescheduling of our expenditure programs and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds.

Subject to applicable laws, in the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and/or any additional equity and/or debt arrangements from existing and future lenders. Our Statutory Auditors have provided no assurance or services related to any prospective financial information.

***Details of the Use of Proceeds***

**1. Acquisition of land, interest in land and/or land development rights directly by the Company or indirectly through subsidiaries.**

Our Company proposes to utilise an estimated amount of ₹ 65,000.00 lakhs from the Net Proceeds for the acquisition of land, interest in land and/ or land development rights. We are a leading Indian real estate developer active primarily in the Delhi-NCR Region with a focus on developing sustainable, "*Grade A*" developments. *(Source: KFIPL Report)* We are the real estate development arm of Max group, one of India's business conglomerates with a strong presence in life insurance, senior living and real estate and allied businesses. (*Source: KFIPL Report*) We are focused on developing commercial real estate as well as residential real estate projects and as of June 30, 2024, we had 6 Commercial Projects and 4 Residential Projects which includes Completed Projects, Ongoing Projects and Forthcoming Projects with a total area of 11.50 million square feet (delivered, under-construction and under-development) in the Delhi NCR Region. We aspire to build sustainable commercial and residential developments in the Delhi NCR region, with a focus on well-being. Our aim is to be the most preferred brand in real estate in the Delhi NCR region, driven by our vision to enhance quality of life through the spaces we create.

We concluded the merger of MVIL into our Company in Fiscal 2023 and were listed on the BSE and NSE on October 30, 2023. The merger has enhanced our balance sheet flexibility to further expand and grow the real estate business and we are targeting time and cost synergies through streamlining of administrative operations.

As part of our strategy, we intend to continue to acquire strategically located parcels of land at competitive prices while ensuring a disciplined capital structure with the goal of maximizing returns and developing a robust pipeline of projects in Delhi-NCR region which we will finalise after thorough evaluation. Historically, we have acquired land parcels either through direct acquisition from sellers or through participation in auctions. In addition, we also intend to undertake development through the joint development agreement ("**JDA**") model, where the landowners or the existing developers of incomplete projects, as the case may be, approach the other developers and make available the land to carry out development and/or to complete and monetize the existing development. The land-owners or the existing developers are paid their portion of the consideration at mutually agreeable commercial terms or milestones, which may include certain upfront payments and security deposits, followed by revenue or sharing. For details, see "*Our Business – Our Growth Strategies – Expand our leadership position in Commercial and Residential Developments in the Delhi NCR Region*" on page 212.

Given all of the above, we have identified micro markets within the Delhi-NCR region where we intend to grow through land acquisitions and participation in auctions. Further, we intend to leverage our brand and leadership position to grow our business by entering into JDAs with landowners and other smaller developers. We believe that such an approach will enable us to be more capital efficient and reduce our upfront land acquisition costs. We intend to follow this strategy in the Delhi-NCR region. We believe that on account of the limited development capability, limited availability of financing to small developers and landowners, coupled with an increasing shift in consumer preferences towards branded developments, small developers and landowners are seeking to collaborate with branded developers such as us. In line with our strategy, in the three months ended June 30, 2024, and during the Fiscal 2023, we have added one project each, in Sector 36A Gurugram, respectively, by executing JDAs, cumulating to 6.4 million square feet of developable area, in the micro-markets within the Delhi-NCR region. For further details in relation to our strategies and business, see "*Our Business – Our Growth Strategies*" and "*Our Business – Description of our Business*" on pages 212 and 213, respectively.

We use different ways to acquire land. Land can be acquired through auctions in the market by bidding for the auction or directly through negotiations with the seller. It can also be acquired through acquisition of shares of companies owning such land, joint ventures or joint development right arrangements with companies that hold the land parcels.

We propose to continue to acquire land or land development rights in the Delhi-NCR region. Costs of acquiring land, interest in land or land development rights will vary depending on various factors, such as, location of land in prime areas or otherwise, profile of the population in the surrounding areas, type of project that can be developed, general economic conditions and the extent of negotiations between us and the parties from whom we propose to acquire land. All these elements including payments to be made as a part of the JDA model for ongoing and forthcoming projects as set out above, would be a part of the cost of acquisition of land or land development rights. Further, Company may also utilise the earmarked funds towards construction costs, approval expenses, cost of title searches, stamp duty, registration fees, taxes, legal fees and such other costs for our existing and/ or planned projects.

We undertake that, (i) in the case of JDA model, the requisite material approvals shall be obtained as soon as reasonably possible (by paying requisite fees or charges) for commencement or completion of the relevant project; (ii) post acquisition, the land will be free of all encumbrances and have clear title or the encumbrances, if any, will be removed by undertaking negotiations and financial settlements (with parties holding pledge and in certain cases those who may have encroached on the land); and (iii) if a JDA is signed, we will work with the landlord/existing developer to remove the encumbrances except for the arrangements with banks, NBFCs or financial institutions who have supported the said JDA originally envisaged.

**2. General Corporate Purposes**

Our Company proposes to deploy the balance Net Proceeds, aggregating to ₹ [●] lakhs, towards general corporate purposes as approved by our management from time to time, subject to such utilisation not exceeding 25% of the Gross Proceeds, in compliance with applicable laws. The general corporate purposes for which our Company proposes to utilise Net Proceeds include, without limitation, funding growth opportunities, any additional capital expenditure, repayment or prepayment of our borrowings including interest or related borrowing costs thereon, business development initiatives, working capital, meeting expenses incurred in the ordinary course of business and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act. The quantum of utilisation of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time, subject to compliance with applicable law.

**Interim use of Net Proceeds**

Pending utilisation of the Net Proceeds our Company shall invest such proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market / mutual funds, as approved by the Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws. Provided that, in accordance with applicable laws, we undertake to not utilize the proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC and final listing and trading approvals are received from each of the Stock Exchanges.

**Monitoring Utilization of Funds**

In accordance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency for monitoring the utilisation of Net Proceeds as the size of our Issue exceeds ₹ 10,000.00 lakhs. The Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in our balance sheet for such periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds. Such report, along with the comments (if any) of the Monitoring Agency shall be submitted to the Stock Exchanges within 45 days from the end of each quarter and uploaded on the website of our Company at www.maxestates.in, or such other time as may be prescribed under the SEBI Listing Regulations.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. Further, our Company, on a quarterly basis, shall include the deployment of Net Proceeds under various heads, as applicable, in the notes to our financial results. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Issue from the Objects as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee.

**Other Confirmations**

Neither our Promoters nor our Directors are making any contribution either as a part of the Issue or separately in furtherance of the use of the Net Proceeds. Further, neither our Promoters nor our Directors shall receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Promoters, Directors, members of Senior Management Key Managerial Personnel are not eligible to subscribe in the Issue.

Further, since the Net Proceeds of the Issue are proposed to be utilised towards the purposes set forth above, and not for implementing any specific project, the following disclosure requirements under Schedule VII of the SEBI ICDR Regulations are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors, Key Managerial Personnel and/or Senior Management.

## CAPITALISATION STATEMENT

The following table sets forth our capitalisation statement as at June 30, 2024 derived from the Unaudited Interim Condensed Consolidated Financial Statements and as adjusted to give effect to the receipt of the gross proceeds of the Issue.

This table should be read in conjunction with "*Risk Factors*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 62, 160 and 351, respectively.

*(in ₹ lakhs)*

| Particulars | Pre-offer as at June 30, 2024 | As adjusted for the Offer*#^ |
|---|---|---|
| **Borrowings** | | |
| Current Borrowings (I) | 1,848.74 | [●] |
| Non-Current Borrowings (II) | 1,25,032.29 | [●] |
| **Total borrowings (III = I + II )** | **1,26,881.03** | [●] |
| | | |
| **Equity** | | |
| Equity share capital (IV) | 14,740.89 | [●] |
| Other Equity (V) | 1,02,564.04 | [●] |
| Share capital pending issuance (VI) | 24.87 | [●] |
| Non-controlling interest (VII) | 27,606.71 | [●] |
| **Total Equity (VIII = IV +V+ VI+ VII)** | **1,44,936.51** | [●] |
| | | |
| **Ratio: Non-current borrowings /Total Equity (IX= II/VIII)** | 0.86 | [●] |
| **Ratio: Total borrowings/ Total Equity (X = III/ VIII)** | 0.88 | [●] |

**To be updated upon finalization of the Issue Price.*
*#Adjustments do not include Issue related expenses*
*^As adjusted to reflect the number of Equity Share issued pursuant to the Issue*

***Notes:***

(1) *These terms shall carry the meaning as per Schedule III to the Companies Act, 2013 (as amended).*

## CAPITAL STRUCTURE

The share capital of our Company as on date of this Preliminary Placement Document is as follows:

*(in ₹, except share data)*

| Particulars | Aggregate nominal value[#] (in ₹) |
|---|---|
| **Authorised Share Capital** | |
| 22,80,00,000 Equity Shares of face value of ₹ 10 each | 2,28,00,00,000 |
| | |
| **Issued, subscribed and paid-up share capital prior to the Issue** | |
| 14,74,08,912 Equity Shares of face value of ₹10 each | 1,47,40,89,120 |
| | |
| **Present Issue in terms of this Preliminary Placement Document[(1)]** | |
| Up to [●] Equity Shares of face value of ₹10 each at a premium of ₹[●][(2)] aggregating up to ₹[•] lakhs | [●] |
| | |
| **Issued, subscribed and paid-up share capital after the Issue** | |
| [●] Equity Shares of face value of ₹10 each | [●] |
| | |
| **Securities premium account** | |
| Prior to the Issue[(3)] | 5,01,01,10,000 |
| After the Issue [(2)(4)] | [•] |

[#] *Except for securities premium account*

[(1)] *The Issue was approved by the Board of Directors in its meeting held on July 15, 2024. Subsequently, our Shareholders, through a special resolution at the Annual General Meeting approved the Issue on August 23, 2024.*

[(2)] *To be determined upon finalization of the Issue Price.*

[(3)] *As on the date of this Preliminary Placement Document.*

[(4)] *The securities premium account after the Issue is calculated on the basis of gross proceeds of the Issue not adjusted for the Issue related expenses.*

### Equity share capital history of our Company

The history of the equity share capital of our Company as on the date of this Preliminary Placement Document is provided in the following table:

| Date of Allotment | No. of Equity Shares Allotted | Face Value per Equity Share (₹) | Issue Price per Equity Share (₹) | Consideration (Cash, Other than cash, *etc.*) (₹) | Nature of Allotment | Cumulative number of Equity Shares | Name of Allottee |
|---|---|---|---|---|---|---|---|
| March 22, 2016 | 50,000 | 10 | 10 | Cash | Subscription to MOA | 50,000 | 49,994 equity shares were allotted to MVIL (through its authorized representative. Alok Goel), 1 equity share was allotted to Sahil Vachani (as a nominee of MVIL), 1 equity share was allotted to Arjunjit Singh (as a nominee of MVIL), 1 equity share was allotted to Nitin |

| Date of Allotment | No. of Equity Shares Allotted | Face Value per Equity Share (₹) | Issue Price per Equity Share (₹) | Consideration (Cash, Other than cash, *etc.*) (₹) | Nature of Allotment | Cumulative number of Equity Shares | Name of Allottee |
|---|---|---|---|---|---|---|---|
| | | | | | | | Kumar (as a nominee of MVIL), 1 equity share was allotted to Amit Jain (as a nominee of MVIL), 1 equity share was allotted to Navneet Narayan Malhotra (as a nominee of MVIL), 1 equity share was allotted to Manohar Kumar (as a nominee of MVIL) |
| September 15, 2016 | 20,00,000 | 10 | 10 | Cash | Private Placement | 20,50,000 | MVIL |
| September 26, 2016 | 25,00,000 | 10 | 10 | Cash | Private Placement | 45,50,000 | MVIL |
| September 30, 2016 | 11,50,000 | 10 | 10 | Cash | Private Placement | 57,00,000 | MVIL |
| November 30, 2016 | 23,00,000 | 10 | 10 | Cash | Private Placement | 80,00,000 | MVIL |
| August 10, 2018 | 5,00,00,000 | 10 | 10 | Cash | Private Placement | 5,80,00,000 | MVIL |
| November 28, 2018 | 1,00,00,000 | 10 | 10 | Cash | Private Placement | 6,80,00,000 | MVIL |
| December 6, 2019 | 50,50,000 | 10 | 10 | Cash | Private Placement | 7,30,50,000 | MVIL |
| March 20, 2020 | 48,60,000 | 10 | 10 | Cash | Private Placement | 7,79,10,000 | MVIL |
| July 31, 2023 | (7,79,10,000) | NA | NA | NA | Cancellation of shares held by MVIL pursuant to the Scheme | (7,79,10,000) | - |
| August 18, 2023 | 14,71,34,544 | 10 | 10 | NA | Allotment pursuant to the Scheme | 14,71,34,544 | Refer note below |
| May 22, 2024 | 1,28,913 | 10 | 12.90 | Cash | Allotment pursuant to Max Estates | 14,72,63,457 | 4,172 equity shares allotted to |

| Date of Allotment | No. of Equity Shares Allotted | Face Value per Equity Share (₹) | Issue Price per Equity Share (₹) | Consideration (Cash, Other than cash, *etc.*) (₹) | Nature of Allotment | Cumulative number of Equity Shares | Name of Allottee |
|---|---|---|---|---|---|---|---|
| | | | | | Employee Stock Option Plan 2023 | | Ajay Sharma, 7,800 equity shares allotted to Manish Bharadwaj, 8,793 equity shares allotted to Anshul Gaurav, 8,000 equity shares allotted to Anshul Gaurav, 5,575 equity shares allotted to Archit Goyal, 5,000 equity shares allotted to Archit Goyal, 10,854 equity shares allotted to Sharad Kumar, 4,847 equity shares allotted to Akhil Puri, 5,620 equity shares allotted to Vishal Sharma, 5,502 equity shares allotted to Akshay Lall, 47,619 equity shares allotted to Rishi Raj, 4,761 equity shares allotted to Manvendra Singh and 10,370 equity shares allotted to Puneet Sood |
| | 23,815 | 10 | 32.27 | Cash | Allotment pursuant to Max Estates | 14,72,87,272 | 12,362 equity shares allotted to |

| Date of Allotment | No. of Equity Shares Allotted | Face Value per Equity Share (₹) | Issue Price per Equity Share (₹) | Consideration (Cash, Other than cash, *etc.*) (₹) | Nature of Allotment | Cumulative number of Equity Shares | Name of Allottee |
|---|---|---|---|---|---|---|---|
| | | | | | Employee Stock Option Plan 2023 | | Rajendra Singh, 5,135 equity shares allotted to Alok Shubham and 6,318 equity shares allotted to Yamin Ali |
| | 31,562 | 10 | 52.15 | Cash | Allotment pursuant to Max Estates Employee Stock Option Plan 2023 | 14,73,18,834 | 1,301 equity shares allotted to Ishita Gupta, 2,517 equity shares allotted to Manish Bharadwaj, 4,006 equity shares allotted to Alok Shubham, 4,162 equity shares allotted to Anshul Gaurav, 4,053 equity shares allotted to Archit Goyal, 2,256 equity shares allotted to Vishal Sharma, 5,121 equity shares allotted to Yamin Ali, 1,892 equity shares allotted to Akshay Lall, 4,062 equity shares allotted to Anil Kumar Misra and 2,192 equity shares allotted to Arushi Walecha |
| June 18, 2024 | 66,440 | 10 | 12.90 | Cash | Allotment pursuant to Max Estates | 14,73,85,274 | 66,440 equity shares allotted to |

| Date of Allotment | No. of Equity Shares Allotted | Face Value per Equity Share (₹) | Issue Price per Equity Share (₹) | Consideration (Cash, Other than cash, *etc.*) (₹) | Nature of Allotment | Cumulative number of Equity Shares | Name of Allottee |
|---|---|---|---|---|---|---|---|
| | | | | | Employee Stock Option Plan 2023 | | Nitin Kumar |
| | 1,822 | 10 | 32.27 | Cash | Allotment pursuant to Max Estates Employee Stock Option Plan 2023 | 14,73,87,096 | 1,822 equity shares allotted to Manish Gosain |
| | 21,816 | 10 | 52.15 | Cash | Allotment pursuant to Max Estates Employee Stock Option Plan 2023 | 14,74,08,912 | 3,753 equity shares allotted to Saumya Saxena, 3,621 equity shares allotted to Amit Sachar, and 14,442 equity shares allotted to Rishi Raj |

**Note:** *Allotment of 14,71,34,544 Equity Shares to the shareholders of MVIL, as on Record Date i.e., August 11, 2023, entitled to the equity shares of MEL pursuant to the Scheme.*

As on date of this Preliminary Placement Document, no Equity Shares held by any of the Promoters in the Company are pledged.

**Preference shares**

As on the date of this Preliminary Placement Document, our Company has not issued any preference shares.

**Pre-Issue and post-Issue shareholding pattern of Company**:

The pre-Issue and post-Issue shareholding pattern of our Company, as on June 30, 2024, is set forth below:

| # | Category | Pre-Issue (as on June 30, 2024) | | Post-Issue* | |
|---|---|---|---|---|---|
| | | No. of Equity Shares held | % of shareholding | No. of Equity Shares held | % of shareholding |
| **A.** | **Promoter holding#** | | | | |
| 1 | Indian | | | | |
| | *Individual* | 41,92,367 | 2.84 | [●] | [●] |
| | *Bodies Corporate* | 6,86,61,312 | 46.58 | [●] | [●] |
| | ***Sub-total*** | **7,28,53,679** | **49.42** | **[●]** | **[●]** |
| 2 | Foreign promoter | | | | |
| | *Individuals (Non Resident Individuals/ Foreign Individuals)* | 0 | 0 | [●] | [●] |
| | *Others* | 0 | 0 | [●] | [●] |
| | ***Sub-Total*** | **0** | **0** | **[●]** | **[●]** |
| | **Sub-total (A)** | **7,28,53,679** | **49.42** | **[●]** | **[●]** |
| **B.** | **Non-Promoter holding** | | | | |
| 1 | Institutional investors | | | | |
| | *Mutual Funds* | 848 | 0.00 | [●] | [●] |
| | *Alternate Investment Funds* | 44,740 | 0.03 | [●] | [●] |

| # | Category | Pre-Issue (as on June 30, 2024) | | Post-Issue* | |
|---|---|---|---|---|---|
| | | **No. of Equity Shares held** | **% of shareholding** | **No. of Equity Shares held** | **% of shareholding** |
| | *Banks* | 150 | 0.00 | **[●]** | **[●]** |
| | *NBFCs registered with RBI* | 13,920 | 0.01 | **[●]** | **[●]** |
| | *Insurance Companies* | 0 | 0.00 | [●] | [●] |
| | ***Sub-Total*** | **59,658** | **0.04** | **[●]** | **[●]** |
| 2 | Foreign Direct Investment | 3,12,82,950 | 21.22 | **[●]** | **[●]** |
| | (a) Foreign Portfolio Investors Category I | 93,11,884 | 6.32 | [●] | [●] |
| | (b) Foreign Portfolio Investors Category II | 0 | 0 | [●] | [●] |
| | ***Sub-Total*** | **4,05,94,834** | **27.54** | **[●]** | **[●]** |
| 3 | Non-Institutions | 0 | 0 | [●] | [●] |
| | *Directors and their relatives (excluding independent directors and nominee directors* | 25,95,782 | 1.76 | [●] | [●] |
| | *Key Managerial Personnel* | 1,55,236 | 0.11 | [●] | [●] |
| | *Resident Individuals holding nominal share capital up to Rs. 2 lakhs* | 98,15,244 | 6.66 | [●] | [●] |
| | *Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs* | 1,30,59,608 | 8.86 | [●] | [●] |
| | *Non Resident Indians (NRIs)* | 34,73,990 | 2.36 | **[●]** | **[●]** |
| | *Foreign National* | 104 | 0.00 | **[●]** | **[●]** |
| | *Foreign Companies* | 240 | 0.00 | **[●]** | **[●]** |
| | *Body Corporate* | 31,69,331 | 2.15 | **[●]** | **[●]** |
| | *Others* | 16,31,206 | 1.11 | **[●]** | **[●]** |
| | *Sub-Total* | 3,39,00,741 | 23.00 | **[●]** | **[●]** |
| | **Sub-total (B)** | **74,555,233** | **50.58** | **[●]** | **[●]** |
| 4 | Non-Promoter non-public shareholders *(Employee Benefit Trust)* | 0 | 0.00 | [●] | [●] |
| | **Sub-total (C)** | **0** | **0.00** | **[●]** | **[●]** |
| | **Grand Total (A+B+C)** | **14,74,08,912** | **100.00** | **[●]** | **[●]** |

** The post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue and reflects the shareholding of all other categories as of June 30, 2024.*
*# Includes the shareholding of the members forming part of Promoter Group.*

**Employee stock option plan**

Our Company, pursuant to a resolution passed by our Board on July 31, 2023 and the resolution passed by our Shareholders on December 22, 2023, adopted Max Estates Employee Stock Option Plan 2023 ("**ESOP 2023**") to attract key employees to the Company and induce key employees to remain with the Company, and encourage them to increase their efforts to make the Company's business more successful. The ESOP 2023 is effective from December 22, 2023 and shall continue to be in effect until it is terminated by the Company or the Board. The ESOP 2023 absorbed the stock options granted by the erstwhile MVIL under the Erstwhile ESOP 2016, at identical terms and conditions, to eligible employees in the erstwhile MVIL and its subsidiaries pursuant to the Scheme of Arrangement.

In accordance with the ESOP 2023, our Company has constituted a Nomination and Remuneration Committee of the Board which shall act as Committee for the administration of the ESOP 2023.

The details of ESOP 2023, are as follows:

As on the date of this Preliminary Placement Document, the details of options pursuant to ESOP 2023 are as follows:

| Particulars | Number of employee stock options |
|---|---|
| Maximum number of options which may be granted under the scheme | 73,56,727^ |
| Total number of options granted | 1,98,320 |
| Options vested | 6,07,839 |
| Options exercised | 4,26,976 |
| Options lapsed or forfeited | 9,629 |
| Total number of options outstanding | 6,01,688 |

^*8,39,973 stock options granted pursuant to the Erstwhile ESOP 2016 were transferred to the Company pursuant to the Scheme of Arrangement*

**Other confirmations**

(i) Except as stated above, our Company has not made any allotments of Equity Shares or preference shares, including for consideration other than cash, in the last one year preceding the date of this Preliminary Placement Document.

(ii) Pursuant to the Scheme of Arrangement, all assets and liabilities of MVIL have vested with our Company with effect from April 1, 2022, pursuant to which our Equity Shares were listed on October 30, 2023 (in accordance with the BSE and NSE trading and listing approvals each dated October 26, 2023). In accordance with proviso to the Regulation 172(1)(b) of the SEBI ICDR Regulations, the equity shares of the transferor company i.e., MVIL have been listed for a period of at least one year prior to the date of the issuance of the notice for the meeting on August 1, 2024, to the Shareholders for the approval of this Issue, and is accordingly in compliance with Regulation 172 of the SEBI ICDR Regulations.

(iii) There will be no change in control of our Company pursuant to the Issue.

(iv) Our Company has not allotted securities on preferential basis or private placement basis or by way of rights issue in the last one year preceding the date of this Preliminary Placement Document. However, as intimated to the Stock Exchanges by way of our letter dated August 28, 2024, a meeting of the Board of Directors is scheduled on August 31, 2024, *inter-alia*, to consider and approve the raising of funds by issuance of equity shares/ warrants/ preference shares/ any other security convertible into equity shares aggregating up to an amount of ₹ 15,000 lakhs to the promoters / members of the promoter group of our Company and/or potential investors through any permissible mode, including by way of a preferential issue or any other mode as may be permitted under applicable laws, including the Companies Act, 2013 read with the rules notified thereunder and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and to approve all the necessary actions required for raising funds, subject to necessary regulatory, statutory and other approval(s), if any, including approval of shareholders of our Company.

(v) Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

(vi) Except for the outstanding employee stock options as disclosed "- *Employee Stock Option Plan*" on page 106, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Preliminary Placement Document.

(vii) Our Promoters, the Directors, Key Managerial Personnel and Senior Management of our Company do not intend to participate in the Issue.

**Proposed Allottees in the Issue**

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue*" on page 650.

# DIVIDENDS

The declaration and payment of final dividends by our Company, if any, will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of the Articles of Association and the applicable laws, including the Companies Act, 2013. See *"Description of the Equity Shares*" on page 312.

Our Board may also, from time to time, declare interim dividends. Our Board has approved and adopted a formal dividend distribution policy on July 31, 2023, in terms of Regulation 43A of the SEBI Listing Regulations ("**Dividend Distribution Policy**").

In accordance with the Dividend Distribution Policy, the dividend pay-out shall be determined by our Board after taking into account a number of factors but not limited to, our Company's operating cash flow, profits, earnings per share, working capital requirements, capital expenditure requirements, cost of borrowing and other factors considered relevant by our Board. Our Company may also, from time to time, pay interim dividends. We may retain all our future earnings, if any, for growth of operations and business of our Company.

Our Company has not declared or paid any dividend on the Equity Shares in respect of Fiscals 2024, 2023 and 2022 and since April 1, 2024, until the date of this Preliminary Placement Document.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. The amounts paid as dividends in the past are not necessarily indicative of the Dividend Distribution Policy of our Company or dividends amounts, if any, in the future. There is no guarantee that any dividends will be declared or paid in the future. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, the factors set out in the Dividend Distribution Policy and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders.

The Equity Shares to be issued in connection with this Issue shall qualify for dividend including interim dividend, if any, that is declared and record date thereof occurs after the Allotment. See "*Description of the Equity Shares*" on page 312. For a summary of some of the restrictions that may inhibit our ability to declare or pay dividends, see "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 84.

## INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Real Estate Industry Report" dated August 2024 (the "**KFIPL Report**") prepared and issued by Knight Frank (India) Private Limited, appointed by us on July 26, 2024, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. The data included herein includes excerpts from the KFIPL Report and may have been re-ordered by us for the purposes of presentation. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the KFIPL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For more information, see "Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report exclusively commissioned and paid for by us for the Issue." on page 80.*

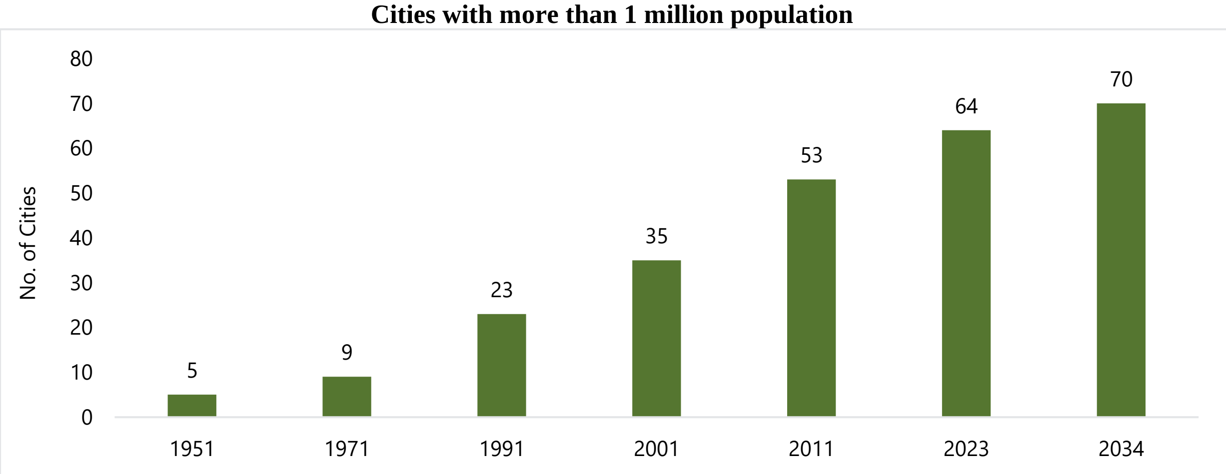
*Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents of the KFIPL Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. Unless otherwise indicated, financial, operational, industry and other related information derived from the KFIPL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. Further, references to segments in the KFIPL Report and information derived therefrom are industry segments and in accordance with presentation, analysis and categorisation in the KFIPL Report. Our segment reporting in financial statements is based on criteria set out in Ind AS 108 – "Operating segments", and we do not present such industry segments as operating segments.*

### INDIAN ECONOMIC OVERVIEW

**Demographic factor**
**Urbanization**

The cities in India occupy merely 3% of the country's land; however, their contribution to the GDP is an estimated 60%. As per various estimates, even one percentage point increase in a district's population increases its GDP by 2.7%, further enabling the country's overall economic growth. The ongoing demographic shift is contributing to rapid urbanization and an expansion of cities. Currently, India's urbanization rate is pegged at 36.5% translating into 79 million households. In the next decade, an estimated 42.5% of India's population or 164 million households will be residing in urban centers in India. Currently, India has 64 cities with a population of more than 1 million, and this is likely to increase to 70 cities by 2034.

**Cities with more than 1 million population**




*Source: India Census, UN World Urbanisation Prospects, 2018, Knight Frank Research*

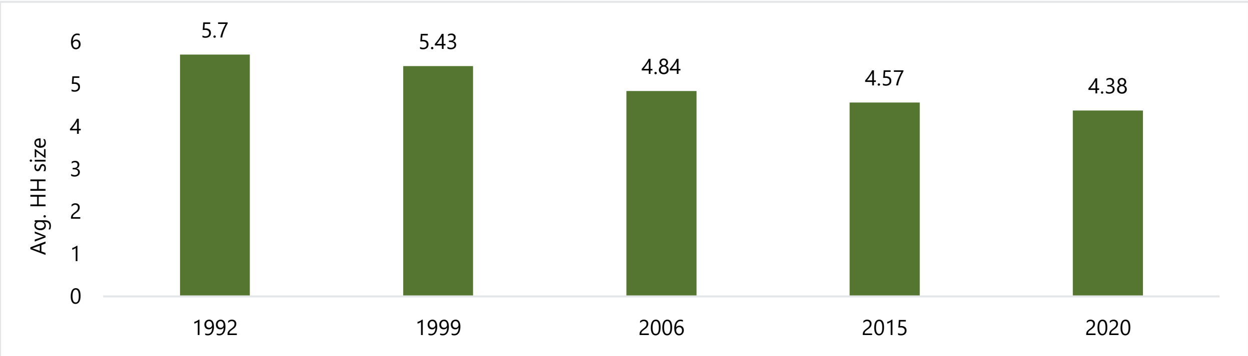
This urbanization is driving formal employment in cities, with the percentage of formally employed urban population projected to nearly double, from 15.3% to 28% by 2034. This increase in employment is expected to boost consumption and consequently, a demand for real estate. Every formal job is estimated to generate eight informal jobs, further amplifying employment opportunities and population influx into urban areas.

However, rapid urbanization also brings on challenges, particularly in terms of developing comprehensive physical, social, and economic infrastructure. Recognizing this, the Indian government has initiated several urban development programs, such as the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and the Smart Cities Mission (SCM). These initiatives aim to promote planned and sustainable urban growth, focusing on enhancing infrastructure, improving service delivery, and ensuring a high quality of life in urban centres.

The sustained focus on urban development and the ongoing demographic shift towards cities are expected to continue support to GDP growth and real estate development in India, making urbanization an important driver of the country's economic future.

**Nuclearization of families**

Over recent decades, the size of households in India has been decreasing, a trend likely to continue. This is primarily due to the increasing prevalence of nuclear families. As more household's form and consumption rises within these smaller units, the demand for housing is on the rise. The graph below illustrates the average household size in selected Indian cities.

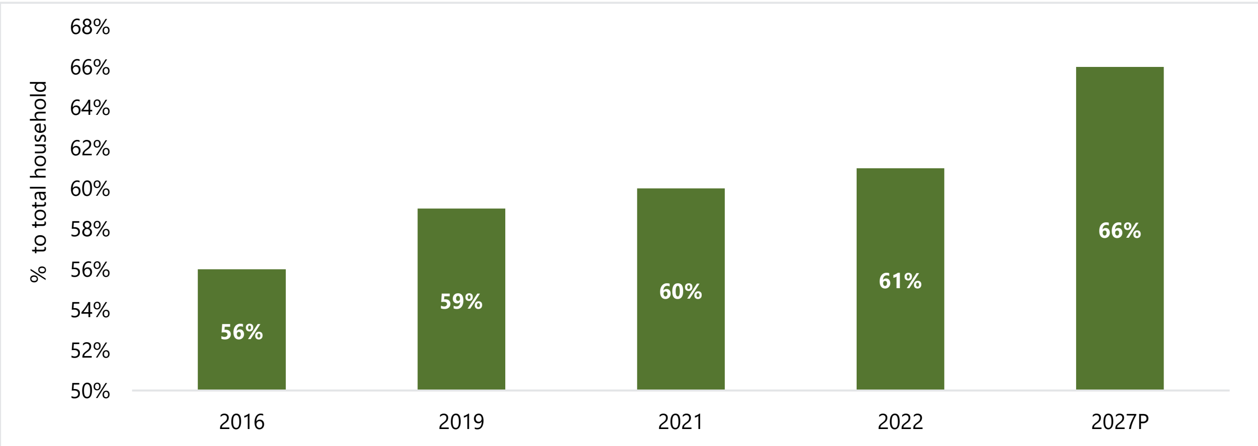



**Average household size (no. of members)**

*Source: United Nations, Department of Economic and Social Affairs, Knight Frank Research*

Over the years, India has seen a significant transformation in its family structures, with joint families increasingly giving way to nuclear households. This shift is largely driven by urbanization, changing lifestyles, and evolving societal norms. As a result, nuclear families now constitute nearly 61% of all households in India, and this trend is projected to grow up to 66% till 2027 supporting the demand for housing.

**Households in India set to grow rapidly (% of total households)**



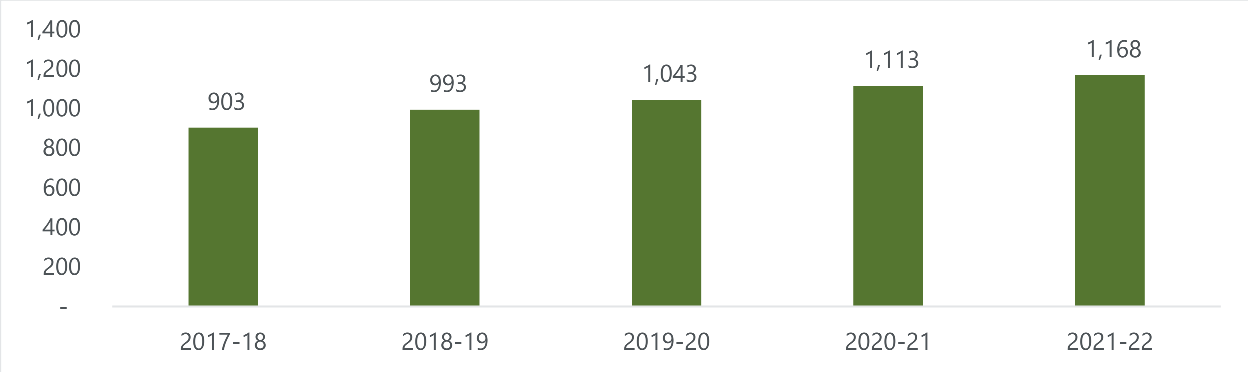

*Source: India Census, UN World Urbanization Prospects, 2018, Knight Frank Research*

Studies reveal over 50% of the relocating population prefers to set up independent nuclear households. These Economic compulsions are driving migration from villages to cities across India.

As more people choose to live in smaller, separate households, the demand for housing increases. This growth in housing needs drives the real estate market, which supports overall economic growth.

**Improving education levels**
India has made significant progress in both higher education and schooling. As per latest report by AISHE, over the past five years, the number of universities in India has steadily increased, with a CAGR of 5%. The graph clearly shows this consistent growth, reflecting the country's focus on expanding its higher education system.

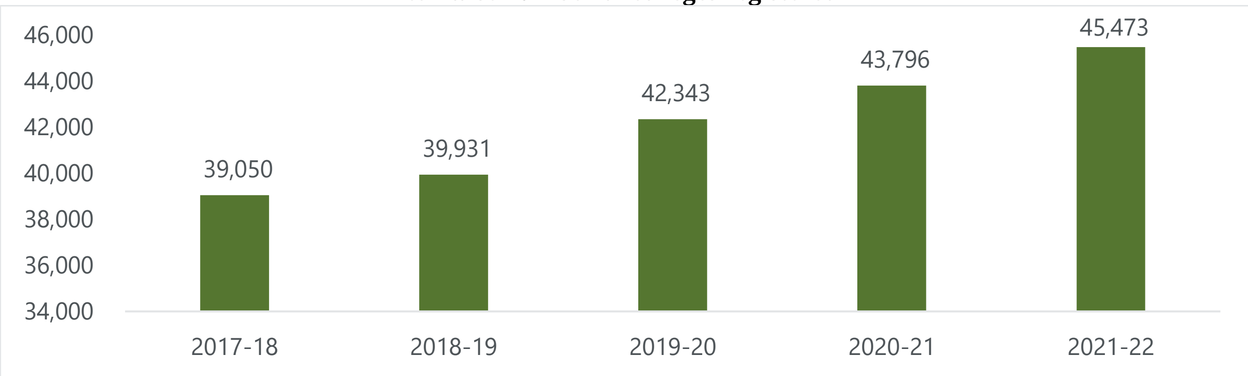
**Number of Universities during last 5 years**




*Source: All India Survey on Higher Education 2021-22*

The number of colleges registered with AISHE increased from 39,050 in 2017-18 to 45,473 in 2021-22, adding 6,423 colleges over five years. Since 2014-15, 6,975 new colleges have been registered, marking an 3% CAGR growth.

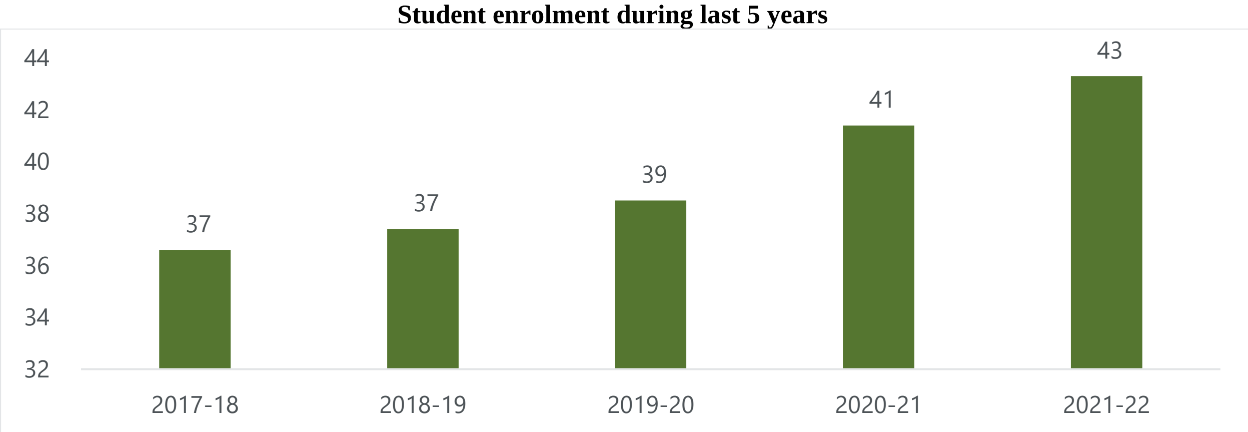
**Year wise number of colleges registered**




*Source: All India Survey on Higher Education 2021-22*

The enrolment in higher education institutions in India have grown considerably over the past years. Estimated enrolment has increased to 4,32,68,181 in 2021-22 from 4,13,80,713 in 2020-21, an increase of 4.6%. The enrolment in higher education institutions in India have grown considerably over the past years. Estimated enrolment has increased to 43 million in 2021-22 from 41 million in 2020-21, i.e. CAGR of 3%.

**Student enrolment during last 5 years**




*Source: All India Survey on Higher Education 2021-22*

**Talent availability: STEM talent**

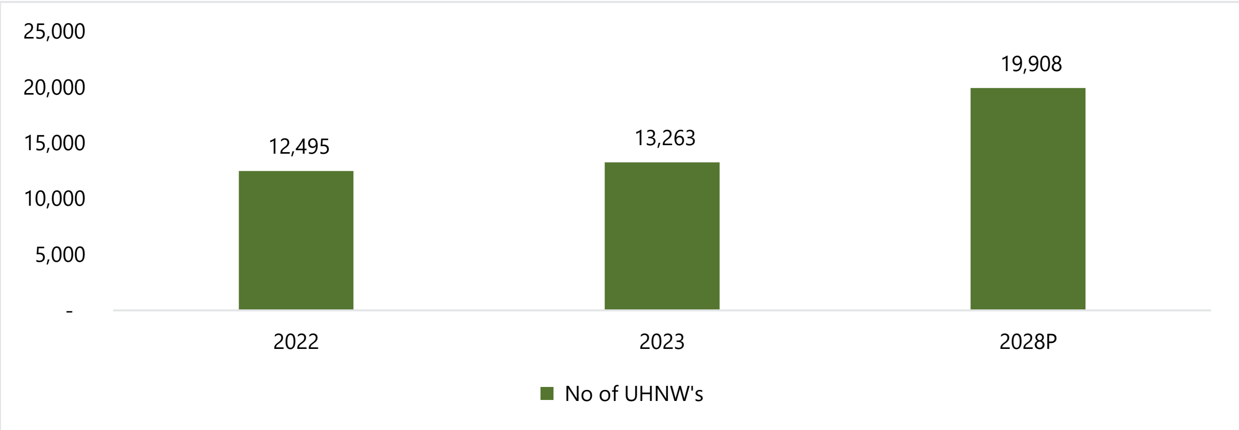
As corporate assignments become more complex, the need for specialized skills has increased. The accelerated adoption of digital technologies across various industries, especially after the COVID-19 pandemic, has driven a significant increase in the global demand for technical talent. Many countries face challenges due to a mismatch between the supply and demand of tech professionals, leading to higher labor costs. However, India stands out with one of the smallest tech talent gaps among major technology markets, making it a highly appealing destination for multinational companies. With 31% of the world's STEM graduates, India is one of the largest STEM job markets globally, and the demand for STEM-related skills in the country is expected to grow by 50% by 2025.

Improving education levels in India, particularly in STEM fields, is boosting the country's GDP by providing a large, skilled workforce that meets the growing demand for specialized talent. The establishment of new educational institutions and the increasing number of graduates are attracting global investments, driving innovation, and enhancing economic growth.

**UHNWI's presence in India**

The global population of Ultra High Net Worth Individuals (UHNWIs) increased by 4.2%, from 601,300 in 2022 to 626,619 in 2023. India accounted for nearly 2% of the global UHNWI market share. The number of UHNWIs in India has been growing year-on-year by 6%. According to the Wealth Report 2024, it is projected that by 2028, the number of UHNWIs in India will rise to approximately 19,908. This projects consistent growth highlighting India's expanding wealth and economic influence on the global stage.

**Wealth Sizing UHNW population (US$30m+)**



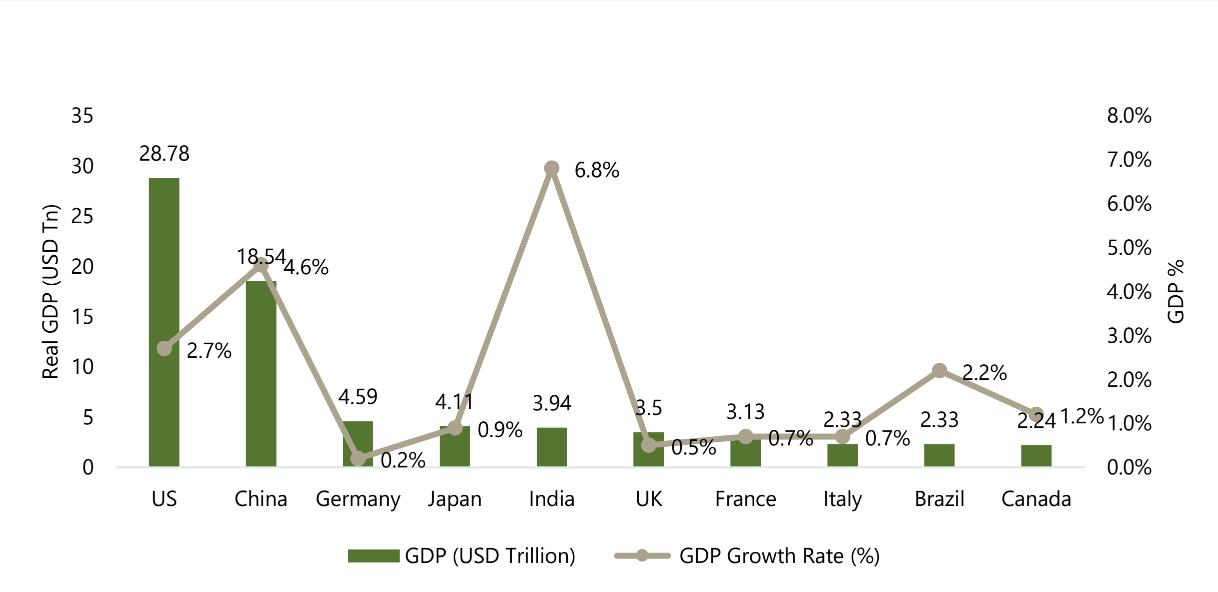

*Source: The wealth report by Knight frank*

According to The Attitudes Survey conducted by the Wealth Report by Knight Frank, India ranks 10th, as most popular location for UHNWIs worldwide to purchase a new home. These prestigious ranking highlights India's appeal as a desirable destination for luxury real estate investment among the wealthiest individuals globally.

**Expanding Economic Landscape**

India has established itself as the 5th largest global economy with its projected GDP reaching USD 3.94 trillion in 2024. This represents a significant leap from its position as the 10th largest economy in 2014, when the GDP was USD 2 trillion, achieved in less than a decade. The growing share of the services sector in India's GDP reaching 50% in 2022, signals a profound structural shift with reduced dependence on agriculture, and sustained high economic growth.

India's consistent growth and resilience through various crises ranging from the 2008 financial crisis and the 2009 inflation peak of 12.3%, to the 2016 demonetization and the 2020 COVID-19 pandemic highlight its robust economic and recovery dynamics. This resilience is largely attributed to timely and effective policy interventions and structural reforms by the Government, the Reserve Bank of India (RBI), and other stakeholders, underscoring the nation's strong economic and demographic fundamentals.



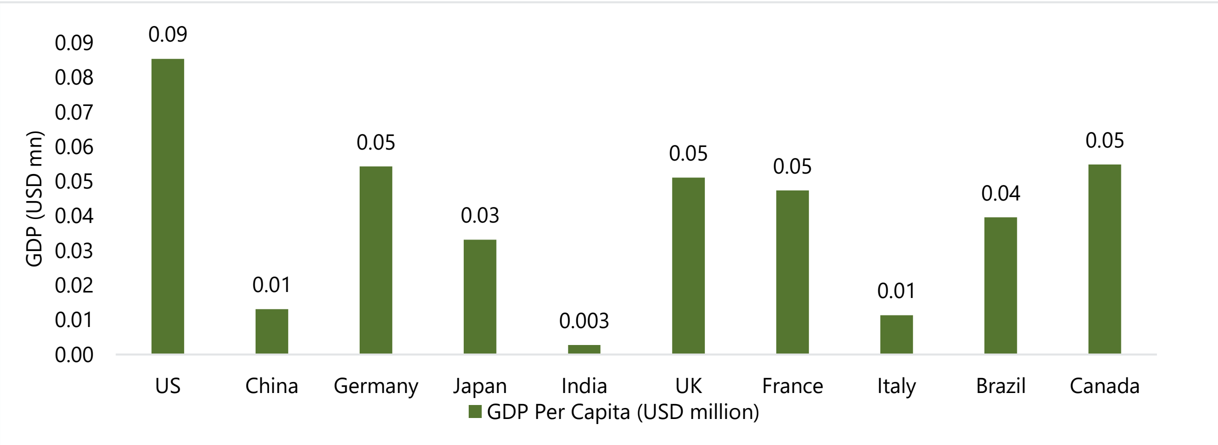

**Real GDP Growth (2024 P) for top 10 performing countries**

*Source: International Monetary Fund*

**GDP per capita for top performing countries**

India's per capita GDP of USD 2,730, while currently low compared to other major economies, highlights the significant potential for growth. As the world's fifth largest economy with GDP of over USD 3.73 trillion in 2023, India has a strong foundation for future expansion. The country's shift towards a more service-based economy and ongoing development efforts present exciting opportunities for increasing average income levels and further enhancing the real estate market. This positive trajectory indicates a bright future for India's economic landscape.

**GDP per capita for top 10 performing countries**



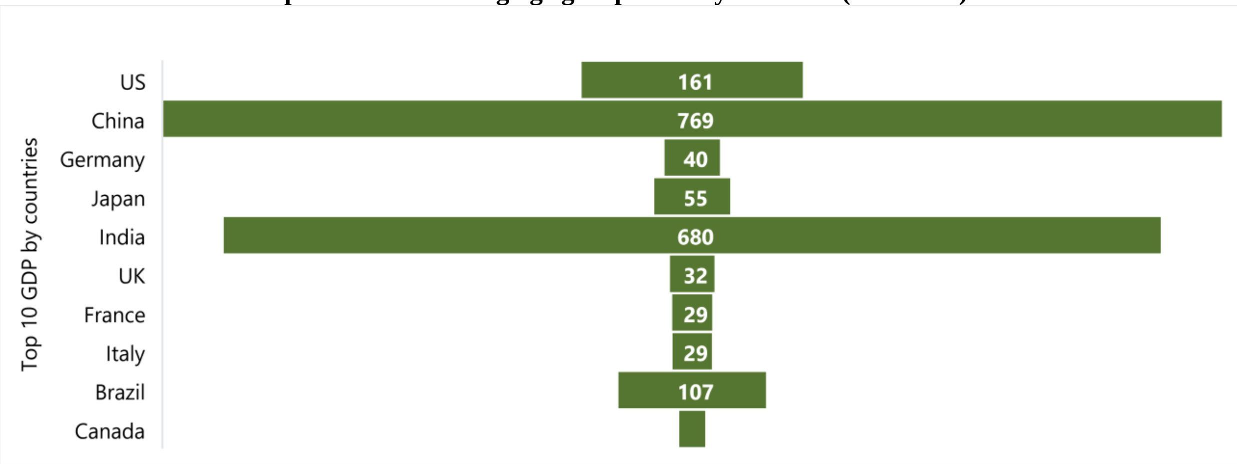

*Source: International Monetary Fund*

**Impact of India's Workforce on GDP Growth**

India's growing working-age population is a key factor in driving the country's economic growth and is expected to lead to higher production and economic output, assuming there are sufficient job opportunities. This growing working population also contributes to higher tax revenues, as more people are earning incomes and paying taxes. This enables the government to invest the additional funds into critical areas such as infrastructure, education, and healthcare, further stimulating economic growth.

As of 2023, India's population is projected at 1,438 million with nearly 47% or 680 million people within the prime working-age group of 25-60 years. This demographic advantage places India in a strong position to use this large productive workforce towards robust and sustained economic growth, setting a positive direction to the country's GDP growth.

**Population in working age group: 25-60 years 2023 (in million)**

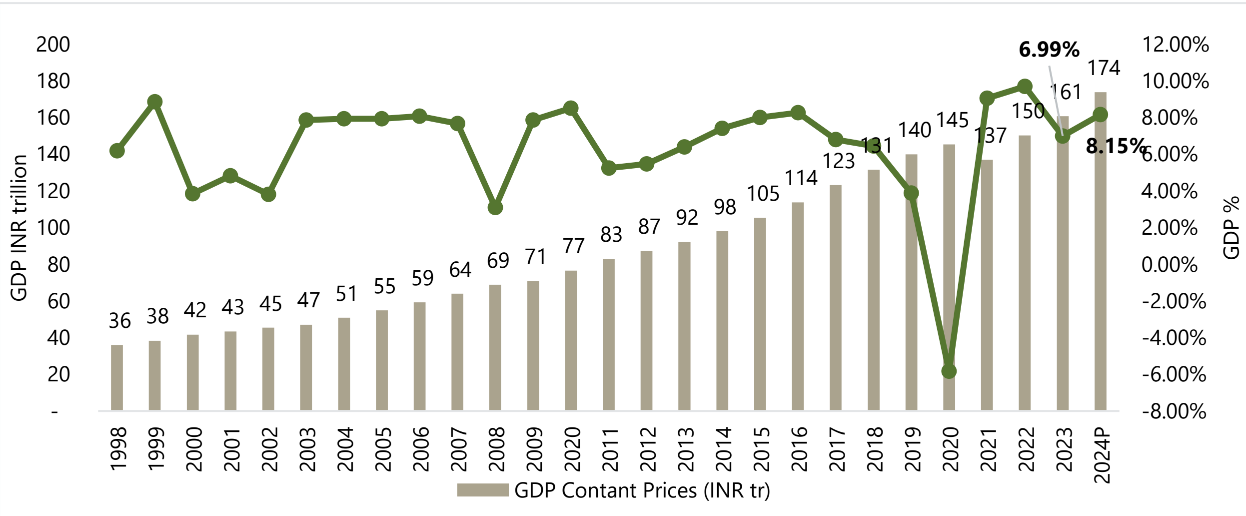



*Source: United Nation Database*

**Overview Of Indian Economy**

Over the past decade, India has emerged as one of the world's fastest-growing major economies. Till 2023, the country's GDP was 6.99%, despite facing intermittent challenges around investment (FDI) in construction, introduction of RERA and GST, change in tax liability, polity announcement and government initiatives (PMAY, AMRUT) etc.

**India's GDP Growth Trend constant prices (in ₹ trillion)**



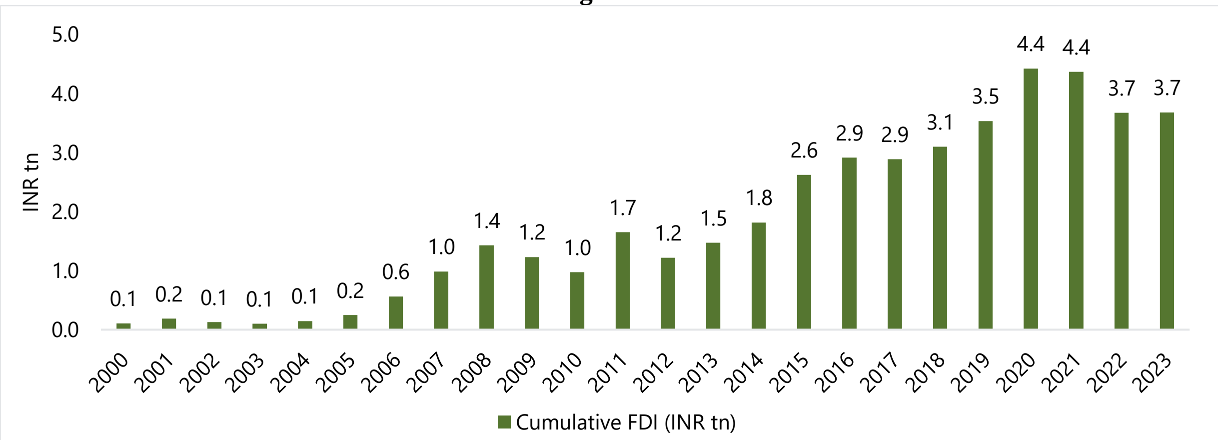

*Source: Knight Frank Research, ministry of statistics and program implementation*

**Foreign direct investments in India**

Over the last 20 years, India's economy has grown at an average constant price of 6%, expanding from ₹ 36 trillion in 1998 to ₹ 161 trillion in 2023, making it the fifth largest economy globally. One of the key factors driving this growth includes FDI. Between year 2002 and Fiscal2022, the country has witnessed a cumulative FDI inflow of ₹ 43.2 trillion.

In the year 2005, Reserve Bank of India (RBI) issued a notification opening up township, housing, construction development project sector and built-up infrastructure for 100% FDI with specified terms and conditions.

**Cumulative Foreign investments in India**

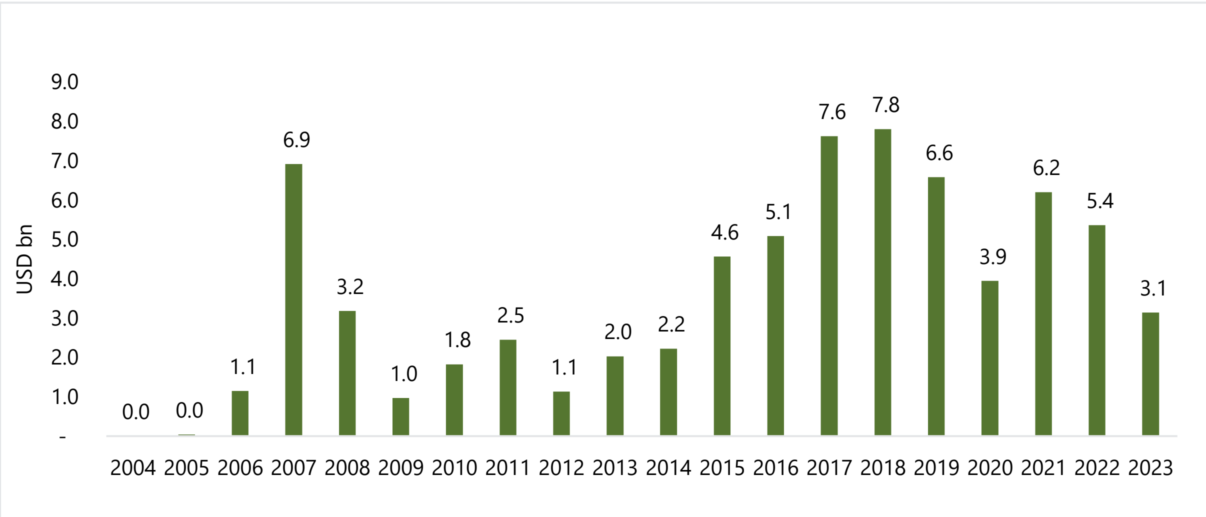



*Source: GoI, Knight Frank Research*

**Investment in Private Equity**

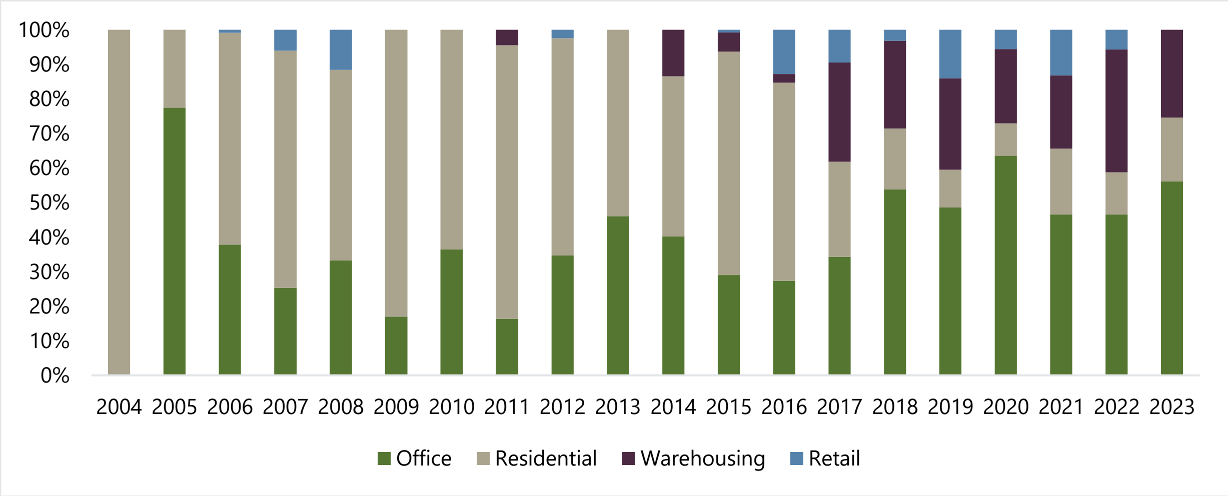
Over the past two decades, private equity (PE) investments in the Indian real estate sector have demonstrated gradual and consistent growth. Particularly noteworthy is the sector's robust expansion over the last decade, with an average annual PE investment of USD 4.96 billion between 2013 and 2023, compared to the average annual PE investment of USD 1.96 billion observed between 2004 and 2012.

India's sustained economic advancement, rising demand for real estate, favorable government policies such as the relaxation of foreign direct investment (FDI) policies, and a strengthening supply side have all contributed to bolstering PE investments in the sector.




**Investment Evolution: Private Equity's Journey in the Indian Real Estate Landscape (US$ billion)**

*Source: Knight Frank Research, Venture Intelligence*




**Private Equity across Real Estate Segments**

*Source: Knight Frank Research, Venture Intelligence*

From 2004 to 2016, private equity (PE) investments in the Indian real estate sector were predominantly focused on the residential segment. During this period, the residential space attracted a total investment of USD 19.8 billion, more than twice the USD 9.8 billion directed towards the office sector.

In 2017, a notable shift in investor focus emerged, diverting attention away from residential investments towards office spaces, industrial/warehousing facilities, and retail real estate projects. Between 2017 and 2023, the office sector attracted a total of USD 19.7 billion in PE investments. The growing prominence of the office sector can be attributed to relaxed regulations aimed at promoting Real Estate Investment Trusts (REITs), as well as the dominant presence of global corporate delivery centers, which have captured the attention of PE investors.

Furthermore, the post-pandemic period witnessed a significant surge in PE investments within India's warehousing sector. The average share of PE investments in the warehousing sector post-pandemic stood at 27%, holding the second position consistently as beneficiary of investments after the office sector. The expansion of e-commerce, the evolution of omni-channel retailing, and the critical role of last-mile delivery have elevated the importance of the warehousing industry in India's growth narrative.

**PE Investment Outlook 2034**

As India solidifies its reputation as an attractive investment destination, the flow of private equity into the real estate sector is expected to rise to USD 14.9 billion by 2034, representing a Compound Annual Growth Rate (CAGR) of 17% between 2023 to 2034.

This rise in investment can be expected due to emerging sectors such as data centers, healthcare, hospitality, co-living, and co-working spaces presenting promising avenues for private equity investors, driving the growth narrative in India for the coming years.

Many small firms have started diversifying their investments into the rural economy including agribusiness, rural infrastructure, and microfinance, catalyzing market expansion. This growth potential of Indian businesses attracts a spectrum of private equity entities seeking substantial returns.

**Factors impacting GDP**

There are several key factors influence GDP growth of country. Which includes,

- **Demographic factors** such as urbanization, nuclearization of family, improving education quality etc.
- **Policies level interventions** to improve existing condition such as demonetization, RERA, GST, Pradhan Mantri Awas Yojana, smart cities initiative etc.
- **Commercial market improvement** which includes, shift from traditional IT office setup, boom in Global Capability Centers etc.

These factors collectively determine the GDP growth.

**Policy and Government interventions**

**Smart city:**

The Smart Cities Mission is an initiative by the Government of India designed to upgrade and modernize 100 cities across the nation. The program aims to enhance various aspects of urban infrastructure, including utilities like electricity, water supply, sewage systems, and waste management. It also focuses on improving transportation systems, digital infrastructure, and governance to create more livable and sustainable cities. The Union Ministry of Urban Development, working in partnership with state governments, is responsible for the mission's implementation.

As of June 20, 2024, 100 Special Purpose Vehicles (SPVs) have initiated 8,011 projects, valued at ₹ 1,640 billion, out of these, 7,153 projects (89%) worth ₹ 1,430 billion (87%) have been completed. The Smart Cities selected in the north region, are New Delhi Municipal Council, Karnal, Faridabad and Chandigarh.

**Atal Mission for Rejuvenation and Urban Transformation (AMRUT):**

The Atal Mission for Rejuvenation and Urban Transformation (AMRUT) was launched in June 2015 to enhance urban living standards across India by providing basic services like water supply, sewerage, and urban transport. The mission focuses on improving the quality of life in 500 cities through essential infrastructure and amenities.

AMRUT has awarded contracts for 5,999 projects valued at ₹ 833 billion, of which 5,304 projects worth ₹ 514 billion or 62% have been completed. The mission includes eleven key reforms with 54 milestones aimed at improving service delivery, resource mobilization, and enhancing the transparency and accountability of municipal operations.

Building on the success of the initial phase, AMRUT 2.0 was launched in October 2021, with renewed focus on making cities self-reliant and water secure. This phase aims to provide universal coverage of sewerage and septage management in 500 cities. Key initiatives include rejuvenating water bodies and wells, enhancing financial sustainability, and promoting the recycling and reuse of treated water.

AMRUT 2.0 also introduces significant reforms, such as the notification of property taxes and user charges, double-entry accounting systems, and efficient town planning. To foster Public-Private Partnerships (PPPs), projects worth 10% of the allocation in cities with a population of over a million are mandated to be implemented in PPP mode.

This comprehensive approach under AMRUT and AMRUT 2.0 aims to transform urban landscapes, making cities more sustainable and livable while promoting economic growth and resilience in the real estate sector.

**Swachh Bharat Mission:**

Launched in October 2014, the primary goal of this initiatives was to make India open defecation free (ODF).
This initiative was launched in 2 phases. Phase 1 was the construction of individual household latrines and community sanitary complexes. Phase 2 aims to sustain ODF status and manage solid and liquid waste to transform villages into ODF Plus models. Till date, under Swachh Bharat Mission, 1,61,525 villages have provided solid waste management assistance, grey water management assistance; in 2,83,998 villages, plastic waste management is done on a regular basis in 2,070 blocks, and faecal sludge management takes place in 159 districts. In the current financial year, ₹ 70 billion is allocated to Swachh Bharat Mission.

**Development of Transport Infrastructure:**

The Ministry of Road Transport and Highways plans to build multimodal logistics parks at 35 locations to reduce logistics costs and improve efficiency. At the same time, the Ministry of Urban Development oversees and approves urban transport projects, including Metro Rail, under the National Urban Transport Policy of 2006. This ministry also manages initiatives like the Bus Rapid Transit System (BRTS), promotes new financing methods, and supports capacity building through the Sustainable Urban Transport Project (SUTP). For the fiscal year 2023-24, the total budget for transport and road networks is ₹ 3,653 billion.

**Demonetization:**

The demonetization of ₹ 500 and ₹ 1,000 notes in November 2016 initially reduced liquidity in the economy, leading to a temporary decline in property transactions and project launches. Despite this, the increased bank liquidity resulted in lower interest rates, enhancing affordability for home buyers. Demonetization improved transparency in property transactions, with a notable increase in deals conducted through formal banking channels.

**RERA:**

The Real Estate (Regulation and Development) Act (RERA), implemented in May 2017, has boosted GDP growth by enhancing transparency and accountability in real estate. RERA's strict policies improve project management and increase buyer trust. Smaller developers faced challenges in adapting to these regulations. This shift drove partnerships and joint ventures, expanding the market share of organized players.

In the NCR region, Haryana RERA was established in July 2017, followed by Uttar Pradesh RERA in October 2017 and Delhi RERA was established in November 2018. These authorities play a crucial role in safeguarding the interests of homebuyers, ensuring timely project delivery, and enhancing the overall governance of the real estate market in their respective jurisdictions. The establishment of RERA has significantly contributed to restoring buyer confidence and stabilizing the real estate sector in the NCR region.

**GST:**

In the pre-GST era, the housing sector was burdened with a complex and inconsistent tax structure. Developers had to navigate multiple taxes, including VAT and Service Tax, leading to complications in tax calculations and inconsistencies in the eligibility for input tax credits. These costs were often passed on to the buyers, making housing more expensive.

The introduction of GST was intended to streamline this process by unifying the various taxes into a single tax structure, thereby simplifying the system and reducing costs for consumers. The expectation was that GST would make housing more affordable by lowering the overall tax burden on developers, which in turn would decrease the prices for buyers.

The GST came in July 2017, simplifying taxation and reducing the tax burden on real estate. Initially, GST on under-construction projects was 12%, which was later reduced to 8% for affordable housing and 5% for other projects; the rates dropped to 1% and 5% respectively in April 2019. Although input tax credits are no longer available, the GST reforms have lowered property acquisition costs and boosted the affordable housing sector, positively impacting GDP growth since 2017.

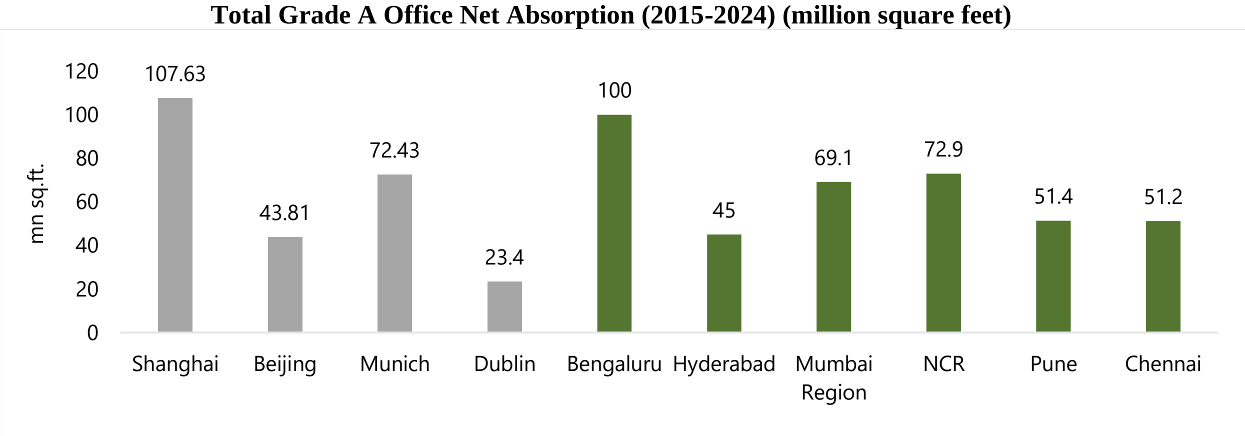
The impact of GST on premium and luxury housing projects presents both challenges and opportunities. The 18% output GST (effective 12%) on luxury houses increases property prices. Land constitutes 40-60% of total value; a one-third deduction may be insufficient, resulting in higher taxable values and inflated prices. Luxury projects lack a lower input tax rate, which prevents effective cost offering and increases overall expenses. There are no exemption limit on certain input supplies, which raises operational costs. However, developers can benefit from significant input tax credits on imported materials, helping to offset some of these burdens. Overall, navigating these complexities effectively is crucial for maintaining profitability in the luxury housing market.

**Commercial market improvement**

India's commercial office real estate sector has witnessed consistent growth, positioning itself as a leading player among the world's top office markets. Between 2015 and 2024, major ten cities recorded over 20 million square feet of Grade A office net absorption, six of which were Indian cities — Bengaluru, Hyderabad, Mumbai, NCR, Chennai and Pune. Shanghai led with nearly 108 million square feet of total Grade A office net absorption, closely followed by Bengaluru with 100 million square feet.

Despite the maturity of India's office markets, the country's per capita office stock is just 0.4 square feet, significantly lower than that of developed markets like the United States (16.4 square feet), Hong Kong (8.6 square feet), and Singapore (5.2 square feet). This disparity, coupled with demographic and service sector growth trends, underscores the substantial growth potential for India's commercial office real estate market.

**Total Grade A Office Net Absorption (2015-2024) (million square feet)**




*Source: Knight Frank Research*

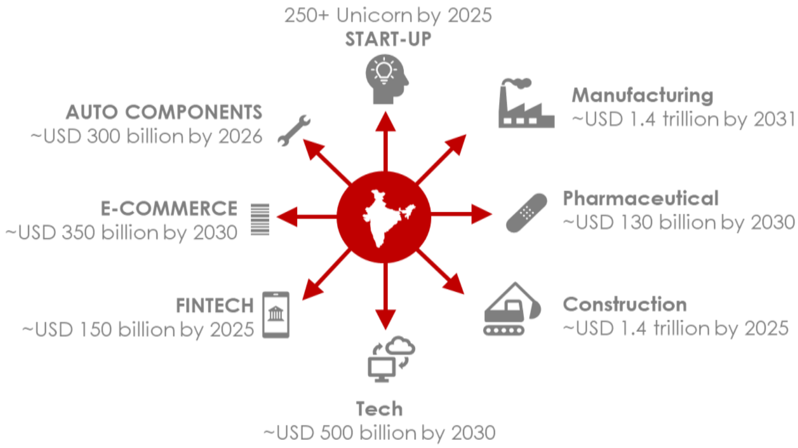
**Growth Drivers**

India's increasing global competitiveness in key areas, such as the availability of a vast tech talent pool, substantial improvements in digital infrastructure, a thriving startup landscape, and a growing entrepreneurial environment, has significantly propelled the office real estate market in the country. Additionally, India's talent pool remains cost-effective, with entry-level salaries in high-demand job categories being considerably lower than those in other competing Asia-Pacific markets. Moreover, the demand from global companies, coupled with the expansion of the services sector within India, has led to higher absorption rates by domestic firms, driving strong demand across the country's major office markets.

- **Transition from Conventional IT Office Space to other demand drivers**

India is experiencing rapid development and boasts a diverse, dynamic economy. The robust service sector significantly enhances the country's GDP, encompassing a broad spectrum of industries that deliver a variety of services to individuals, businesses, and the government. Beyond the IT sector, key contributors to India’s economic growth include fintech, construction, and pharmaceuticals.

Office space demand drivers



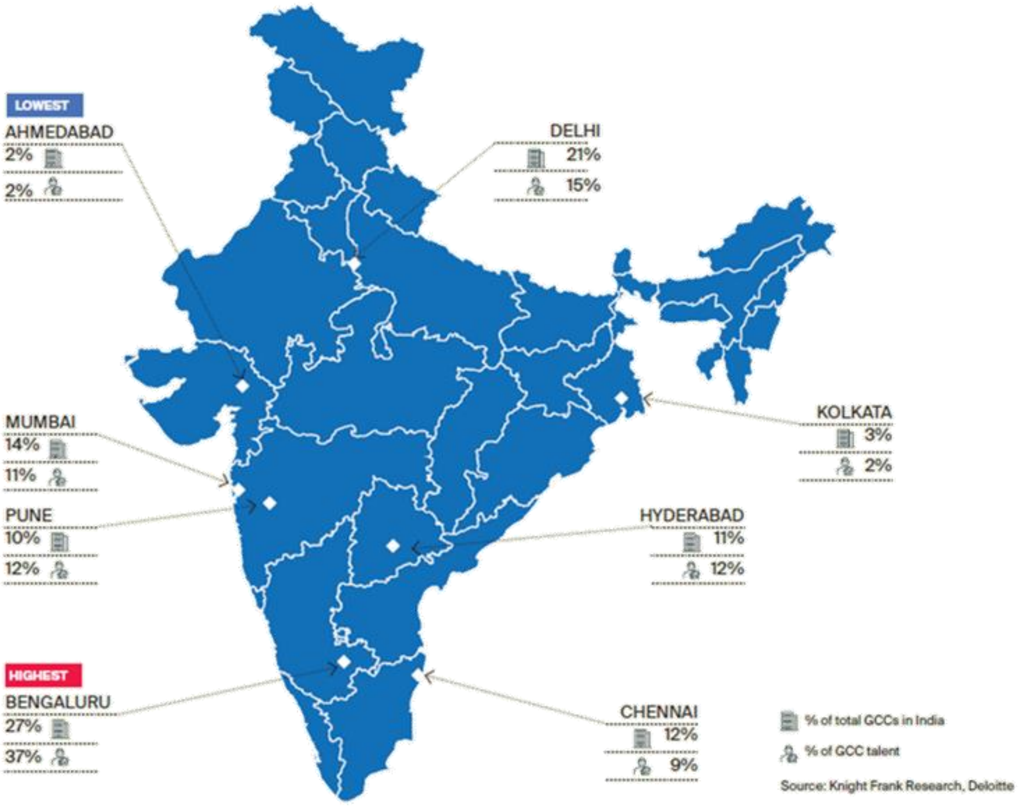

- **Demand for Grade A Office spaces**

Grade A developments with superior specifications, design, and sustainability have demonstrated stronger performance, evident in higher leasing rates, lower vacancy levels, and rental rates above city averages. Tenants increasingly prefer top-tier, sustainable Grade A properties due to their ability to reduce operating costs, allowing businesses to focus on their core activities. This preference has driven higher demand and increased institutional investment and ownership in these assets. This trend is noticeable in certain micro-locations where quality Grade A properties achieve high leasing levels and rental rates, despite high vacancy rates or an oversupply in the market. Additionally, the primary advantage is observed in the rental sector to address market imbalances.

- **Growth in Global Capability Centres (GCC) sector**

India has become the global GCC capital by offering the distinct benefit of consistent skilled talent across various locations, facilitating GCCs to expand operations for managing risks and ensuring business continuity. Bengaluru leads the GCC tally and is the top choice for platform engineering. With Hyderabad and Delhi emerging as key contenders due to the flourishing of new IT hubs, Tier-2 cities also saw an increase in the overall movement. Chennai and Pune dominated primarily in automotive GCCs and Mumbai emerged as the top choice for BFSI GCCs. On the talent front, Bengaluru leads the tally with the highest percentage of around 37% of GCC talent located in the city followed by 15% in Delhi and 12% each in Hyderabad and Pune respectively

**Talent & geographical coverage of GCCs in India**

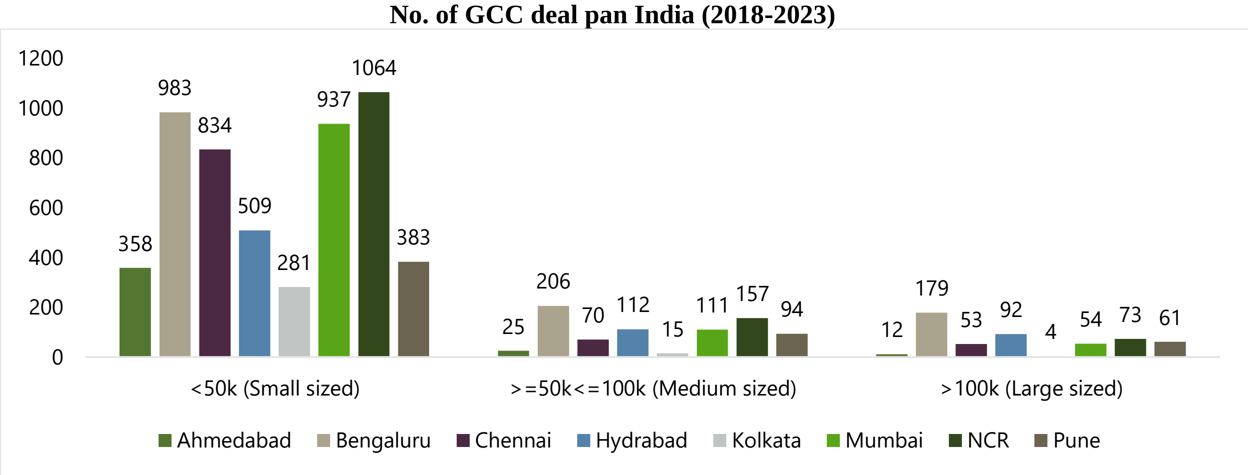



*Source: Knight Frank Research*

**GCC distribution by size:**

Between 2018 and 2023, around 5,349 GCC deals across the 8 cities were finalised under 50,000 square feet, which are mostly small deals and can be termed as the small segment; 790 GCC deals took place between 50,000 and 100,000 square feet, which can be marked as the medium segment. Around 528 GCC deals of above 100,000 square feet were the largest deals signed between 2018 and 2023.

**No. of GCC deal pan India (2018-2023)**




*Source: Knight Frank Research*

If we look at the weighted average rent of GCCs, Mumbai leads the chart for all the years between 2018 and 2023. Ahmedabad and Kolkata on the other hand, had the lowest weighted average rent for all the years between 2018 and 2023.

**INDIA REAL ESTATE MARKET OVERVIEW**

The Indian real estate sector is a vital component of the nation's economy, contributing significantly to its GDP and employment. It encompasses residential, commercial, retail, and industrial segments, with rapid urbanization and a growing middle class, driving demand. The sector has seen substantial growth, fuelled by government initiatives like the Pradhan Mantri Awas Yojana (PMAY) and the Real Estate Regulatory Authority (RERA) Act, which aim to increase transparency and boost investor confidence. Despite challenges such as regulatory changes and economic fluctuations, the Indian real estate market continues to evolve, with increasing investments in sustainable and smart city projects, reflecting a shift towards more modern and environmentally conscious developments.

This encouraged investment such as private equity and foreign direct investment in the Indian market, and supported the development of infrastructure, which has created a robust foundation for sustained growth in the country's real estate market.

**India Residential Real Estate Market**

The real estate industry has experienced a widespread recovery post-pandemic, with significant growth across commercial, industrial, and retail segments. However, the residential real estate market has seen the most rapid and pronounced resurgence. This revitalization is driven by several key factors. India's robust economic outlook, with GDP growth rates among the highest globally, has greatly contributed to positive market dynamics. Despite global challenges such as inflationary pressures and geopolitical uncertainties from conflicts like the Israel-Palestine and Russia-Ukraine wars, India's economic stability has bolstered confidence in the real estate market.

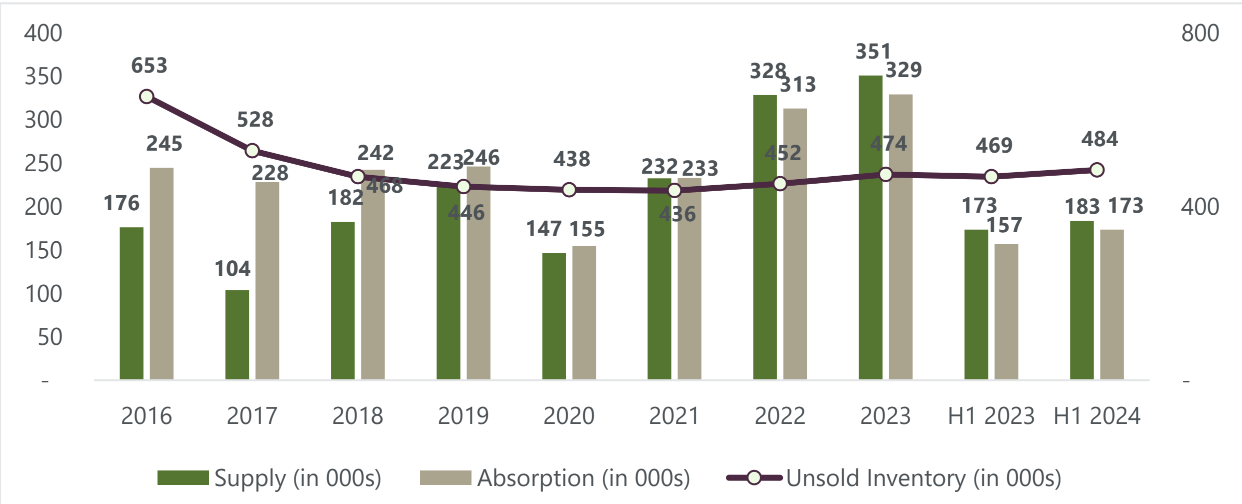
Additionally, the pandemic-induced lockdowns led to increased savings for many individuals, particularly those in mid and high-income brackets, who faced minimal income disruptions. This accumulation of savings, along with a strong economic growth forecast, has significantly boosted demand for residential properties. Other contributing factors include increased disposable incomes due to salary hikes and robust stock market performance, where capital gains are being funnelled into real estate investments. The reduction of interest rates during COVID, combined with the pandemic-induced demand for larger homes, has further fuelled the market. Moreover, the shift towards hybrid work-from-home models has increased the need for more spacious living environments, making residential real estate an attractive investment in an otherwise uncertain global economic landscape.

**India Residential Supply & Absorption Trends**

Development activity in India's residential real estate sector has surged to capitalize on the current high demand. In the first half of 2024, 183,401 units were launched, marking a 10-year high for half-yearly launches. Developers are responding to evolving homebuyer preferences, which now favour experiential living and upgraded lifestyles. The residential market continued its strong sales momentum into 2024, with sales in the first half reaching 173,241 units, the highest in 11 years for a half-year period. This represents an 11% YoY growth. Despite localized challenges, overall sales growth was robust across the country.

Unsold inventory stood at 483,671 units, reflecting a slight increase compared to previous years. This uptick in unsold inventory indicates that while demand is strong, the supply pipeline is equally robust. Developers are strategically maintaining a substantial stock of available properties to cater to the diverse and growing needs of homebuyers. The consistent increase in both launches and sales, along with a healthy level of unsold inventory, underscores the dynamic and resilient nature of India's residential real estate sector.

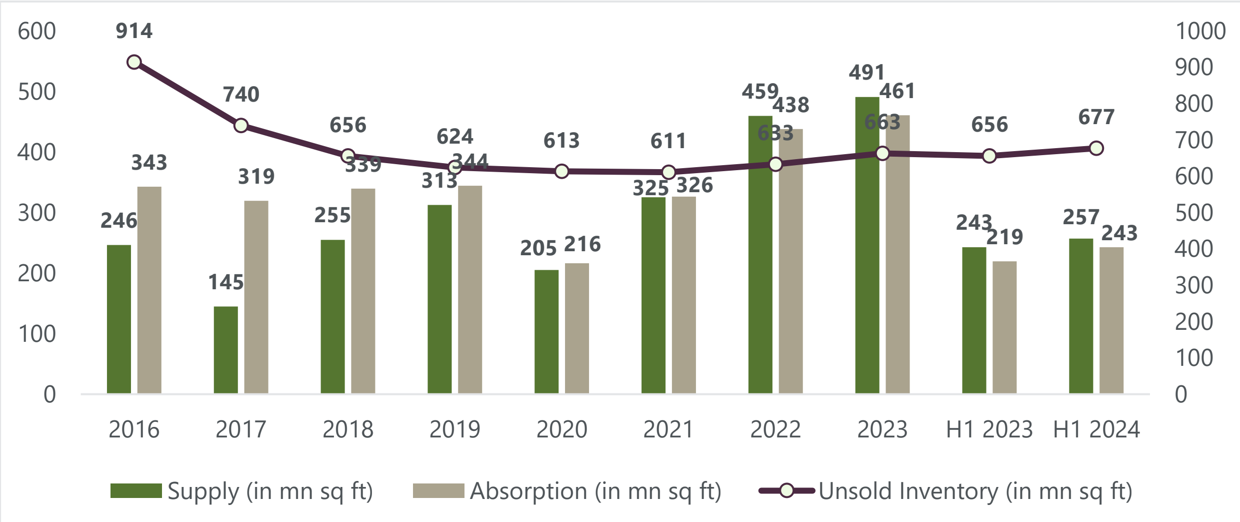
**India Residential Supply & Absorption Trend (in 000s)**




*Source: Knight Frank Research*

In 2016, India's residential market saw a high absorption of 343 million square feet, resulting in a significant unsold inventory of 914 million square feet. Over the years, supply and absorption have become more balanced, with 2023 recording 491 million square feet in supply and 461 million square feet in absorption, slightly increasing the inventory to 663 million square feet. In the first half of 2024, supply reached 257 million square feet, with 243 million square feet absorbed, bringing the inventory to 677 million square feet.

**India Residential Supply & Absorption Trend (in million square feet)**

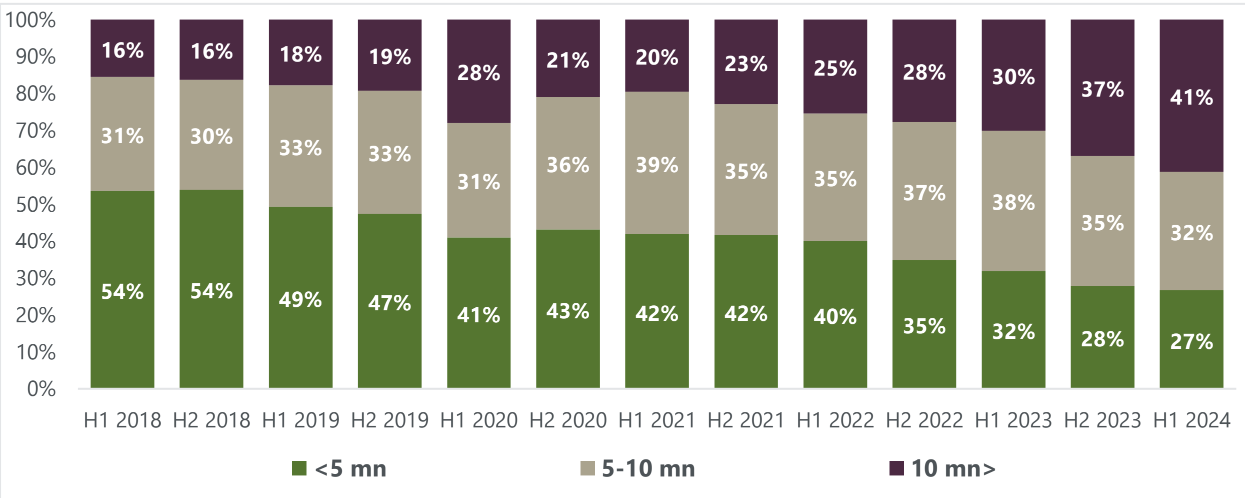



*Source: Knight Frank Research*

**India Residential Ticket Size Split Comparison of Sales**

The residential real estate market is witnessing a significant shift towards the premium segment, specifically for properties priced above ₹ 10 million. This category has shown remarkable growth, with sales in this segment rising to 41% of the total sales in H1 2024, up from just 16% in H1 2018. The steady increase in demand for high-end properties reflects evolving homebuyer preferences, driven by factors such as rising disposable incomes, a robust economic outlook, and a growing desire for larger, more luxurious living spaces.

As the market continues to mature, this premium segment has become the primary driver of overall sales growth, with a year-on-year increase of 51% in H1 2024 alone. The data clearly indicates that homebuyers are increasingly prioritizing premium properties, moving away from mid-segment and affordable housing options. This trend is expected to continue as economic conditions remain favourable, and the demand for high-quality, spacious homes in prime locations continues to rise.




**Ticket Size split of residential sales in India**

*Source: Knight Frank Research*

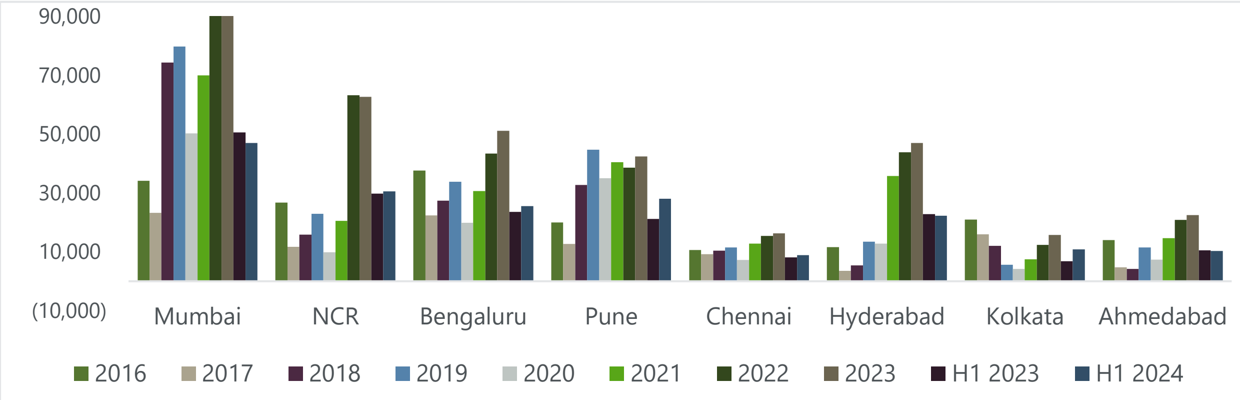
**Top Eight Cities Residential Supply & Absorption Trends**

**<u>Yearly Supply Trends by City</u>**

The eight major cities in India include the National Capital Region (NCR), Mumbai Metropolitan Region (MMR), Pune, Bengaluru, Chennai, Ahmedabad, Hyderabad, and Kolkata.

Between 2016 and 2023, the residential real estate market in major Indian cities saw notable shifts. Mumbai led with a peak of 93,051 launches in 2023, while NCR surged to 63,233 in 2022. Bengaluru and Pune grew significantly, peaking at 51,126 and 44,660 units respectively. Chennai remained stable, hitting 16,272 units in 2023. Hyderabad ended strong with 46,985 units in 2023, while Kolkata and Ahmedabad had steadier launches, reaching 15,730 and 22,497 units respectively.

**Annual residential supply trends in India’s Top-Eight Cities (Nos.)**



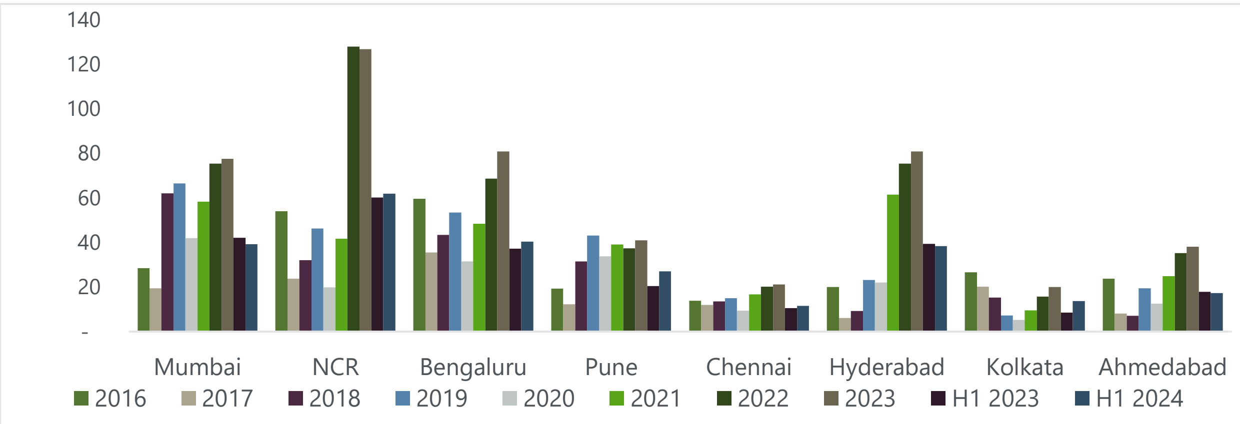

*Source: Knight Frank Research*

**Table showing annual residential supply trends in India’s Top-Eight Cities (Nos.)**

| Cities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mumbai** | 34,190 | 23,253 | 74,363 | 79,810 | 50,303 | 70,023 | 90,434 | 93,051 | 50,546 | 46,985 |
| **NCR** | 26,735 | 11,726 | 15,819 | 22,905 | 9,824 | 20,585 | 63,233 | 62,649 | 29,738 | 30,580 |
| **Bengaluru** | 37,676 | 22,410 | 27,382 | 33,772 | 19,929 | 30,607 | 43,420 | 51,126 | 23,542 | 25,567 |
| **Pune** | 20,013 | 12,705 | 32,684 | 44,660 | 34,992 | 40,489 | 38,640 | 42,437 | 21,234 | 28,047 |
| **Chennai** | 10,615 | 9,235 | 10,373 | 11,542 | 7,234 | 12,783 | 15,416 | 16,272 | 8,122 | 8,855 |
| **Hyderabad** | 11,600 | 3,511 | 5,404 | 13,495 | 12,826 | 35,736 | 43,847 | 46,985 | 22,851 | 22,300 |
| **Kolkata** | 20,984 | 15,940 | 12,015 | 5,654 | 4,148 | 7,510 | 12,330 | 15,730 | 6,776 | 10,829 |
| **Ahmedabad** | 14,009 | 4,790 | 4,167 | 11,487 | 7,372 | 14,648 | 20,809 | 22,497 | 10,556 | 10,238 |

*Source: Knight Frank Research*

**Annual residential supply trends in India’s Top-Eight Cities (million square feet)**




*Source: Knight Frank Research*

**Table showing annual residential supply trends in India’s Top-Eight Cities (million square feet)**

| Cities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mumbai** | 48 | 33 | 104 | 112 | 70 | 98 | 127 | 130 | 71 | 66 |
| **NCR** | 37 | 16 | 22 | 32 | 14 | 29 | 89 | 88 | 42 | 43 |
| **Bengaluru** | 53 | 31 | 38 | 47 | 28 | 43 | 61 | 72 | 33 | 36 |
| **Pune** | 28 | 18 | 46 | 63 | 49 | 57 | 54 | 59 | 30 | 39 |
| **Chennai** | 15 | 13 | 15 | 16 | 10 | 18 | 22 | 23 | 11 | 12 |

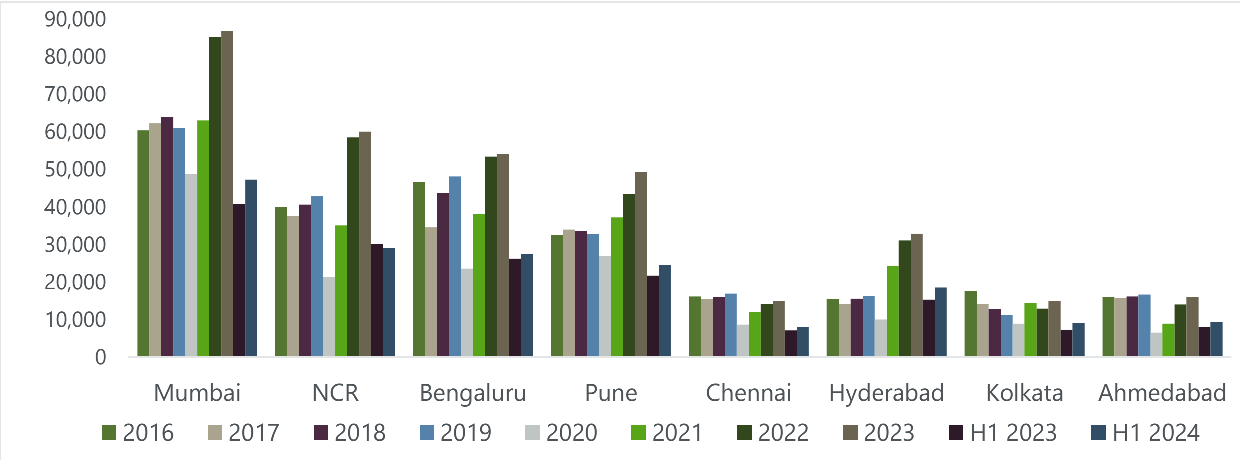
| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Hyderabad** | 16 | 5 | 8 | 19 | 18 | 50 | 61 | 66 | 32 | 31 |
| **Kolkata** | 29 | 22 | 17 | 8 | 6 | 11 | 17 | 22 | 9 | 15 |
| **Ahmedabad** | 20 | 7 | 6 | 16 | 10 | 21 | 29 | 31 | 15 | 14 |

*Source: Knight Frank Research*

**Yearly Absorption Trends by City**

Between 2016 and 2023, residential real estate absorption in major Indian cities saw notable trends. Mumbai led with 86,871 units absorbed in 2023, followed by NCR with 60,002 units. Bengaluru and Pune also showed steady growth, absorbing 54,046 and 49,266 units respectively in 2023. Chennai remained stable with 14,920 units absorbed in 2023. Hyderabad experienced significant growth, reaching 32,880 units. Kolkata and Ahmedabad maintained consistent absorption, with 14,999 and 16,113 units respectively.

**Annual residential absorption trends in India's Top-Eight Cities (Nos.)**



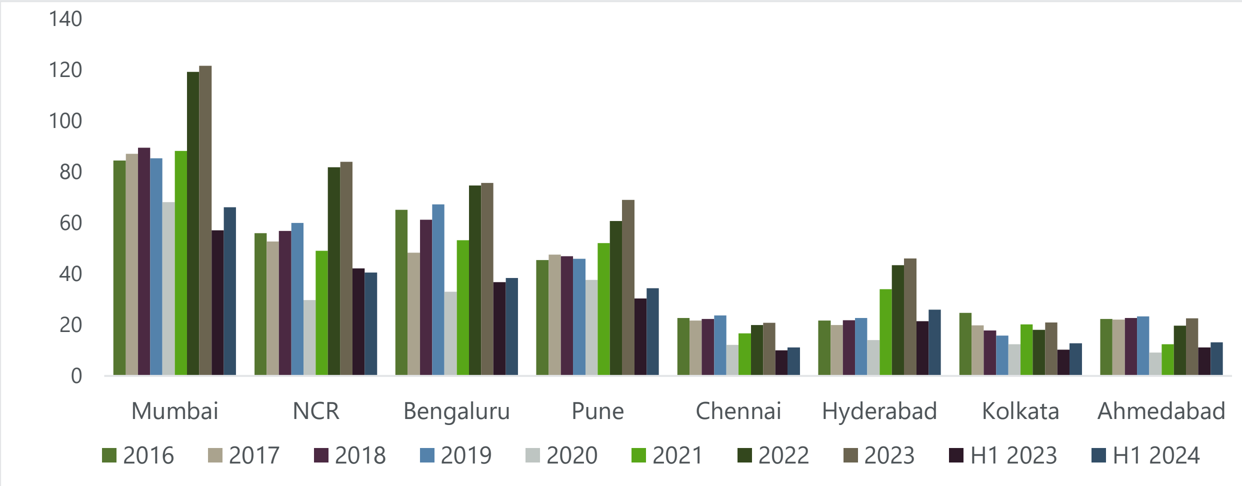

*Source: Knight Frank Research*

Table showing annual residential absorption trends in India's Top-Eight Cities (Nos.)

| Cities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mumbai** | 60,374 | 62,256 | 63,893 | 60,943 | 48,688 | 62,989 | 85,169 | 86,871 | 40,798 | 47,259 |
| **NCR** | 40,005 | 37,653 | 40,643 | 42,828 | 21,234 | 35,073 | 58,460 | 60,002 | 30,114 | 28,998 |
| **Bengaluru** | 46,529 | 34,546 | 43,775 | 48,076 | 23,579 | 38,030 | 53,363 | 54,046 | 26,247 | 27,404 |
| **Pune** | 32,488 | 33,966 | 33,521 | 32,809 | 26,919 | 37,218 | 43,410 | 49,266 | 21,670 | 24,525 |
| **Chennai** | 16,187 | 15,520 | 15,986 | 16,959 | 8,654 | 11,958 | 14,248 | 14,920 | 7,150 | 7,975 |
| **Hyderabad** | 15,500 | 14,243 | 15,591 | 16,267 | 10,042 | 24,318 | 31,046 | 32,880 | 15,355 | 18,573 |
| **Kolkata** | 17,647 | 14,147 | 12,731 | 11,266 | 8,912 | 14,405 | 12,909 | 14,999 | 7,324 | 9,130 |
| **Ahmedabad** | 15,956 | 15,741 | 16,188 | 16,713 | 6,506 | 8,911 | 14,062 | 16,113 | 7,982 | 9,377 |

*Source: Knight Frank Research*

Annual residential absorption trends in India's Top-Eight Cities (million square feet)




*Source: Knight Frank Research*

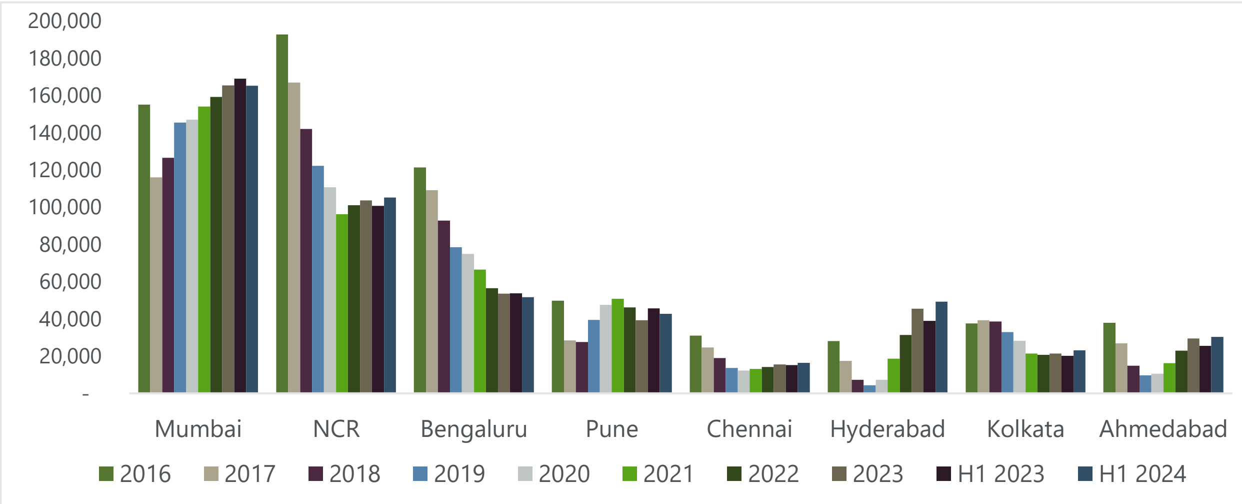
Table showing annual residential absorption trends in India's Top-Eight Cities (million square feet)

| Cities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mumbai** | 85 | 87 | 89 | 85 | 68 | 88 | 119 | 122 | 57 | 66 |
| **NCR** | 56 | 53 | 57 | 60 | 30 | 49 | 82 | 84 | 42 | 41 |
| **Bengaluru** | 65 | 48 | 61 | 67 | 33 | 53 | 75 | 76 | 37 | 38 |
| **Pune** | 45 | 48 | 47 | 46 | 38 | 52 | 61 | 69 | 30 | 34 |
| **Chennai** | 23 | 22 | 22 | 24 | 12 | 17 | 20 | 21 | 10 | 11 |
| **Hyderabad** | 22 | 20 | 22 | 23 | 14 | 34 | 43 | 46 | 21 | 26 |
| **Kolkata** | 25 | 20 | 18 | 16 | 12 | 20 | 18 | 21 | 10 | 13 |
| **Ahmedabad** | 22 | 22 | 23 | 23 | 9 | 12 | 20 | 23 | 11 | 13 |

*Source: Knight Frank Research*

**Yearly Unsold Inventory Trends by City**

Between 2016 and 2023, unsold residential inventory in major Indian cities showed varied trends. Mumbai consistently had the highest levels, peaking at 165,395 units in 2023. NCR's inventory decreased from 192,758 units in 2016 to 103,603 in 2023. Bengaluru saw a significant drop, from 121,248 units in 2016 to 53,479 in 2023. Pune's inventory fluctuated, ending at 39,214 units in 2023. Chennai's inventory decreased from 30,926 units in 2016 to 15,536 in 2023. Hyderabad's inventory rose to 45,505 units in 2023. Kolkata and Ahmedabad also saw declines, stabilizing at 21,417 and 29,361 units, respectively, by 2023.



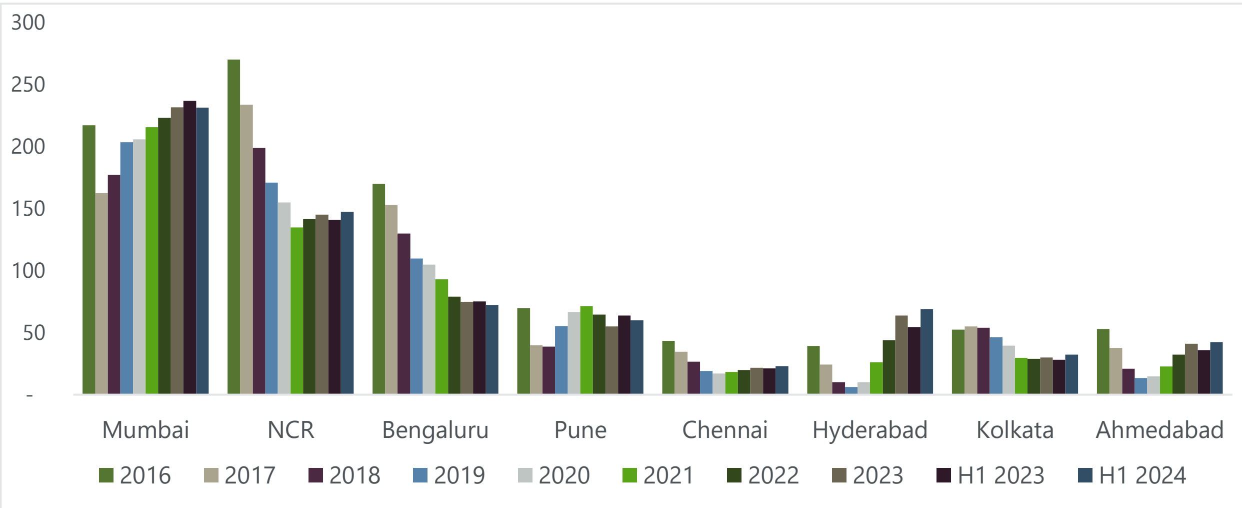

Annual residential unsold inventory trends in India's Top-Eight Cities (Nos.)

*Source: Knight Frank Research*

Table showing annual residential unsold inventory trends in India’s Top-Eight Cities (Nos.)

| Cities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mumbai** | 1,54,967 | 1,15,964 | 1,26,434 | 1,45,301 | 1,46,916 | 1,53,950 | 1,59,215 | 1,65,395 | 1,68,963 | 1,65,121 |
| **NCR** | 1,92,758 | 1,66,831 | 1,42,007 | 1,22,084 | 1,10,674 | 96,186 | 1,00,956 | 1,03,603 | 1,00,580 | 1,05,185 |
| **Bengaluru** | 1,21,248 | 1,09,112 | 92,718 | 78,414 | 74,764 | 66,342 | 56,399 | 53,479 | 53,694 | 51,642 |
| **Pune** | 49,715 | 28,455 | 27,618 | 39,468 | 47,542 | 50,814 | 46,044 | 39,214 | 45,607 | 42,736 |
| **Chennai** | 30,926 | 24,640 | 19,027 | 13,610 | 12,190 | 13,016 | 14,184 | 15,536 | 15,156 | 16,416 |
| **Hyderabad** | 28,088 | 17,356 | 7,169 | 4,397 | 7,180 | 18,598 | 31,400 | 45,505 | 38,896 | 49,232 |
| **Kolkata** | 37,459 | 39,252 | 38,536 | 32,924 | 28,160 | 21,265 | 20,686 | 21,417 | 20,138 | 23,116 |
| **Ahmedabad** | 37,835 | 26,884 | 14,863 | 9,637 | 10,494 | 16,231 | 22,977 | 29,361 | 25,551 | 30,222 |

*Source: Knight Frank Research*




Annual residential unsold inventory trends in India’s Top-Eight Cities (million square feet)

*Source: Knight Frank Research*

Table showing annual residential unsold inventory trends in India’s Top-Eight Cities (million square feet)

| Cities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mumbai** | 217 | 162 | 177 | 203 | 206 | 216 | 223 | 232 | 237 | 231 |
| **NCR** | 270 | 234 | 199 | 171 | 155 | 135 | 141 | 145 | 141 | 147 |
| **Bengaluru** | 170 | 153 | 130 | 110 | 105 | 93 | 79 | 75 | 75 | 72 |
| **Pune** | 70 | 40 | 39 | 55 | 67 | 71 | 64 | 55 | 64 | 60 |
| **Chennai** | 43 | 34 | 27 | 19 | 17 | 18 | 20 | 22 | 21 | 23 |
| **Hyderabad** | 39 | 24 | 10 | 6 | 10 | 26 | 44 | 64 | 54 | 69 |
| **Kolkata** | 52 | 55 | 54 | 46 | 39 | 30 | 29 | 30 | 28 | 32 |
| **Ahmedabad** | 53 | 38 | 21 | 13 | 15 | 23 | 32 | 41 | 36 | 42 |

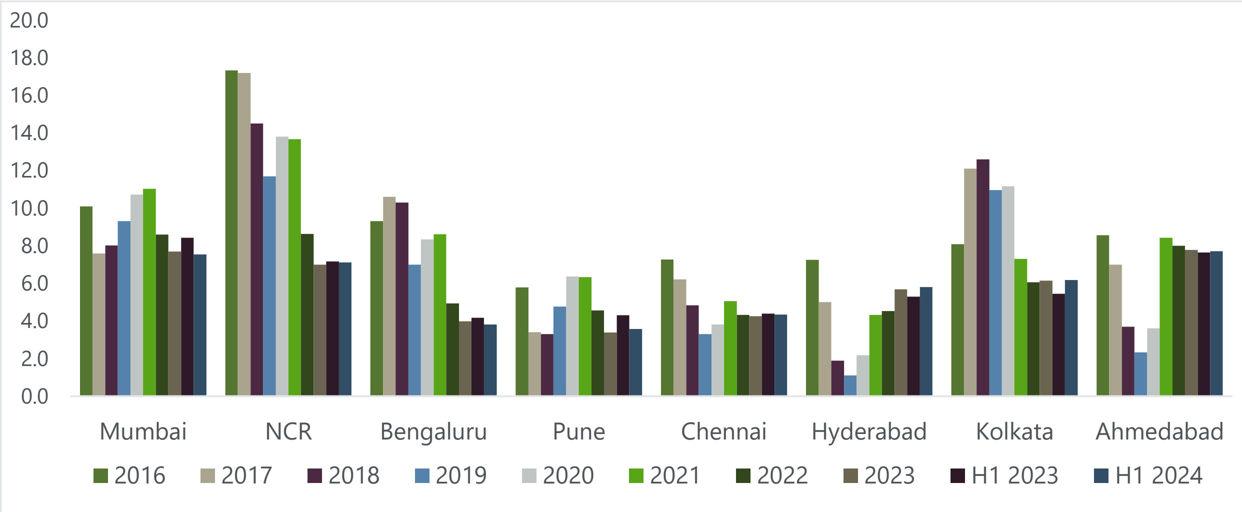
*Source: Knight Frank Research*

**Top Eight Cities Quarter to Sell Analysis**

While the rising inventory level can seem concerning when viewed in isolation, it must be seen in conjunction with the sales velocity to depict a more accurate picture of market health. The QTS level is a metric that calculates the number of quarters required by the market to exhaust existing inventory levels at the sales velocity of the trailing eight quarters. Generally, a lower QTS level denotes greater sales traction and better market health.

Between 2016 and H1 2024, the Quarters to Sell (QTS) metric for residential units in India's top eight cities showed diverse trends, reflecting varying market dynamics. In Mumbai, QTS decreased from 10.1 in 2016 to 7.5 in H1 2024, indicating a faster pace of sales. NCR saw a significant reduction in QTS from 17.3 in 2016 to 7.1 in H1 2024, suggesting improved market conditions. Bengaluru's QTS dropped from 9.3 in 2016 to 3.8 in H1 2024, showcasing strong demand. Pune consistently had one of the lowest QTS figures, starting at 5.8 in 2016 and reaching 3.6 in H1 2024. Chennai's QTS fluctuated, peaking at 7.3 in 2016 and stabilizing at 4.3 from 2022 to H1 2024. Hyderabad experienced significant variability, with QTS dropping from 7.3 in 2016 to 1.1 in 2019, then rising to 5.8 in H1 2024. Kolkata's QTS decreased from 8.1 in 2016 to 6.2 in H1 2024, reflecting a moderate improvement. Ahmedabad's QTS showed significant fluctuation, starting at 8.6 in 2016, dropping to 2.3 in 2019, and then rising to 7.7 in H1 2024.

Quarter to Sell Trend by City




*Source: Knight Frank Research*

Table showing residential Quarter to Sell (QTS) trends in India's Top-Eight Cities (Quarters)

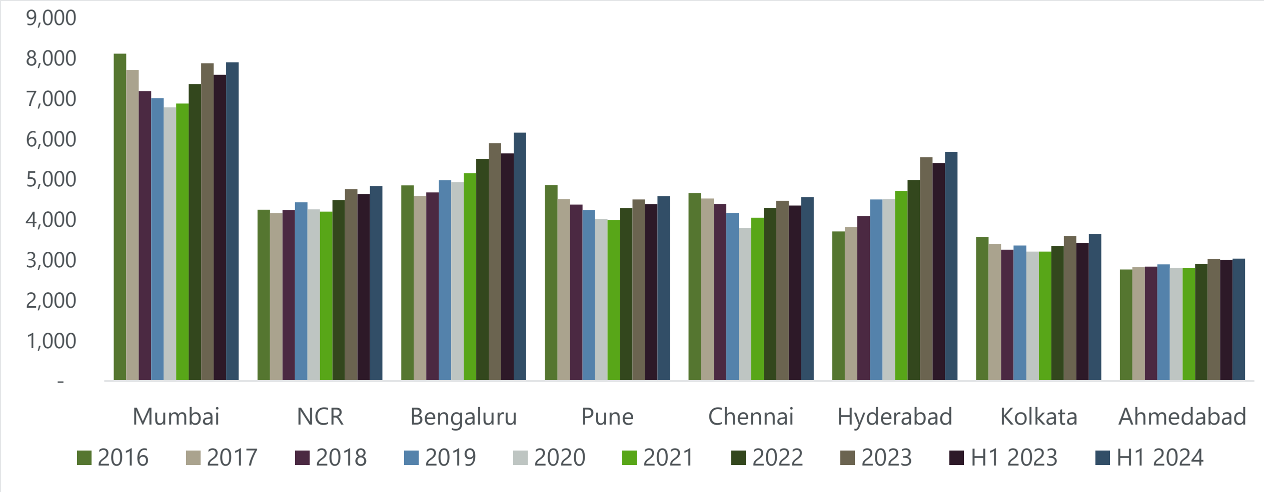
| Cities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mumbai** | 10.1 | 7.6 | 8.0 | 9.3 | 10.7 | 11.0 | 8.6 | 7.7 | 8.4 | 7.5 |
| **NCR** | 17.3 | 17.2 | 14.5 | 11.7 | 13.8 | 13.7 | 8.6 | 7.0 | 7.2 | 7.1 |
| **Bengaluru** | 9.3 | 10.6 | 10.3 | 7.0 | 8.3 | 8.6 | 4.9 | 4.0 | 4.2 | 3.8 |
| **Pune** | 5.8 | 3.4 | 3.3 | 4.8 | 6.4 | 6.3 | 4.6 | 3.4 | 4.3 | 3.6 |
| **Chennai** | 7.3 | 6.2 | 4.8 | 3.3 | 3.8 | 5.1 | 4.3 | 4.3 | 4.4 | 4.3 |
| **Hyderabad** | 7.3 | 5.0 | 1.9 | 1.1 | 2.2 | 4.3 | 4.5 | 5.7 | 5.3 | 5.8 |
| **Kolkata** | 8.1 | 12.1 | 12.6 | 11.0 | 11.2 | 7.3 | 6.1 | 6.1 | 5.5 | 6.2 |
| **Ahmedabad** | 8.6 | 7.0 | 3.7 | 2.3 | 3.6 | 8.4 | 8.0 | 7.8 | 7.6 | 7.7 |

*Source: Knight Frank Research*

**Top Eight Cities Residential Capital Prices Trends**

In Mumbai, prices decreased from ₹ 8,120 per square feet in 2016 to ₹ 6,787 in 2020, then gradually increased to ₹ 7,900 by H1 2024. NCR saw moderate growth from ₹ 4,250 in 2016 to ₹ 4,835 in H1 2024. Bengaluru's prices steadily increased from ₹ 4,850 in 2016 to ₹ 6,163 in H1 2024. Pune experienced a decline from ₹ 4,860 in 2016 to ₹ 4,000 in 2021, followed by a rise to ₹ 4,580 in H1 2024. Chennai's prices fluctuated, peaking at ₹ 4,665 in 2016, dropping to ₹ 3,794 in 2020, and then rising to ₹ 4,560 in H1 2024. Hyderabad saw consistent growth from ₹ 3,710 in 2016 to ₹ 5,681 in H1 2024. Kolkata's prices remained relatively stable, starting at ₹ 3,575 in 2016 and reaching ₹ 3,648 in H1 2024. Ahmedabad showed slight growth, with prices moving from ₹ 2,770 in 2016 to ₹ 3,035 in H1 2024. These trends reflect the dynamic nature of real estate prices in India's major cities.

Average Capital Prices (₹/Sqft) on built-up area by City




*Source: Knight Frank Research*

Table showing annual residential average price trends in India's Top-Eight Cities (₹/square feet)

| Cities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mumbai** | 8,120 | 7,717 | 7,192 | 7,014 | 6,787 | 6,885 | 7,367 | 7,883 | 7,593 | 7,900 |
| **NCR** | 4,250 | 4,165 | 4,240 | 4,432 | 4,257 | 4,203 | 4,490 | 4,759 | 4,638 | 4,835 |
| **Bengaluru** | 4,850 | 4,589 | 4,681 | 4,977 | 4,935 | 5,150 | 5,511 | 5,900 | 5,643 | 6,163 |
| **Pune** | 4,860 | 4,508 | 4,373 | 4,242 | 4,017 | 4,000 | 4,293 | 4,507 | 4,385 | 4,580 |
| **Chennai** | 4,665 | 4,525 | 4,389 | 4,170 | 3,794 | 4,050 | 4,300 | 4,472 | 4,350 | 4,560 |
| **Hyderabad** | 3,710 | 3,821 | 4,090 | 4,500 | 4,509 | 4,720 | 4,984 | 5,550 | 5,410 | 5,681 |
| **Kolkata** | 3,575 | 3,395 | 3,259 | 3,359 | 3,213 | 3,215 | 3,351 | 3,589 | 3,428 | 3,648 |
| **Ahmedabad** | 2,770 | 2,820 | 2,840 | 2,896 | 2,807 | 2,800 | 2,900 | 3,031 | 3,007 | 3,035 |

*Source: Knight Frank Research*

**India Office Real Estate Market**

India has consistently maintained its distinction as one of the rare beacons of growth since the pandemic in an otherwise bleak global economic landscape. The Reserve Bank of India, with its exceptional handling of the monetary policy, has successfully steered the economy through an inflationary environment that still plagues most of the developed world. Companies based in the western hemisphere have also been increasing their business operations in India and setting up global capability centres (GCC) to leverage the increasingly high-quality talent pool and cost arbitrage that the Indian market offers.

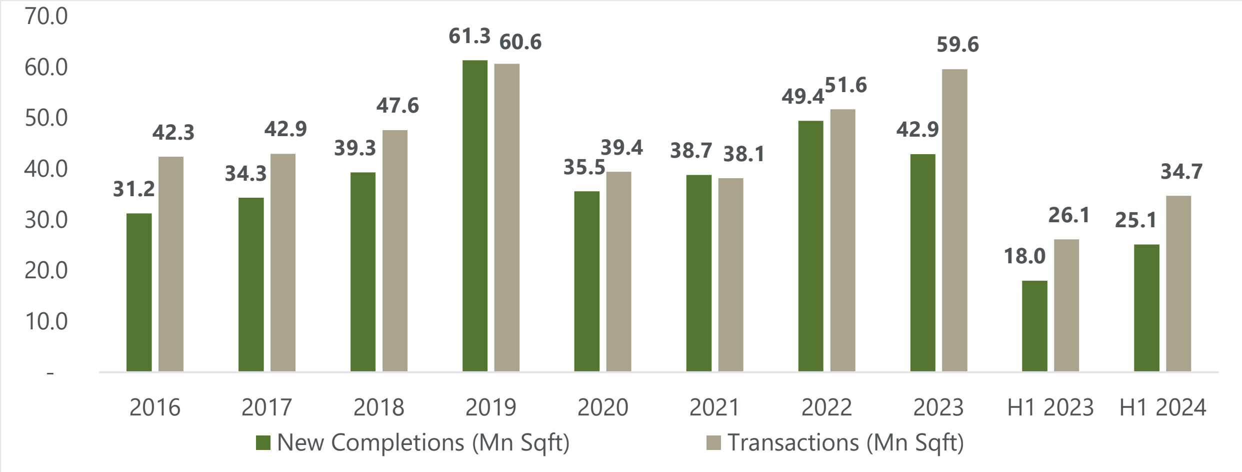
Indian GCCs have aggressively scaled up the value chain, with corporates increasingly willing to offshore more business-critical and value-added functions and processes to their Indian centres. This shift has further fuelled demand for office spaces across major cities, leading to a surge in the development of high-grade office infrastructure. The overall resilience of India's office space market, coupled with strategic economic management, positions it as a key player in the global real estate landscape.

**India Office Real Estate Trends**

The positive sentiment surrounding the economy has been the main driver of occupier activity in the office market, sustaining the momentum built since 2022 and resulting in near-record annual transaction volumes in 2023. H1 2024 has continued this trend, achieving the highest ever transaction volumes for a half-year period at 3.2 million sq m (34.7 million square feet). Previously, H2 2023 held this record, and the breaking of it in successive periods underscores the growing strength of the Indian office market.

However, completions have been relatively subdued as development interest remains largely focused on residential projects, driven by a steep increase in sales and prices in that sector. While 2.33 million sq m (25.1 million square feet) of office space were completed across the eight cities covered, representing a 39% increase from the previous year, it still lagged behind transaction volumes by a margin of 28%.

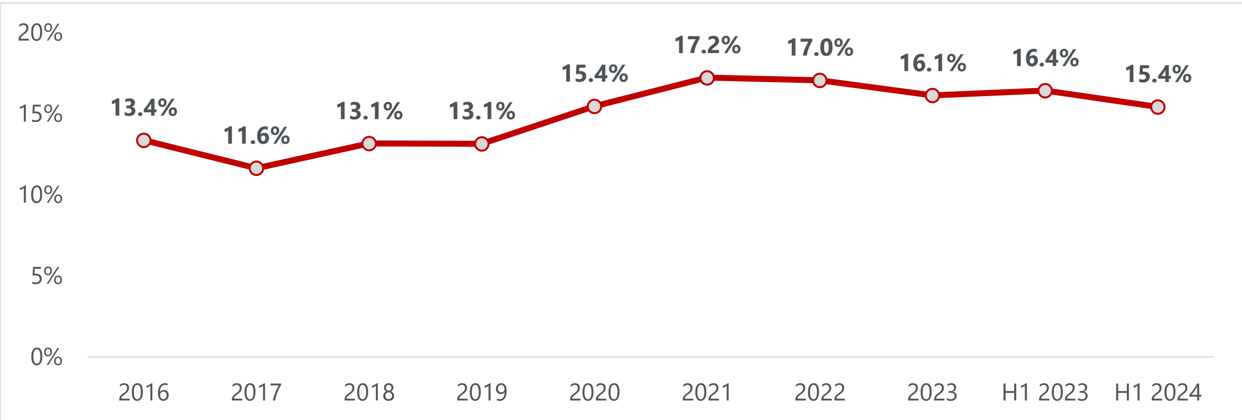
India Office Completions and Transactions (million square feet)




*Source: Knight Frank Research*

The Indian office market has seen a notable shift in vacancy rates and physical occupancy levels in recent years. Post-pandemic, physical occupancy levels have risen consistently, with REIT portfolios reporting occupancy rates upwards of 65%. Despite the global trend towards remote working, this phenomenon failed to take root in India, with some exceptions in technology-dominated markets. Leadership teams across various industries, including major technology firms like TCS and HCL Technologies, are aggressively encouraging a return to office. This push, coupled with a pro-business government expected to continue for another five years, has positioned the Indian office space market favourably for the near term. While there are some concerns about supply, the market looks set to end 2024 on a high note. Vacancy rates, which had peaked at 17% in 2021 and 2022, have since declined to 15% in H1 2024, reflecting the increasing demand and stable economic conditions.

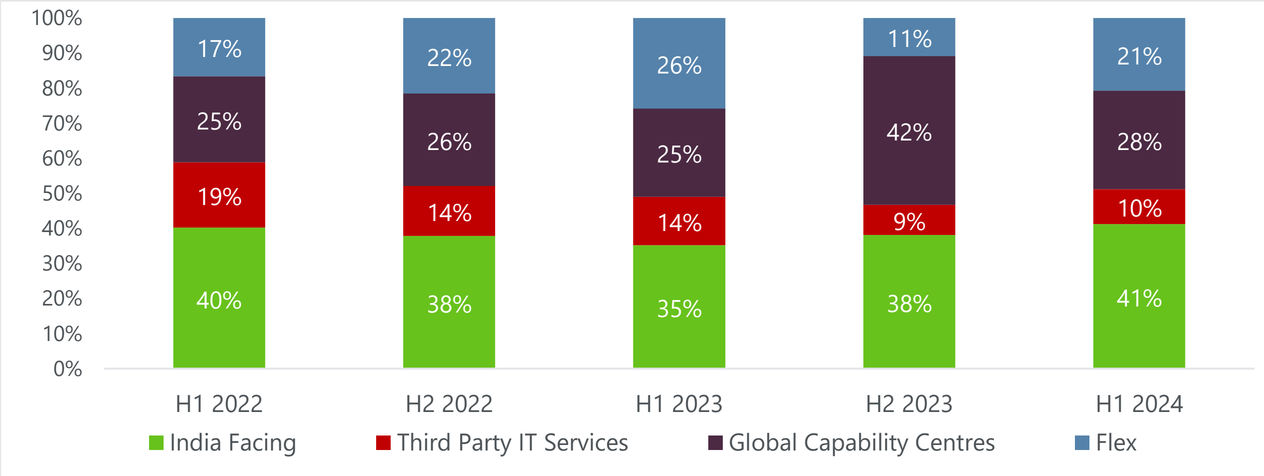
India Office Market Vacancy




*Source: Knight Frank Research*

With business sentiments improving and uncertainties steadily reducing, occupiers are more inclined to make longer-term commitments to the workplace by signing long-term leases. In H2 2023, the share of flex space operators fell to a post-pandemic low of 11% as occupiers showed a marked preference for longer-term leases. However, 2024 has seen occupiers returning to the flex space market, driven by the strong premise of workplace specialists enhancing employee productivity. Flex spaces accounted for 21% of the total volume transacted during H1 2024, up from 11% in H2 2023. Significantly, the increased demand in flex spaces was driven by a higher incidence of small businesses taking up co-working spaces, which constituted a massive 72% of all flex space transacted during H1 2024, compared to 58% in H1 2023. The share of global capability centres and India-facing services remained strong, while third-party IT services saw a slight decline in their share of the market.

End Split of Office Transactions in India



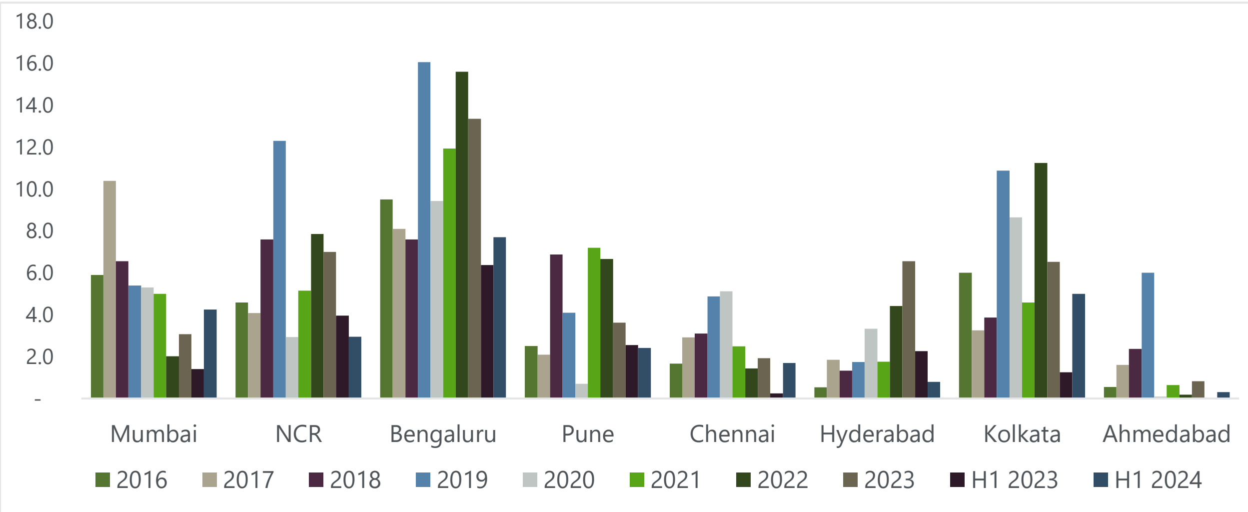

*Source: Knight Frank Research*

**Top Eight Cities Office New Completions & Transactions**

**<u>Yearly New Completions Trends by City</u>**

From 2016 to H1 2024, new office completions in India's top eight cities showed varied trends. Mumbai peaked at 10.4 million square feet in 2017 but declined to 4.3 million square feet in H1 2024. NCR reached 12.3 million square feet in 2019, with 2.9 million square feet in H1 2024. Bengaluru led consistently, with a high of 16.1 million square feet in 2019 and 7.7 million square feet in H1 2024. Pune peaked at 7.2 million square feet in 2021, settling at 2.4 million square feet in H1 2024. Ahmedabad had a peak of 5.1 million square feet in 2020, with 1.7 million square feet in H1 2024. Chennai grew significantly to 6.6 million square feet in 2023 but saw only 0.8 million square feet in H1 2024. Hyderabad peaked at 11.2 million square feet in 2022, reaching 5.0 million square feet in H1 2024. Kolkata's highest completions were 6.0 million square feet in 2019, with 0.3 million square feet in H1 2024.

Top Eight Cities New Completions Trend by City (million square feet)




*Source: Knight Frank Research*

Table showing annual new office space completion trends in India’s Top-Eight Cities (million square feet)

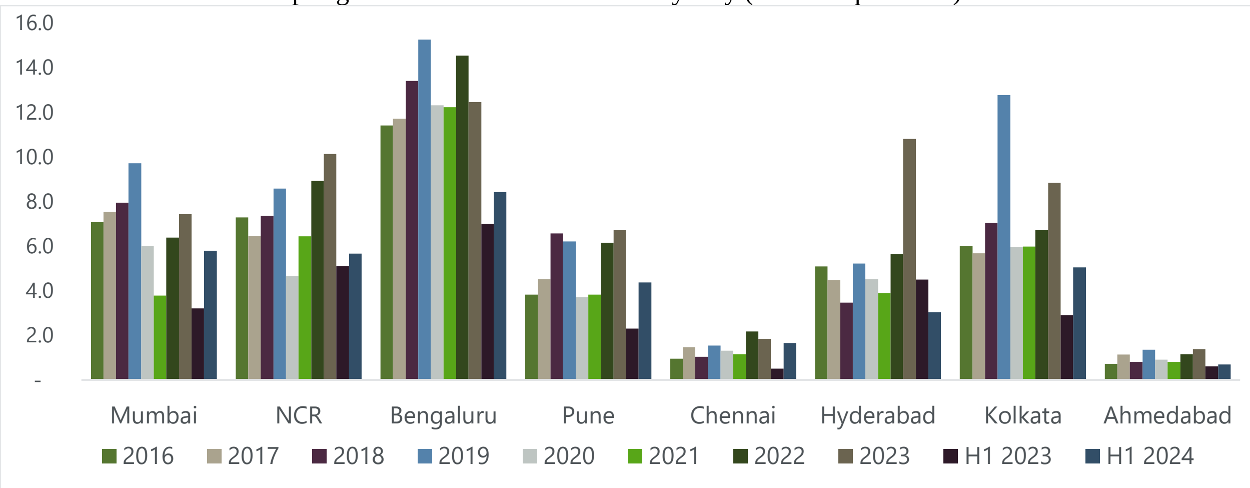
| Cities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mumbai** | 5.9 | 10.4 | 6.5 | 5.4 | 5.3 | 5.0 | 2.0 | 3.1 | 1.4 | 4.3 |
| **NCR** | 4.6 | 4.1 | 7.6 | 12.3 | 2.9 | 5.1 | 7.9 | 7.0 | 4.0 | 2.9 |
| **Bengaluru** | 9.5 | 8.1 | 7.6 | 16.1 | 9.4 | 11.9 | 15.6 | 13.4 | 6.4 | 7.7 |
| **Pune** | 2.5 | 2.1 | 6.9 | 4.1 | 0.7 | 7.2 | 6.7 | 3.6 | 2.6 | 2.4 |
| **Chennai** | 1.7 | 2.9 | 3.1 | 4.9 | 5.1 | 2.5 | 1.4 | 1.9 | 0.3 | 1.7 |
| **Hyderabad** | 0.5 | 1.8 | 1.3 | 1.7 | 3.3 | 1.8 | 4.4 | 6.6 | 2.3 | 0.8 |
| **Kolkata** | 6.0 | 3.2 | 3.9 | 10.9 | 8.7 | 4.6 | 11.2 | 6.5 | 1.3 | 5.0 |
| **Ahmedabad** | 0.6 | 1.6 | 2.4 | 6.0 | 0.1 | 0.6 | 0.2 | 0.8 | - | 0.3 |

*Source: Knight Frank Research*

**Yearly Transactions Trends by City**

Office transactions across India's top eight cities from 2016 to H1 2024 reveal diverse trends. Mumbai peaked at 9.7 million square feet in 2019, reaching 5.8 million square feet in H1 2024. NCR saw significant growth, hitting 10.1 million square feet in 2023 and 5.7 million square feet in H1 2024. Bengaluru led consistently, with a peak of 15.3 million square feet in 2019 and 8.4 million square feet in H1 2024. Pune showed notable activity, reaching highs of 6.6 million square feet in 2018 and 6.7 million square feet in 2023, ending at 4.4 million square feet in H1 2024. Ahmedabad remained modest, peaking at 2.2 million square feet in 2022 and 1.7 million square feet in H1 2024. Chennai spiked to 10.8 million square feet in 2023 but fell to 3.0 million square feet in H1 2024. Hyderabad showed strong growth, peaking at 12.8 million square feet in 2019 and 5.0 million square feet in H1 2024. Kolkata remained stable, with peaks of 1.4 million square feet in 2019 and 2023, and 0.7 million square feet in H1 2024.

Top Eight Cities Transactions Trend by City (million square feet)




*Source: Knight Frank Research*

Table showing annual office space transactions trends in India's Top-Eight Cities (million square feet)

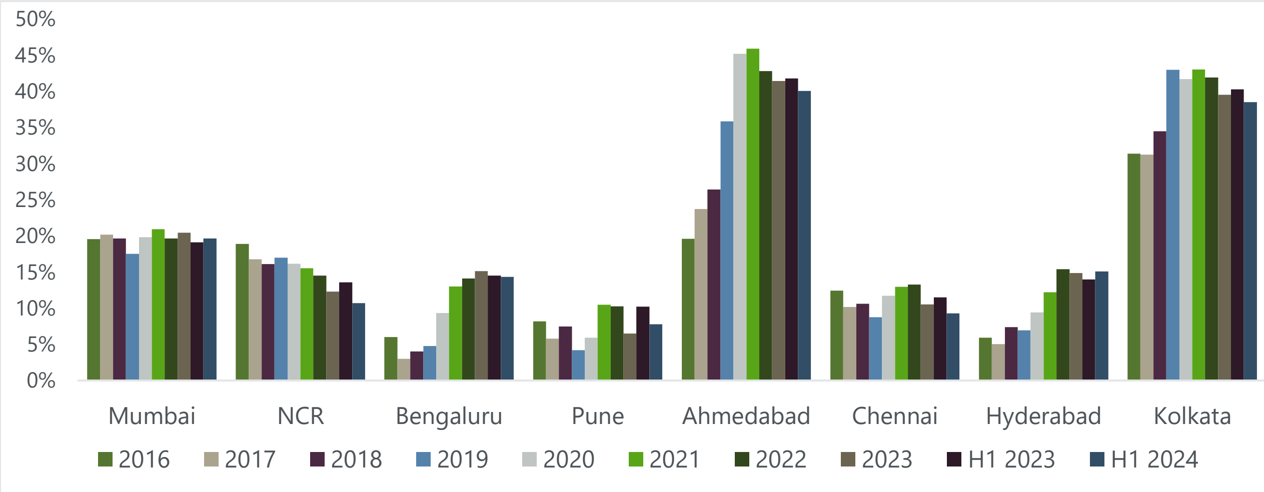
| Cities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mumbai** | 7.1 | 7.5 | 7.9 | 9.7 | 6.0 | 3.8 | 6.4 | 7.4 | 3.2 | 5.8 |
| **NCR** | 7.3 | 6.4 | 7.4 | 8.6 | 4.7 | 6.4 | 8.9 | 10.1 | 5.1 | 5.7 |
| **Bengaluru** | 11.4 | 11.7 | 13.4 | 15.3 | 12.3 | 12.2 | 14.5 | 12.5 | 7.0 | 8.4 |
| **Pune** | 3.8 | 4.5 | 6.6 | 6.2 | 3.7 | 3.8 | 6.2 | 6.7 | 2.3 | 4.4 |
| **Chennai** | 1.0 | 1.5 | 1.0 | 1.5 | 1.3 | 1.1 | 2.2 | 1.8 | 0.5 | 1.7 |
| **Hyderabad** | 5.1 | 4.5 | 3.5 | 5.2 | 4.5 | 3.9 | 5.6 | 10.8 | 4.5 | 3.0 |
| **Kolkata** | 6.0 | 5.7 | 7.0 | 12.8 | 6.0 | 6.0 | 6.7 | 8.8 | 2.9 | 5.0 |
| **Ahmedabad** | 0.7 | 1.1 | 0.8 | 1.4 | 0.9 | 0.8 | 1.1 | 1.4 | 0.6 | 0.7 |

*Source: Knight Frank Research*

**Top Eight Cities Office Vacancy Trends**

From 2016 to H1 2024, office stock vacancy levels in India's top eight cities showed significant trends. Mumbai's vacancy rate remained steady around 20%. NCR improved, dropping from 19% to 11%. Bengaluru fluctuated, hitting a low of 3% in 2017 and peaking at 15% in 2023, ending at 14%. Pune's vacancy rate dropped to 4% in 2019, rose to 10% in 2021, and settled at 8%. Ahmedabad peaked at 46% in 2021, improving slightly to 40%. Chennai improved from 12% to 9%. Hyderabad increased from 6% to 15%. Kolkata, with consistently high vacancy rates, peaked at 43% in 2019 and decreased to 39%.

Top Eight Cities Vacancy Trends by City (₹/square feet/Month)




*Source: Knight Frank Research*

Table showing annual office space vacancy trends in India's Top-Eight Cities (million square feet)

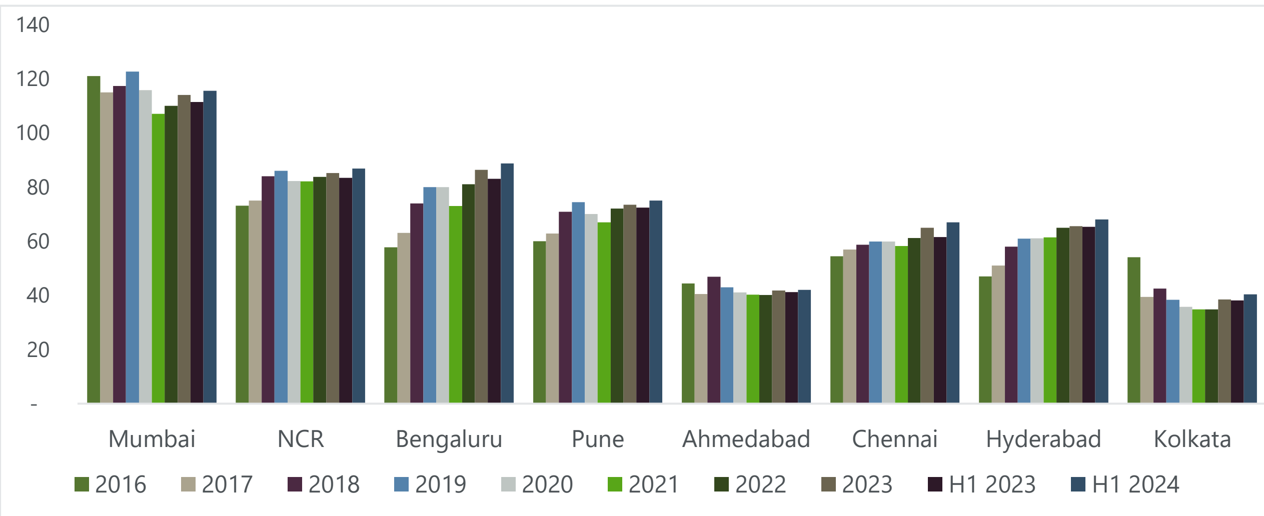
| Cities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mumbai** | 20% | 20% | 20% | 18% | 20% | 21% | 20% | 20% | 19.1% | 19.7% |
| **NCR** | 19% | 17% | 16% | 17% | 16% | 16% | 15% | 12% | 13.6% | 10.7% |
| **Bengaluru** | 6% | 3% | 4% | 5% | 9% | 13% | 14% | 15% | 14.5% | 14.3% |
| **Pune** | 8% | 6% | 7% | 4% | 6% | 10% | 10% | 6% | 10.2% | 7.8% |
| **Chennai** | 20% | 24% | 26% | 36% | 45% | 46% | 43% | 41% | 41.8% | 40.0% |
| **Hyderabad** | 12% | 10% | 11% | 9% | 12% | 13% | 13% | 11% | 11.5% | 9.3% |
| **Kolkata** | 6% | 5% | 7% | 7% | 9% | 12% | 15% | 15% | 14.0% | 15.1% |
| **Ahmedabad** | 31% | 31% | 35% | 43% | 42% | 43% | 42% | 40% | 40.3% | 38.5% |

*Source: Knight Frank Research*

**Top Eight Cities Office Rent Trends**

From 2016 to H1 2024, the average office rentals in India's top eight cities displayed varied trends. Mumbai saw a slight fluctuation, with rents peaking at ₹ 123/square feet/month in 2019 before settling at ₹ 116 in H1 2024. NCR experienced a steady rise from ₹ 73 in 2016, reaching ₹ 87 in H1 2024. Bengaluru showed significant growth, climbing from ₹ 58 in 2016 to ₹ 89 in H1 2024. Pune's rentals increased from ₹ 60 in 2016 to ₹ 75 in H1 2024. Ahmedabad remained relatively stable, with a slight drop from ₹ 44 in 2016 to ₹ 42 in H1 2024. Chennai saw a gradual increase from ₹ 55 in 2016 to ₹ 67 in H1 2024. Hyderabad's rentals grew from ₹ 47 in 2016 to ₹ 68 in H1 2024. Kolkata experienced fluctuations, starting at ₹ 54 in 2016, dipping to ₹ 35 in 2021, and then rising to ₹ 40 in H1 2024.

Average Rentals Trends by City (₹/square feet/month)



*Source: Knight Frank Research*

Table showing annual office space vacancy trends in India's Top-Eight Cities (₹/square feet/month)

| Cities | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Mumbai** | 121 | 115 | 117 | 123 | 116 | 107 | 110 | 114 | 111.4 | 116 |
| **NCR** | 73 | 75 | 84 | 86 | 82 | 82 | 84 | 85 | 83 | 87 |
| **Bengaluru** | 58 | 63 | 74 | 80 | 80 | 73 | 81 | 86 | 83 | 89 |
| **Pune** | 60 | 63 | 71 | 74 | 70 | 67 | 72 | 74 | 72 | 75 |
| **Chennai** | 44 | 41 | 47 | 43 | 41 | 40 | 40 | 42 | 41 | 42 |
| **Hyderabad** | 55 | 57 | 59 | 60 | 60 | 58 | 61 | 65 | 62 | 67 |
| **Kolkata** | 47 | 51 | 58 | 61 | 61 | 61 | 65 | 66 | 65 | 68 |
| **Ahmedabad** | 54 | 39 | 43 | 38 | 36 | 35 | 35 | 39 | 38 | 40 |

*Source: Knight Frank Research*

**DELHI NCR REAL ESTATE MARKET OVERVIEW**

**Delhi National Capital Region (NCR) Overview**

Delhi (National Capital Territory-NCT) is one of the most populated cities of India. Being a capital city of India and an economic hub of North India, the city is expanding towards its peripheral locations. The spill-over effect of Delhi's growth has occurred in the adjoining urban centres owing to paucity of land and high rate of migration. Towards the southern edge of the city, Gurugram is another developed location which has witnessed maximum growth in the past two decades. Delhi NCR encompasses a total geographical area of 1,483 sq km as per the Master Plan of Delhi 2021. Delhi stands at the western end of the Gangetic Plain, bordered on the eastern side by the state of Uttar Pradesh (district Ghaziabad and district Gautam Budha Nagar) and on the other three sides by the state of Haryana (on the north by the district of Sonipat, on the west by the district of Rohtak and on the south by the district of Gurugram). Delhi has grown at a rapid pace due to increasing migration.

Presently, there is negligible land available for future development in NCT. Thus, the agricultural and industrial land available in the fringes of the city, particularly in the South-West and North-West, is being gradually consumed by urbanization. This has led to the growth of suburbs bordering Delhi, especially **Gurugram, Noida, Ghaziabad, and Faridabad**. These regions comprise relatively attractive real estate that offers quality modern developments.

Delhi NCR Map with its boundaries


*Source: Delhi Online*

**The presence of high value economic activities in Gurugram and Noida have resulted in creation of large-scale mid-end to premium residential hubs**, while Faridabad and Ghaziabad have largely been affordable to mid-segment housing hubs.

**Demographics Overview**

Delhi has the largest share of population in the NCR. The decadal growth of population from 2001–2011 in NCR has increased by 24%. Due to the already high densification in Delhi, the decadal growth rate of population in Gurugram-Manesar and Ghaziabad has been phenomenal (above 150%). Gurugram is the developed and upcoming economic hub of NCR after Delhi; as a result, the projected population growth in Gurugram-Manesar is also expected to grow exponentially by 221%.

During the last decade (2001–11), as many as 25 lakh persons were added to Delhi's population. Gurugram-Manesar and Ghaziabad-Loni sub-regions added 6.2 lakh and 14.4 lakh population each, during the same period. Gautam Budh Nagar and Meerut sub-regions also added 4.6 lakh persons each. The share of urban population in NCR increased by 24% in 2011 and is projected to increase further by 39% in 2021.

**Socio-Economic Profile of the region**

It is important to understand the population growth which the region is witnessing belongs to which socio-economic profile. The table below shows the demographics and socio-economic profile of NCR.

Table showing demographic and socio-economic profile (Delhi-NCR)

| Region | Population Estimates | | | | | Characteristics of Region |
|---|---|---|---|---|---|---|
| | Census 2001 | Census 2011 | Decadal growth Rate (2001–2011) | Population 2021 (projected) | Growth Rate (2011–21) | |
| **NCR** | 3,71,00,266 | 4,60,49,032 | 24% | 6,41,38,000 | 39% | |
| **Delhi (NCT)** | 1,38,50,507 | 1,63,68,899 | 18% | 2,30,00,000 | 41% | Administrative and Service |
| **Gurugram-Manesar** | 3,09,703 | 9,33,454 | 201% | 30,00,000 | 221% | Industrial, Service and Business Town |
| **Gautam Budha Nagar** | 12,02,030 | 16,48,115 | 37% | 18,59,587 | 13% | Industrial and Service Town |
| **Ghaziabad-Loni** | 9,68,256 | 24,11,491 | 149% | 30,00,000 | 24% | Industrial and Business Town |
| **Meerut** | 29,97,361 | 34,43,689 | 15% | 39,25,805 | 14% | Industrial and Business Town |

*Source: Census of India for 2011*

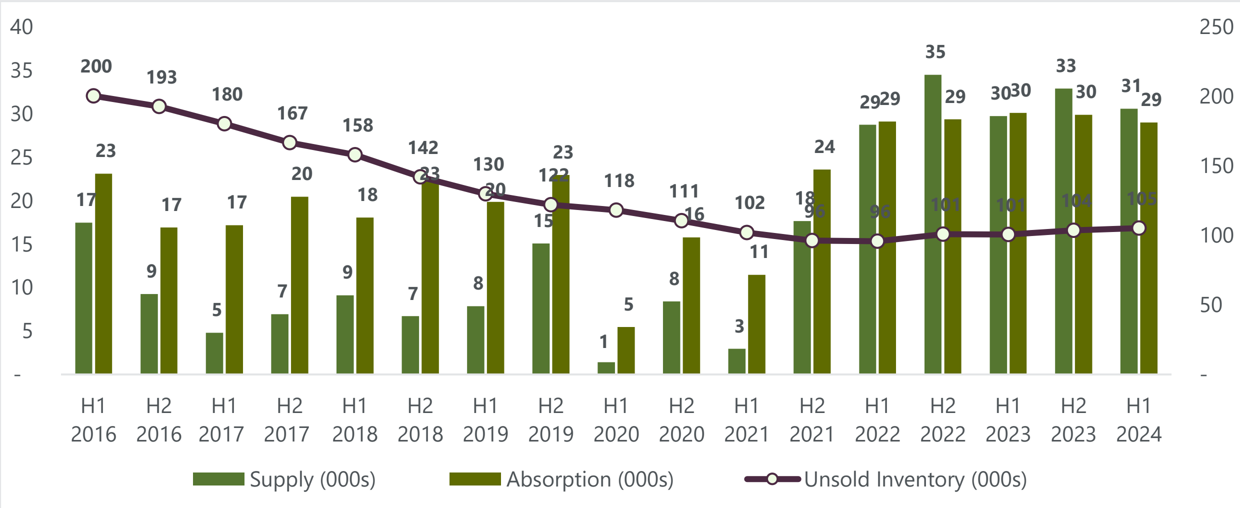
**Delhi NCR Residential Real Estate Market**

Traditionally, Delhi has witnessed the construction of individual housing either in the form of bungalows, row houses or independent floors. It was in the late 1990s that group housing schemes were launched in some areas of Delhi, which include areas like Dwarka, Rohini, I.P. Extension etc. Land was given on lease to Cooperative Housing Societies that then constructed and managed them. The Group Housing Schemes offered by private developers witnessed substantial demand due to lack of land availability for residential development within the city limits. With the growth of commercial and industrial bases towards Gurugram, Faridabad, Noida, Ghaziabad and Greater Noida, residential projects witnessed an upswing in those regions and many residential projects catering to all sections of society cropped up in these locations.

**Delhi NCR Residential Supply & Absorption Trends**

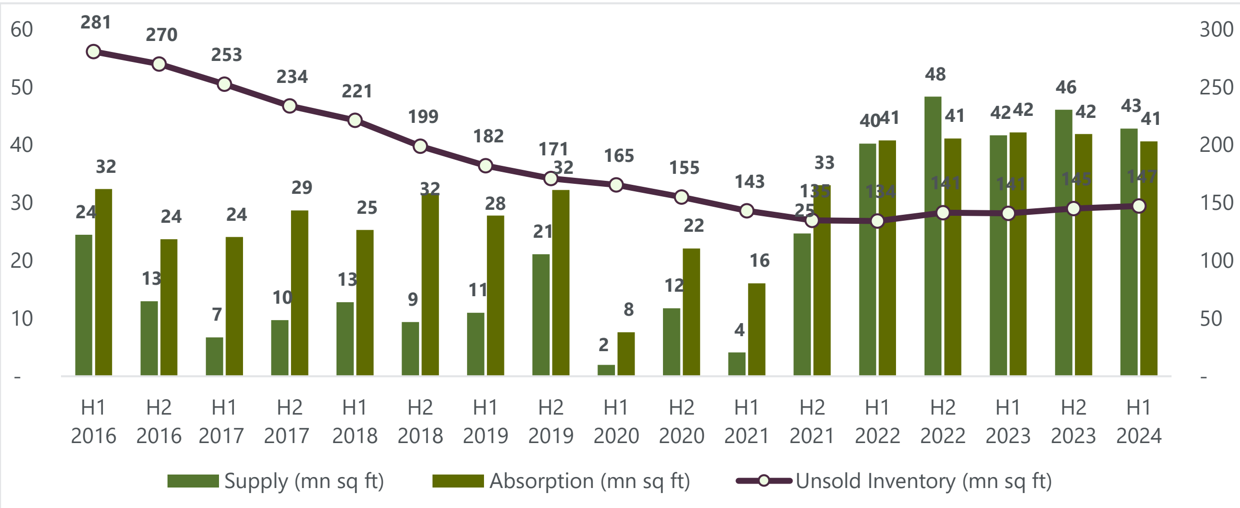
In the first half of 2024, the National Capital Region (NCR) continued to be a vibrant hub for residential real estate activity. During this period, 30,580 residential units were launched across the region. Despite strong sales performance over the past eight quarters, the sales volume in H1 2024 moderated to 28,998 units, a decline compared to H1 2023 and H2 2023. The consistent rise in average residential prices over the last two and a half years has begun to impact the sales momentum, as many new micro-markets and locations have become more expensive due to the scarcity of ready-to-move-in inventory and ongoing infrastructure upgrades.

For the second consecutive half-year period, new launches in NCR outpaced sales volume. In H1 2024, new residential launches saw a 3% YoY increase compared to H1 2023. This uptick is largely attributed to the launch of several large-scale residential projects on land parcels acquired recently by developers. These land deals have fuelled residential development in various sectors of Gurugram, Noida, Greater Noida, and other areas. NCR's residential sales volume in H1 2024 experienced a 4% YoY decline compared to H1 2023, primarily due to the base effect. However, with the Reserve Bank of India (RBI) maintaining its stance on the repo rate in June 2024, homebuyers will continue to benefit from low-interest rates, enhancing affordability and potentially boosting housing sales in the latter half of the year. NCR's unsold inventory rose by 5% YoY to 105,185 units in H1 2024. The increase in available units is due to the healthy pace of new launches despite robust sales activity.




Delhi NCR Residential Supply & Absorption Units Trend (000s)

*Source: Knight Frank Research*




Delhi NCR Residential Supply & Absorption Trend (million square feet)

*Source: Knight Frank Research*

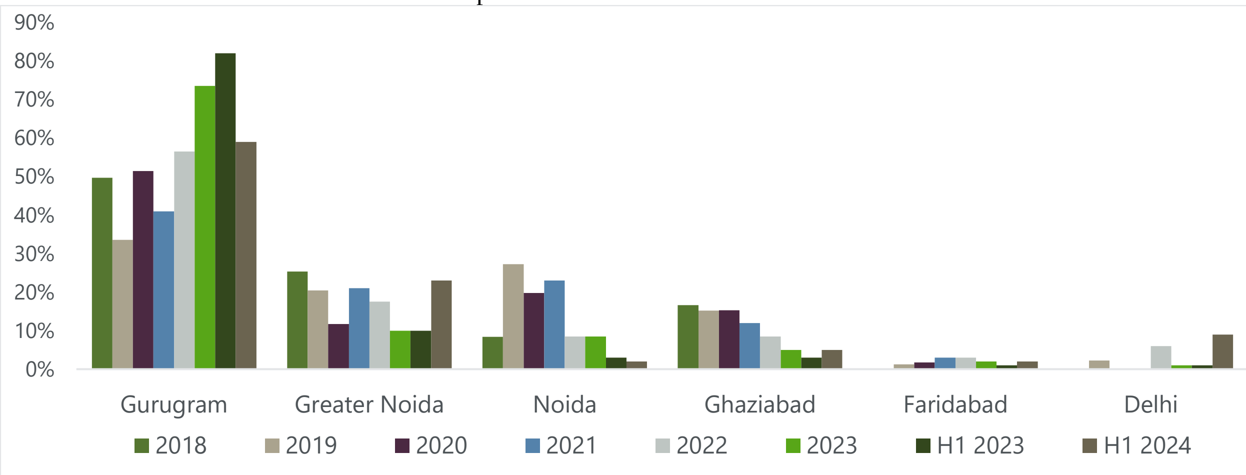
**Delhi NCR Distribution of launches and absorption**

**Micro-market split of launches**

In the first half of 2024, Gurugram led the way in the National Capital Region (NCR) with the highest share of new residential launches, accounting for 59% of the total half-yearly launches. This surge was driven by infrastructure upgrades, enhanced connectivity, and increasing homebuyer interest in Gurugram's high-end project ecosystem. Significant new launches were seen in locations such as Sector 56, 76, 79, 80, 85, 90, 93, 99 A, 36 A, and 113.

Greater Noida followed with 23% of the total launches during this period, benefiting from the government's focus on resolving project disputes, which revitalized residential development to meet the latent homebuying demand. The remaining 18% of the region's new launches were distributed among Delhi (9%), Ghaziabad (5%), Noida (2%), and Faridabad (2%).

Micro-market split of residential launches in Delhi NCR




*Source: Knight Frank Research*

Table showing Micro-market split of residential launches in Delhi NCR (%)

| Cities | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|
| **Gurugram** | 50% | 34% | 51% | 41% | 57% | 74% | 82% | 59% |
| **Greater Noida** | 25% | 20% | 12% | 21% | 18% | 10% | 10% | 23% |
| **Noida** | 8% | 27% | 20% | 23% | 9% | 9% | 3% | 2% |
| **Ghaziabad** | 17% | 15% | 15% | 12% | 9% | 5% | 3% | 5% |
| **Faridabad** | 0% | 1% | 2% | 3% | 3% | 2% | 1% | 2% |
| **Delhi** | 0% | 2% | 0% | 0% | 6% | 1% | 1% | 9% |

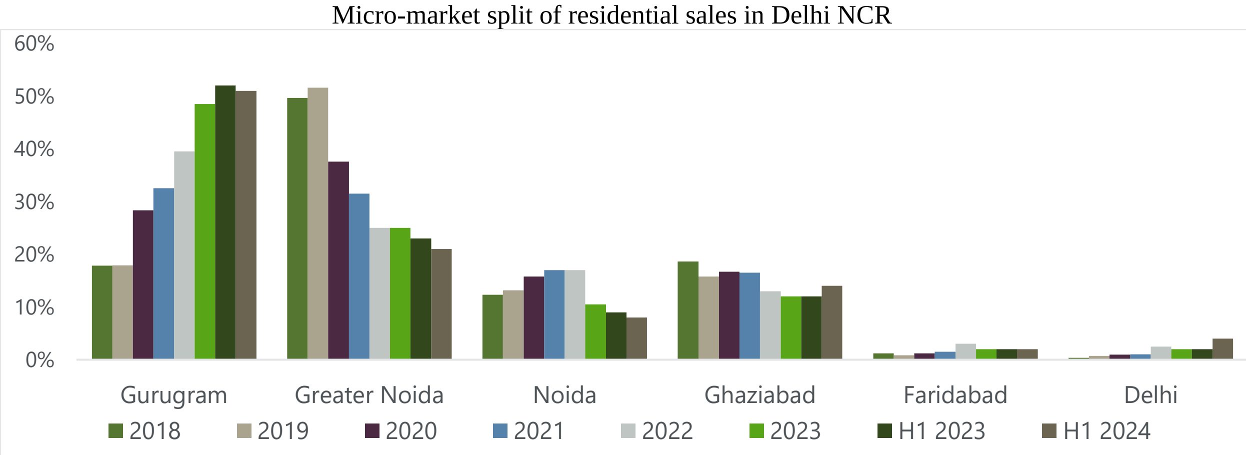
*Source: Knight Frank Research*

**Micro-market split of sales**

In the first half of 2024, Gurugram dominated residential sales in the National Capital Region (NCR), capturing 51% of the total units sold. The recent inauguration of the Haryana stretch of the Dwarka Expressway in March 2024 boosted homebuyer confidence in the area, leading to significant sales in nearby residential clusters such as Central Peripheral Road and Southern Peripheral Road. Enhanced connectivity between Delhi and Gurugram has fuelled the expansion of this submarket, attracting homebuyers to high-end projects featuring contemporary amenities and luxurious living spaces.

Greater Noida, Ghaziabad, and Noida collectively accounted for 43% of total sales, with shares of 21%, 14%, and 8% respectively. The Uttar Pradesh government's dispute redressal mechanism has resolved long-standing issues with stalled projects, attracting homebuyers to new and nearly completed developments by credible developers. Delhi and Faridabad contributed 4% and 2% to the total sales respectively, as the supply of new residential projects in these primary markets remains limited.

Micro-market split of residential sales in Delhi NCR




*Source: Knight Frank Research*

Table showing Micro-market split of residential absorption in Delhi NCR (%)

| Cities | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | H1 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|
| **Gurugram** | 18% | 18% | 28% | 33% | 40% | 49% | 52% | 51% |
| **Greater Noida** | 50% | 52% | 38% | 32% | 25% | 25% | 23% | 21% |
| **Noida** | 12% | 13% | 16% | 17% | 17% | 11% | 9% | 8% |
| **Ghaziabad** | 19% | 16% | 17% | 17% | 13% | 12% | 12% | 14% |
| **Faridabad** | 1% | 1% | 1% | 2% | 3% | 2% | 2% | 2% |
| **Delhi** | 0% | 1% | 1% | 1% | 3% | 2% | 2% | 4% |

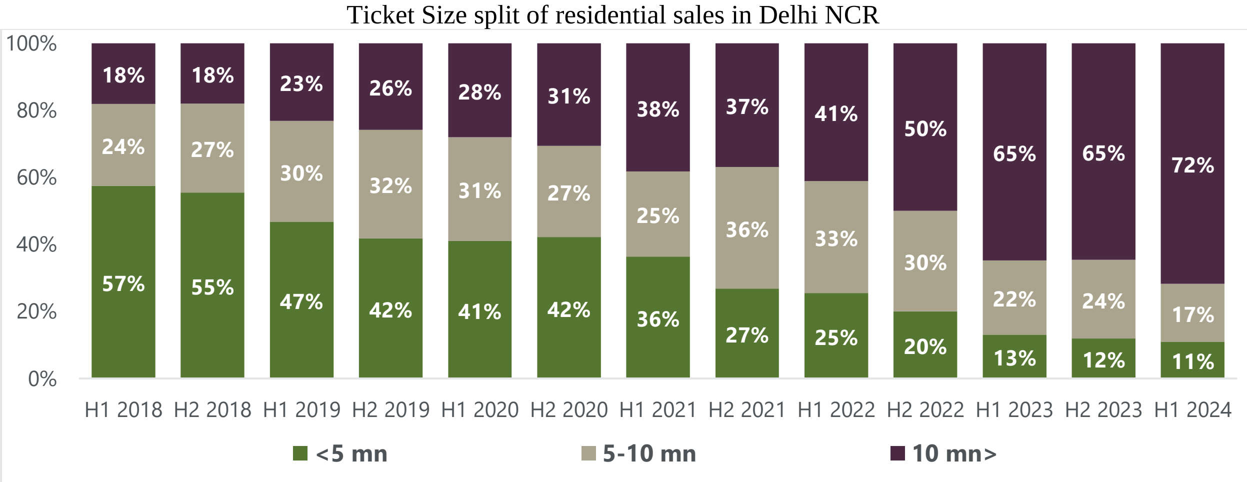
*Source: Knight Frank Research*

**Delhi NCR Ticket Size Split Comparison of Sales**

Over the past five consecutive half-yearly periods, the share of residential products priced above ₹ 10 million in the NCR's total sales volume has increased significantly. From just 37% in H2 2021, this category has grown to represent 72% of the total sales in H2 2024. This shift highlights the growing preference among high-net-worth individuals for spacious homes with high-end amenities, driving the sales of more expensive residential products in NCR's primary market over the past three years.

In contrast, the sales volume of homes in the ₹ 5-10 million and under ₹ 5 million categories has continued to decline. Homebuyers in these segments have been more sensitive to the rising burden of equated monthly instalments (EMIs) resulting from previous repo rate revisions. The share of the ₹ 5-10 million category in total sales volume has decreased from 36% in H2 2021 to 17% in H1 2024. Similarly, the share of products priced under ₹ 5 million has fallen from 27% to 11% over the same period. This segment has been the most adversely affected by repo rate increases, as buyers looking for affordable home ownership are more immediately impacted by changes in lending costs, influencing their decision-making process.

Ticket Size split of residential sales in Delhi NCR



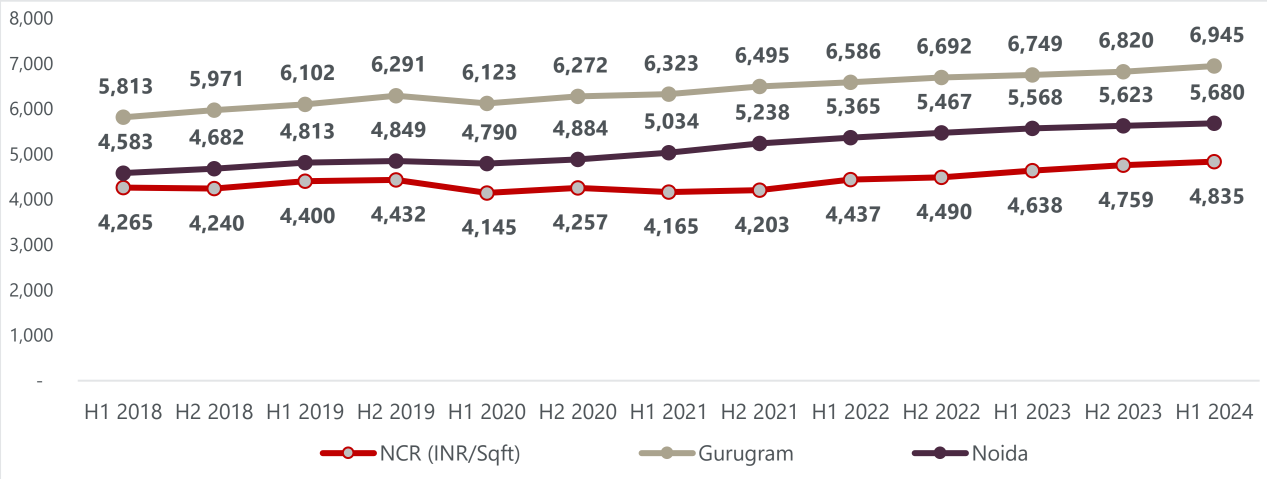

*Source: Knight Frank Research*

**Delhi NCR Average Residential Price Movement**

Over the past 2.5 years, the average residential prices have consistently appreciated across the NCR. In H1 2024, the average residential prices rose by 4% YoY compared to H1 2023. This price growth has been primarily driven by the launch of new inventory at higher prices and sustained homebuying activity. However, it is noteworthy that this 4% increase is lower than the 7% YoY growth observed in H1 2022, indicating a slight moderation in the rate of price escalation.

Analysing the data, average residential prices in NCR increased from ₹ 4,265 per square feet in H1 2018 to ₹ 4,835 per square feet in H1 2024. Prices in Gurugram rose from ₹ 5,813 to ₹ 6,945 per square feet, while Noida saw an increase from ₹ 4,583 to ₹ 5,680 per square feet over the same period. This consistent upward trend across major sub-markets reflects the overall health and attractiveness of the NCR residential real estate market.

Delhi NCR Average Capital Price Trends (₹/square feet)

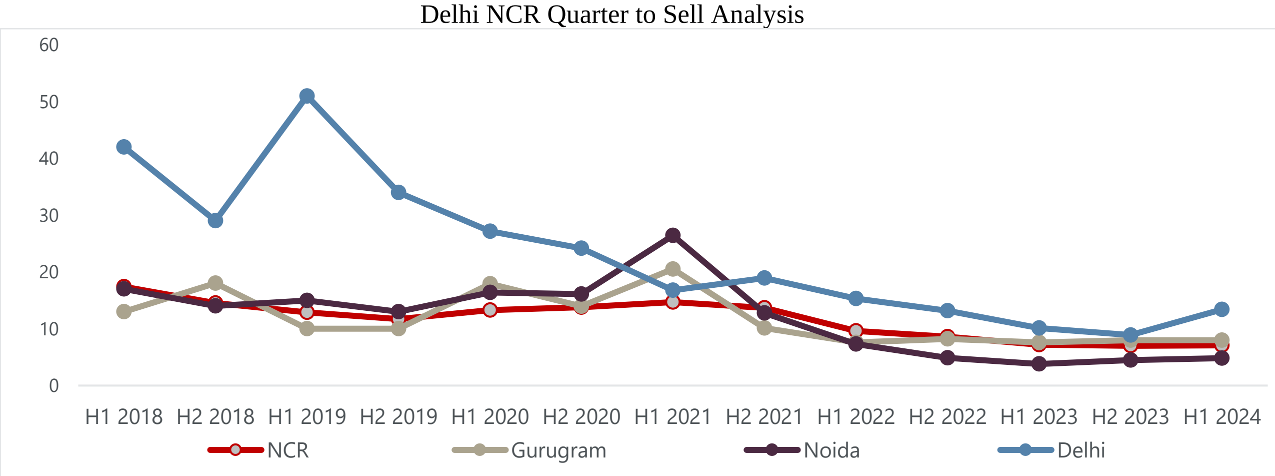



*Source: Knight Frank Research*

**Delhi NCR Micro-Market Quarter to Sell**

Despite a 5% annual increase in unsold inventory, the quarters-to-sell (QTS) in NCR slightly decreased from 7.2 in H1 2023 to 7.1 in H1 2024, indicating strong sales momentum and robust homebuying demand. The QTS, which measures how long it takes to deplete unsold inventory based on average sales velocity, reveals a healthy market for high-ticket residential units priced above ₹ 10 million, with a QTS of 4.6. In contrast, the QTS for units priced below ₹ 5 million is much higher at 17.2, suggesting weaker demand and a slower sales pace for more affordable housing options.

Delhi NCR Quarter to Sell Analysis




*Source: Knight Frank Research*

Table 1: Table showing Delhi NCR Quarter to Sell Analysis

| Cities | H1 2018 | H2 2018 | H1 2019 | H2 2019 | H1 2020 | H2 2020 | H1 2021 | H2 2021 | H1 2022 | H2 2022 | H1 2023 | H2 2023 | H1 2024 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Gurugram** | 13 | 18 | 10 | 10 | 17 | 13 | 20 | 10 | 7 | 8 | 7 | 8 | 8 |
| **Noida** | 17 | 14 | 15 | 13 | 16 | 16 | 26 | 12 | 7 | 4 | 3 | 4 | 4 |
| **Delhi** | 42 | 29 | 51 | 34 | 27 | 24 | 16 | 18 | 15 | 13 | 10 | 8 | 13 |
| **NCR** | 17 | 14 | 12 | 11 | 13 | 13 | 14 | 13 | 9 | 8 | 7 | 7 | 7 |

*Source: Knight Frank Research*

**Delhi NCR Office Real Estate Market**

For the purpose of real estate analysis of the commercial office sector, a detailed analysis of Delhi NCR has been undertaken which comprises the developed markets of Delhi NCR such as NCT-Delhi, Gurugram, Ghaziabad, Noida and Faridabad.

The office market sector comprises two segments, viz. the non-IT office spaces and the IT office spaces. Connaught Place, which was developed as a showpiece of Lutyens' Delhi, is the centre of economic activity and a prime non-IT commercial location of the capital. An attempt to decongest this current Central Business District (CBD) has led to the emergence and development of various Secondary Business Districts (SBD) in Delhi. Prime SBD locations are Nehru Place, Bhikaji Cama Place, Netaji Subhash Place, Jasola and Okhla – Mohan Cooperative area. Primarily, these locations comprise non-IT activity, and the only IT-based SBD in the capital is Shastri IT Park.

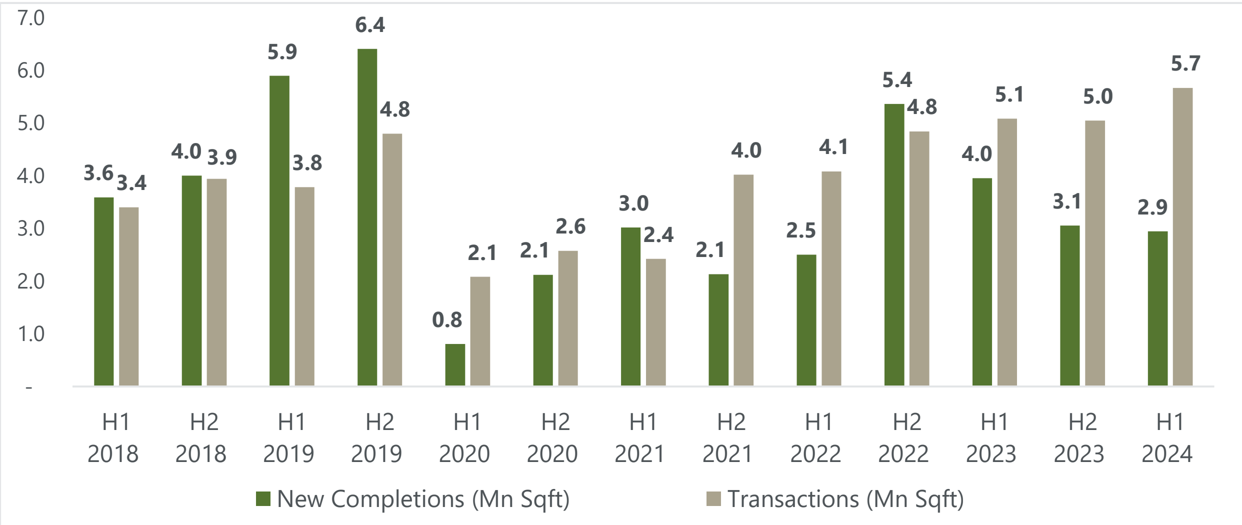
During the last decade, Gurugram has emerged as the most significant office cluster within NCR due to the availability of contemporary Grade A office stock, priced significantly lower than CBD and SBD. Besides, over the last five years, Noida has been attracting similar attention from developers and occupiers. Noida is likely to witness further large-scale development over the next three to four years based on proposed real estate projects. The peripheral districts have witnessed growth primarily in the IT/ITeS sector and associated real estate activity. Ghaziabad is an industrial town and hence, very few Grade A commercial developments have come up in Ghaziabad. However, with further growth of the city, demand for Grade A offices in Ghaziabad is expected to grow.

NCR's commercial real estate sector is robust, driven by the presence of numerous multinational corporations, IT/ITeS companies, and a thriving startup ecosystem. Gurugram and Noida have emerged as prominent commercial hubs, offering Grade A office spaces and co-working facilities. The demand for commercial real estate has been bolstered by the expansion of global capability centres (GCCs), increased foreign direct investment (FDI), and the growth of sectors like IT, BFSI, and e-commerce. Despite the temporary setbacks caused by the pandemic, the market is on a recovery path with rising transaction volumes and declining vacancy rates.

**Delhi NCR Office Supply & Absorption Trends**

The National Capital Region (NCR) emerged as one of India's leading markets for gross leasing activity in H1 2024. The region witnessed a record-breaking office leasing volume of 0.5 million sq m (5.7 million square feet), marking the highest ever performance for NCR and the third highest among the top eight cities in the country. This represents a 12% YoY growth in office leasing, driven primarily by robust domestic occupier demand and return-to-work mandates. The resilience of the Indian economy has played a crucial role in supporting demand from diverse sectors, reinforcing the positive trend for office space absorption despite weak global cues. NCR's impressive performance underscores its attractiveness as a commercial real estate market, with significant expansions in Gurugram and Noida extending beyond traditional office locations and adding quality office spaces.

In H1 2024, NCR saw new office space completions totalling 0.3 million sq m (2.9 million square feet), reflecting a 26% YoY decline due to fewer office buildings receiving occupancy certificates. Despite this decline, Gurugram and Noida continued to lead in new supply infusion, accounting for 54% and 40% of the total new supply, respectively. In Gurugram, areas such as Udyog Vihar, Sector 62, and Sector 65 saw significant new supply. Similarly, in Noida, Sectors 125, 126, 135, 140, and 142 witnessed the operationalization of many new office assets during this period. This continued development in both cities highlights their ongoing growth and capacity to attract commercial investments.




India Office Completions and Transactions (million square feet)

*Source: Knight Frank Research*

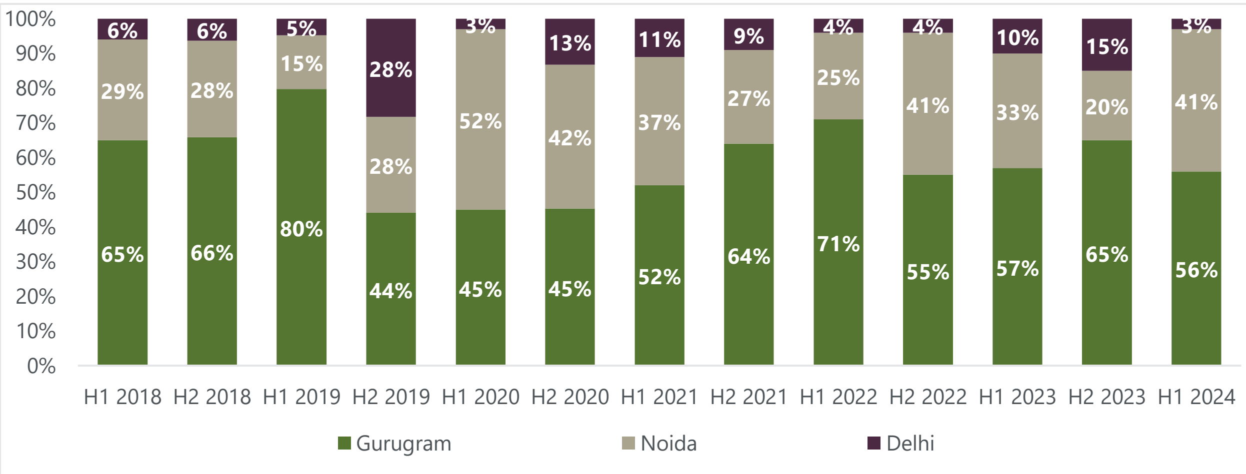
**Delhi NCR business district wise split of transactions**

Among the various business districts in NCR, Gurugram dominated with a 56% share of the total leasing activity in H1 2024, maintaining its strong position from H1 2023. Gurugram's high leasing activity, consistent over the past decade, highlights its appeal as a prime business destination with multiple micro-markets attracting significant interest from occupiers. Noida's share in NCR's total leasing increased from 33% in H1 2023 to 41% in H1 2024, indicating its rising prominence.

In Gurugram, key locations such as DLF Cyber City, Golf Course Extension Road, NH-48, and Udyog Vihar garnered substantial occupier interest, with numerous deals being finalized in these areas during the first half of the year. In Noida, areas along the Noida-Greater Noida Expressway, particularly Sectors 135 and 142, as well as Sector 18, saw significant occupier interest, reflecting the ongoing expansion and attractiveness of these locations.

The sustained high leasing activity in Gurugram, alongside its strategic location and robust infrastructure, presents a significant opportunity for office development. Developers can capitalize on the strong demand and premium status of Gurugram to create new office spaces that cater to the needs of global and domestic businesses, further solidifying the city's position as a leading business center in NCR.

Delhi NCR business district wise split of transactions



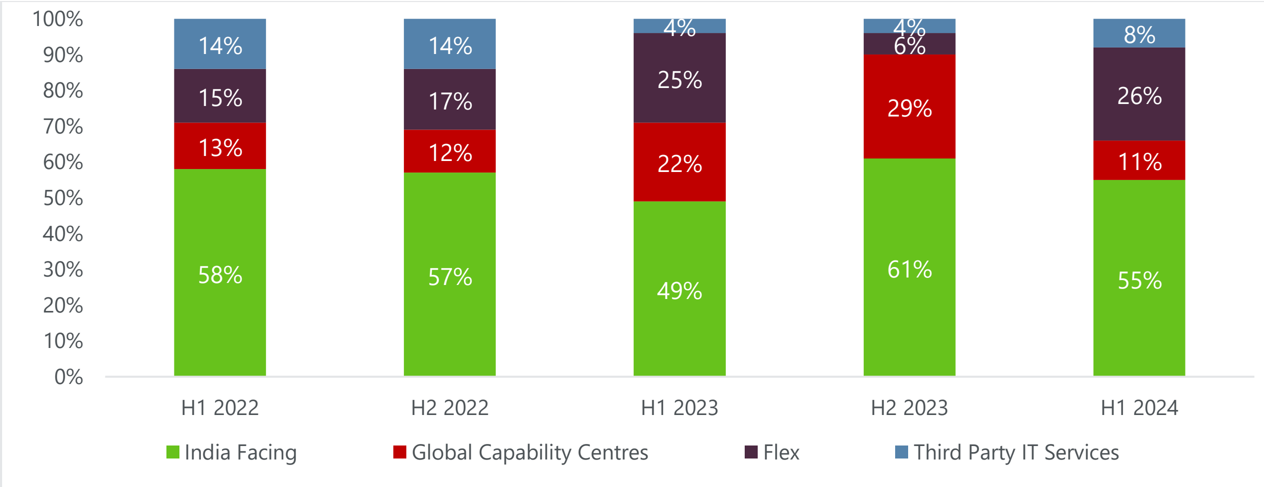

*Source: Knight Frank Research*

**Delhi NCR end-use split of transactions**

In terms of utilization of spaces in H1 2024, businesses catering to India-facing operations comprised 55% of the total leased spaces, followed by flexible space operators accounting for 26%. The share of global capability centres (GCCs) decreased from 22% in H1 2023 to 11% in H1 2024. This short-term moderation is notable, especially since GCCs leased nearly 29% of the total space in the second half of 2023. Space take-up by third-party IT services accounted for 8% of the leasing in H1 2024, showing resilience despite global headwinds, as their share increased from 4% in H1 2023.

Flexible space operators predominantly leased office spaces in various locations of Gurugram, followed by Noida, in the first half of this calendar year. With the pandemic no longer a factor, flex operators are optimistic about expanding their real estate footprint as global market conditions improve. A likely revival is expected in tech and IT outsourcing. In Gurugram, locations such as Golf Course Extension Road and DLF Cyber City were highly sought after by flexible space operators, witnessing the majority of leasing deals in H1 2024.

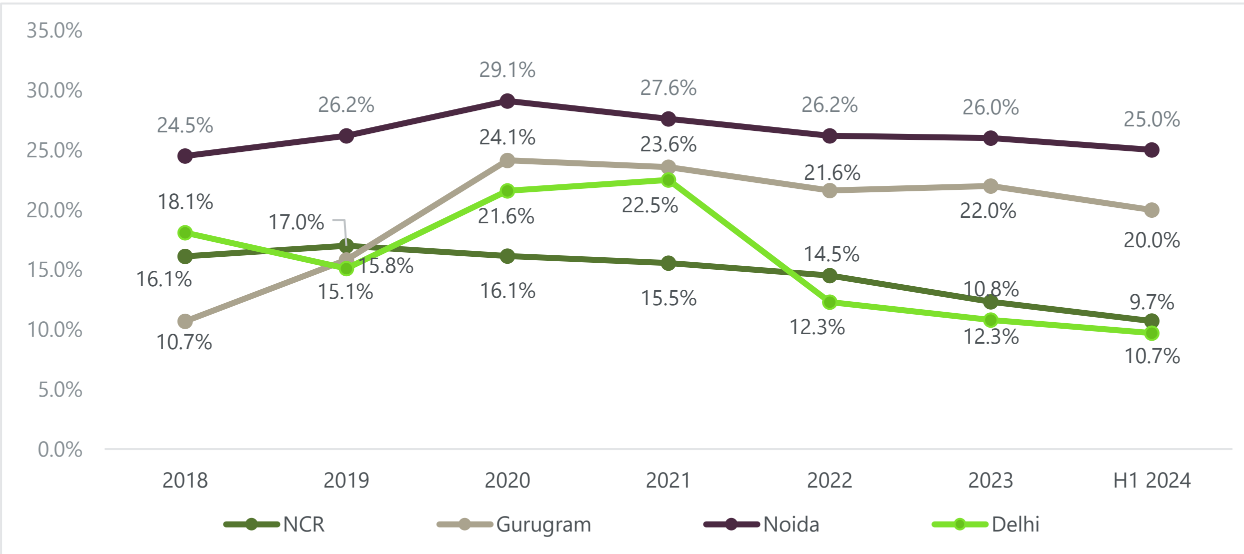
End Split of Office Transactions in Delhi NCR




*Source: Knight Frank Research*

**Delhi NCR Vacancy Trend**

H1 2024 emerged as a record half-yearly period for NCR, marked by a significant decline of 290 basis points in office vacancy rates. From 13.6% in H1 2023, NCR's office vacancy has shrunk to 10.7% at the end of H1 2024. This decline is notable across the key submarkets: Gurugram's vacancy rate decreased from 22.0% in 2023 to 20.0% in H1 2024, Noida's from 26.0% to 25.0%, and Delhi's from 10.8% to 9.7%. The consistently rising occupier demand is likely to lead to further reductions in office space vacancies, which bodes well for the overall health of the NCR office market. This positive trend highlights the region's robust commercial real estate performance, driven by strong leasing activities and the continuous expansion of businesses in prime locations.

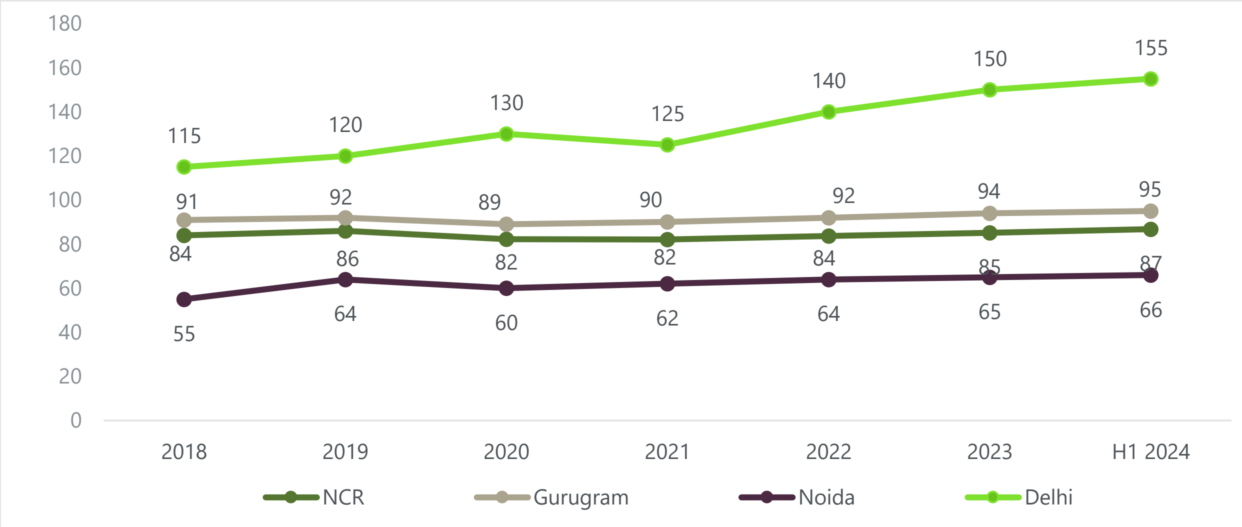



Office Vacancy Trend of Delhi NCR

*Source: Knight Frank Research*

**Delhi NCR business district-wise average rental movement**

In H1 2024, NCR's average transacted office rents witnessed a 4% YoY increase over H1 2023. This rise in rents comes on the back of record-high transaction volumes for office leasing during H1 2024, driven by reduced availability of quality spaces. Despite the infusion of new supply, the demand for premium office spaces has consistently outstripped completions since H1 2023. Specifically, Gurugram saw its average office rents rise to ₹ 95 per square feet per month, Noida to ₹ 66, and Delhi to ₹ 155. These increases reflect the robust leasing activity and the scarcity of top-tier office spaces in these prime submarkets. While the transaction volume grew by 12% YoY, office stock expanded by just 3% in the same period. Looking ahead, we expect new completions to increase in the second half of 2024 as many developers fast-track construction in response to strong occupier demand.




Delhi NCR Business District-Wise Average Rental Movement (₹/square feet/Month)

*Source: Knight Frank Research*

**MAX ESTATES PORTFOLIO AND MARKET DYNAMICS**

This section provides an in-depth overview of Max Estates Limited's portfolio, highlighting the key micro-markets in which the company is currently active or plans to engage in the future. It explores the company's existing projects as well as potential developments, offering a comprehensive look at their strategic positioning and growth plans within these prominent areas.

Max Estates Limited, a subsidiary of the renowned Max Group, stands out as a leading real estate developer in India, distinguished by its unwavering commitment to crafting premium commercial and residential spaces. Max Estates Limited is the real estate development arm of Max group, one of India's business conglomerates with a strong presence in life insurance, senior living and real estate and allied businesses. It is New York Life Insurance's exclusive real estate partner in India.

Max Group has evolved into a USD 4 billion enterprise, with the senior living sector as its primary revenue source, contributing 50.94%. The group consists of three publicly listed entities: the senior living business, real estate and related services at 49.51%, and life insurance at 6.52%. This diversified model allows Max Group to leverage synergies across sectors, ensuring sustainable growth and resilience in a dynamic market.

Max Estates Limited works with leading architect partners in real estate universe including Gensler, which is the largest architecture firm in the world by revenues and number of architects.

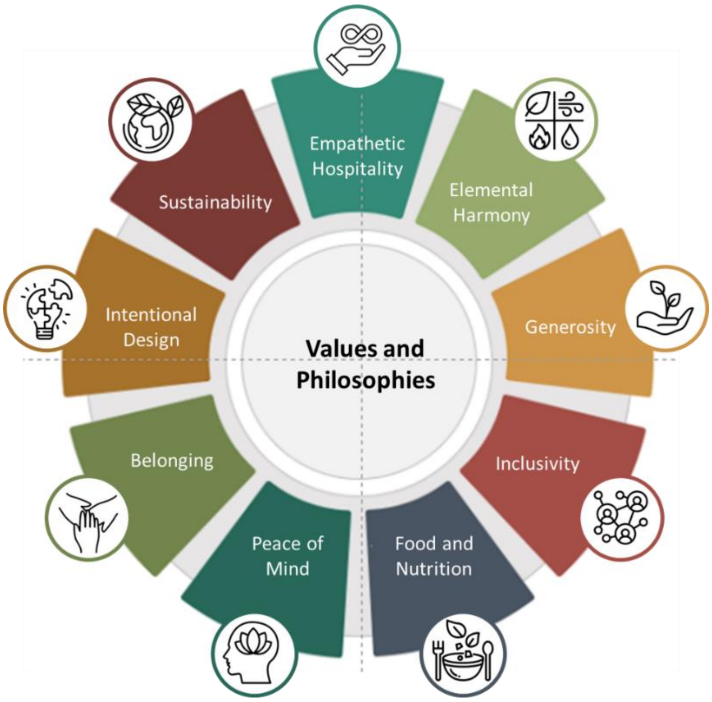
Max Group Subsidiaries

| Holding Companies | Operating Companies | | Group CSR Arm |
|---|---|---|---|
| MAX FINANCIAL SERVICES<br>Life Insurance Business – **6.52%** | MAX LIFE INSURANCE<br>Max Life Insurance | | MAX INDIA FOUNDATION<br>Max India Foundation |
| MAX INDIA LIMITED<br>Senior Living Business – **50.94%** | ANTARA SENIOR LIVING<br>Antara Senior Living | | |
| MAX ESTATES<br>Real Estate and Related Businesses – **49.51%** | MAX I. LIMITED<br>Max I. Limited | MAX ASSET SERVICES<br>Max Asset Services | |

**Max Estates values and Unique Selling Points (USPs)**
**Fundamental Principles of Max Estates**

Max Estates' core values and operating philosophy is "LiveWell" and "WorkWell" which reflects a holistic approach to create spaces that prioritize the well-being, comfort, and satisfaction of their users.

Core Values of Max Estates




Max Estates is committed to an empathetic approach to service, ensuring that interactions with residents, employees, and visitors are thoughtful and considerate. Their design philosophy prioritizes accessibility and inclusivity, creating environments that are welcoming to individuals of all ages, abilities, and backgrounds.

The company emphasizes the development of spaces that support well-being through a focus on comfort, aesthetics, and advanced technology. Integration of natural elements such as air, water, and biophilia enhances the environment and contributes to the health and well-being of occupants. Safety and sanitation are central to Max Estates' operational standards, with careful attention given to site selection to ensure convenience and security. Their design approach incorporates generous spaces and meticulous attention to detail.

Max Estates fosters community engagement through well-designed amenities that encourage social interaction. Their commitment to high-quality food options and sustainability is evident in their practices, including energy efficiency, water conservation, and effective waste management, supported by certifications such as BEE Star ratings and ISO 45001. The company's focus on holistic environments that enhance user well-being and promote community engagement positions Max Estates as a leader in the real estate sector.

**Snapshot of Max Estates Limited Portfolio**

Max Estates is the leading Indian real estate developer active primarily in the Delhi-NCR Region with a focus on developing sustainable, Grade A developments. They are one of the few players in the Delhi-NCR region specializing in residential, commercial, and mixed-use properties, distinguishing them with a broad and diversified geographical footprint.

Max Estates' commercial projects are situated at among the most sought-after locations in the Delhi-NCR Region. The company launched its flagship commercial Grade A project, Max Towers, in Noida in 2017, followed by Max House (Phase 1) in Okhla, Delhi, in 2018. Both projects are fully occupied and command rental premiums of 25% to 30% over their respective micro-markets, highlighting their appeal to both domestic and multinational corporations. Their assets are developed and managed to international standards making them amongst the preferred options for both domestic and multinational corporations in their respective submarkets.

Max Towers, strategically located at the edge of South Delhi in Noida, is a next-generation office building known for its premium workspace environment, attracting leading global and domestic organizations. Max Towers is fully occupied by leading domestic and global organizations and is considered the one of the most premium workspaces of Noida. Further, leases in India are typically on a "warm shell" basis, and as a result tenants typically undertake significant capex at their own expense, they have significantly higher "stickiness" due to high exit costs which helps them to retain their existing tenants. Max House, located in Central Business District of South Delhi, is LEED Gold certified for Green Building Strategies and IGBC Gold Rated for Health and Wellness aspects. It offers its tenants a host of F&B amenities, meeting, and community building spaces at a well-connected, and easily accessible location in South Delhi.

Built on the theme of nature and nurture, Max Square is 0.7 million square feet unique office space, designed around 11,000 square feet of forest. Strategically located on the Noida-Greater Noida Expressway, Max Square is developed in one of the fast-developing sectors in Noida, Sector 129. Max Square is conveniently accessible through both road and metro and connects to key destinations in the National Capital Region. Max 65 Gurugram is the company's first commercial real estate project in Gurugram, situated on a 7.15-acre parcel on Golf Course Extension Road. With a development potential of 1.6 million square feet, it is one of the few commercial sites with access from three sides.

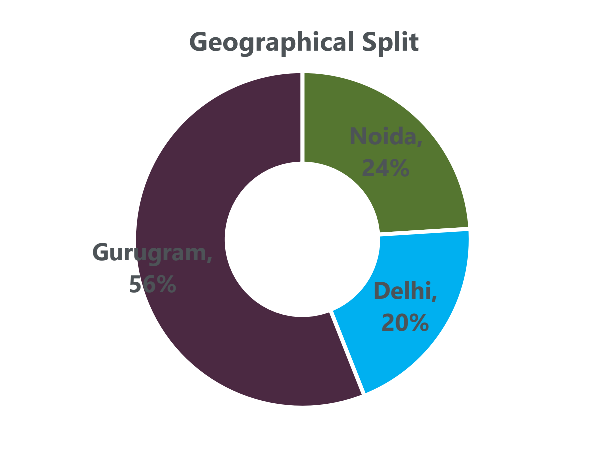
In the residential segment, Estate 128 is our first luxury residential project in the NCR region, situated next to the Noida-Greater Noida expressway with a frontage of 340 meters of expressway. It is IGBC Platinum pre-certified for Green Homes with 7 acres of gardens/ lawns. Estate 360 is Delhi-NCR's first inter-generational community at scale situated on a land area of 11.8 acres at the confluence of three major corridor in Gurugram. It is situated opposite 220-acre green zone and 50 meters green belt and key commercial developments. 222 Rajpur, the company's first residential project completed in 2018 located in Dehradun, Uttarakhand. It is a luxury residential villa community with a limited inventory of 22 bespoke residences situated on 5 acres of land located adjacent to the Malsi forest.

Max Estates' portfolio, encompassing approximately 12 million square feet of current and upcoming projects, reflects the company's dedication to delivering top-tier developments that meet international standards. The locations of these projects are highlighted on the map below:

Mapping of Projects by Max Estates Limited


Geographical Split of Portfolio

Asset Class Split of Portfolio



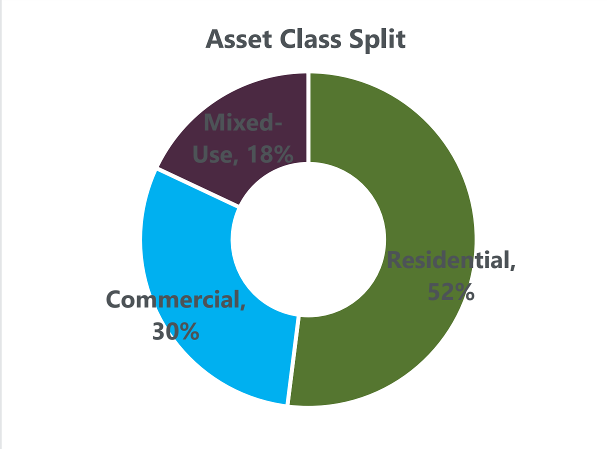




Table showing detailed list of commercial projects of Max Estates Limited in Delhi NCR

| Sr. No. | Project Name | Location | Micro-Market | Project Size (million square feet) | Status |
|---|---|---|---|---|---|
| 1 | Max Towers | Sector 16B | Noida | 0.6 | 100% Leased |
| 2 | Max Square | Sector 129 | Noida | 0.7 | 65% Leased |
| 3 | Max House Block A | Okhla | Delhi | 0.1 | 100% Leased |
| 4 | Max House Block C | Okhla | Delhi | 0.15 | 100% Leased |
| 5 | Max Square Two | Sector 129 | Noida | 1.1 | Under Construction |
| 6 | Sector 65 | Golf Course Extension Road | Gurugram | 1.6 | Under Construction |

Table showing detailed list of residential projects of Max Estates Limited in Delhi NCR

| Sr. No. | Project Name | Location | Micro-Market | Project Size (million square feet) | Status | Launch Year |
|---|---|---|---|---|---|---|
| 1 | Estate 128 | Sector 128 | Noida | 1.0 | 100% Sold | 2024 |
| 2 | Estate 360 | Sector 36A | Gurugram | 2.4 | Yet to Launch | 2025 |
| 3 | Sector 36A | Sector 36A | Gurugram | 4.0 | Yet to Launch | 2026 |

Max Estates Limited primarily focuses its portfolio in the Gurugram and Noida markets. Consequently, these two markets are explored in detail in the subsequent sections.

**Gurugram Real Estate Market Overview**

Gurugram, also known as Gurgaon, is a thriving city in Haryana and a key part of the National Capital Region (NCR) of India. It is one of the most rapidly developing suburbs of Delhi and has emerged as a key player in the economically vibrant National Capital Region (NCR). Strategically located near the International and Domestic Airports of Delhi, the city has transformed dramatically from its origins as an agricultural belt to becoming a major industrial corridor, and now, one of the most prominent commercial hubs in the NCR. The city's initial growth was spurred by favourable tax policies implemented by the Haryana government, significant infrastructure improvements driven by the Haryana Urban Development Authority, and the strategic need for a business centre in close proximity to the Indira Gandhi International Airport.

Over the past two decades, Gurugram has seen a significant transition from industrialization to corporatization, leading to a robust demand in the residential, retail, and hospitality sectors. The city, along with its adjoining areas, has consistently attracted investors, making it one of the most dynamic real estate markets in the NCR. Property prices across all real estate segments — commercial, residential, and retail — continue to appreciate, driven by a steady influx of commercial establishments into the region. Although the market has elements of speculation, investments in Gurugram or Gurgaon have remained stable due to the ongoing expansion of corporate setups, solidifying the city's status as a real estate powerhouse.

**Major Growth Drivers of Gurugram**

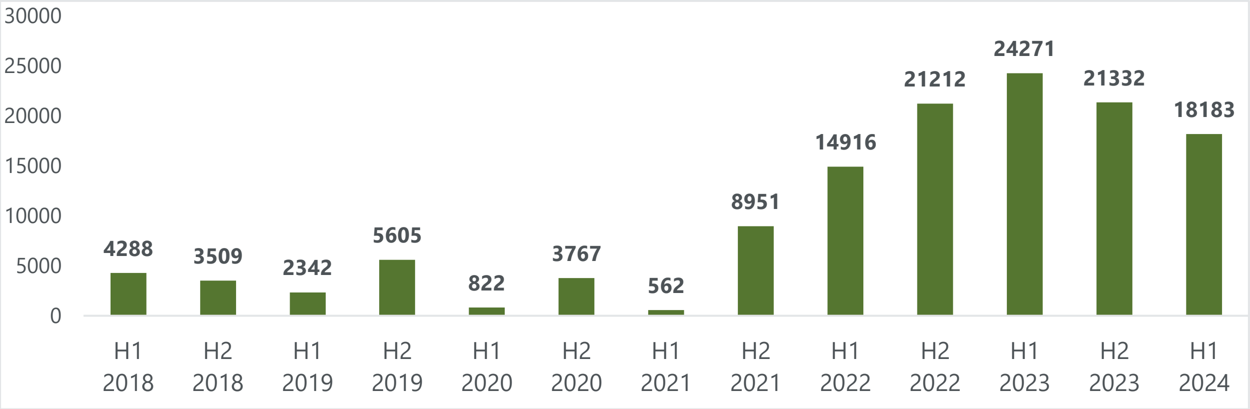
- **Economic Activity:** Gurugram has emerged as the leading business and employment hub among the satellite cities of the NCR. The city hosts a diverse range of industries, including IT/ITes, BFSI (Banking, Financial Services, and Insurance), as well as automobile and auto ancillary manufacturing units. Additionally, Gurugram has one of the highest concentrations of micro, small, and medium enterprises (MSMEs) in Haryana. The thriving business environment has made Gurugram the natural choice for companies looking to expand their presence in Haryana and the NCR.
- **Established Social Infrastructure:** Gurugram boasts world-class healthcare facilities, making it a prominent destination for medical tourism in India. Leading corporate hospitals such as Medanta, Max, Fortis, and Columbia Asia offer state-of-the-art services. The city is also home to premier educational institutions, including prestigious schools like Amity University, DPS International, GD Goenka, and higher education institutes such as MDI and ITM. This well-established social infrastructure significantly enhances the city's appeal for residents and businesses alike.
- **Upcoming Infrastructure:** Gurugram's infrastructure is set to improve further with proposed and ongoing projects like the Delhi Metro Extension, Gurugram Metro, and the Rapid Rail Transit System (RRTS). These developments are expected to enhance both inter-city and intra-city connectivity, making commuting more efficient. Improved infrastructure will likely have a positive impact on property values and stimulate further stimulate real estate development in the city.
- **Other Drivers:** Gurugram, often referred to as the 'Millennium City,' is renowned for its established business infrastructure, abundant employment opportunities, and comprehensive social and physical amenities. The city also offers a high standard of living, with numerous lifestyle options that cater to its sizable young population. Coupled with a healthy per capita income, these factors make Gurugram a prime destination for business growth and investment.

**Gurugram Residential Real Estate Market**

**<u>Residential Launches</u>**

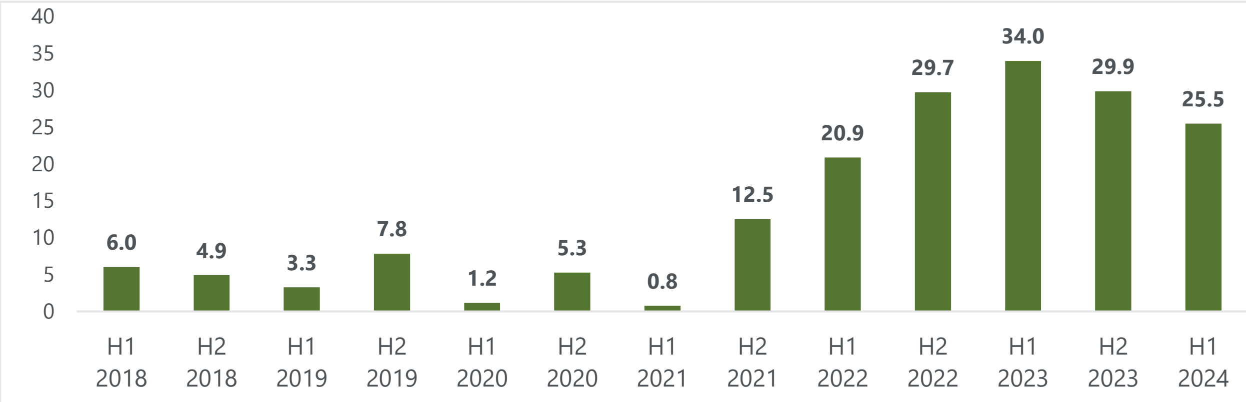
Gurugram's residential market has shown a strong rebound in recent years. After a slowdown in 2019 and early 2020, the market surged in the latter half of 2021, continuing its upward trend into 2022 and 2023. The first half of 2023 saw a peak with over 24,000 new units launched. Although there was a slight decline in the latter half of 2023, the market remained resilient, with over 18,000 new launches in the first half of 2024, reflecting sustained demand and investor confidence.

Residential New Launches in Gurugram (Nos.)




*Source: Knight Frank Research*

Residential New Launches in Gurugram (million square feet)




*Source: Knight Frank Research*

Gurugram's emergence as a premier corporate hub within the NCR has significantly boosted demand for residential properties, particularly in the premium segment. The city's modern amenities, excellent infrastructure, and proximity to key business districts have made it an attractive destination for professionals seeking upscale living options near their workplaces. This rising demand has naturally driven property prices upward, solidifying Gurugram's reputation as a premium residential market.

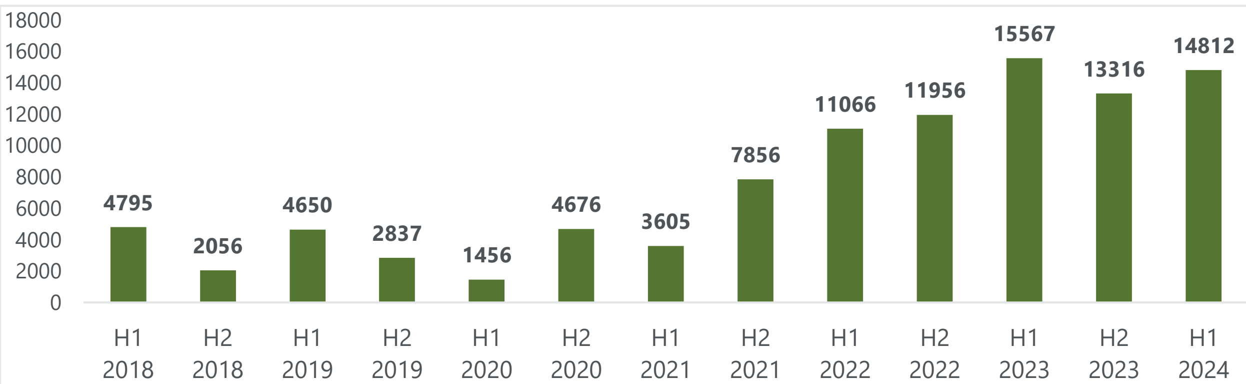
Max Estates is strategically positioning itself within this booming market, particularly with its upcoming launches along the Dwarka Expressway. This area has become a hotspot for high-end residential projects due to its strategic location, providing seamless connectivity to Gurugram City, Delhi, and IGI Airport. The ongoing development of upscale residential projects by renowned developers such as DLF, Tata Housing, Godrej Properties, Shobha, Raheja, BPTP, Adani, M3M, Central Park and others in new growth corridors like Southern Peripheral Road, Sohna Road, and New Gurgaon underscores the strong demand for premium housing.

The company's focus on the Dwarka Expressway aligns perfectly with the current market trajectory. By targeting a location that is witnessing the highest traction among homebuyers, Max Estates is not only capitalizing on the growing demand for luxury living spaces but also reinforcing its commitment to delivering top-tier residential projects that cater to the evolving preferences of discerning buyers. Their strategic moves in Gurugram's premium segment highlight the company's foresight and dedication to capturing a significant share of this thriving market.

**Residential Absorption**

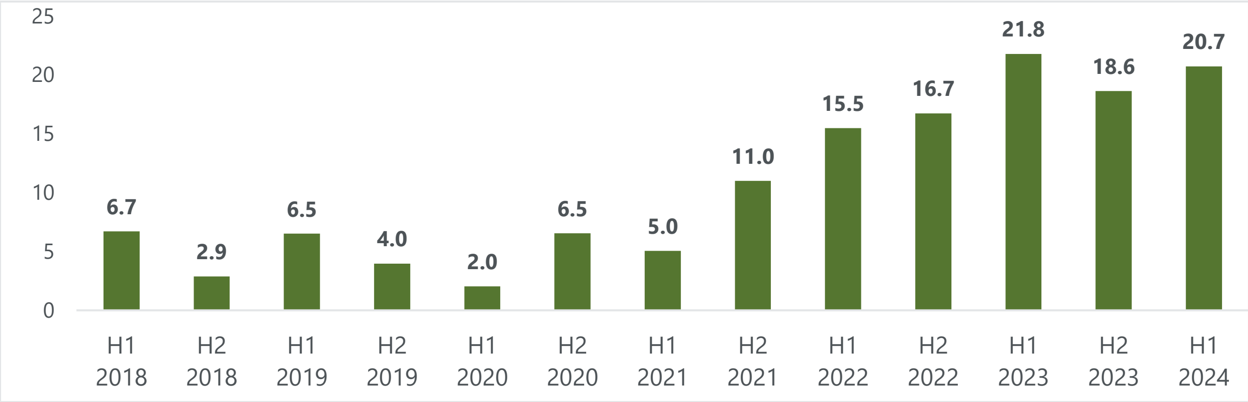
Gurugram's residential sales have shown a fluctuating yet overall upward trend over the past few years. After a drop in sales during the second half of 2018 and the early pandemic in 2020, the market saw a strong recovery in the latter half of 2020 and into 2021. This positive momentum continued with substantial growth in 2022, peaking in the first half of 2023 with over 15,000 units sold. Although there was a slight dip in the second half of 2023, the first half of 2024 still recorded strong sales figures, indicating sustained buyer interest and a resilient residential market in Gurugram.

Residential Sales in Gurugram (Nos.)




*Source: Knight Frank Research*

Residential Sales in Gurugram (million square feet)



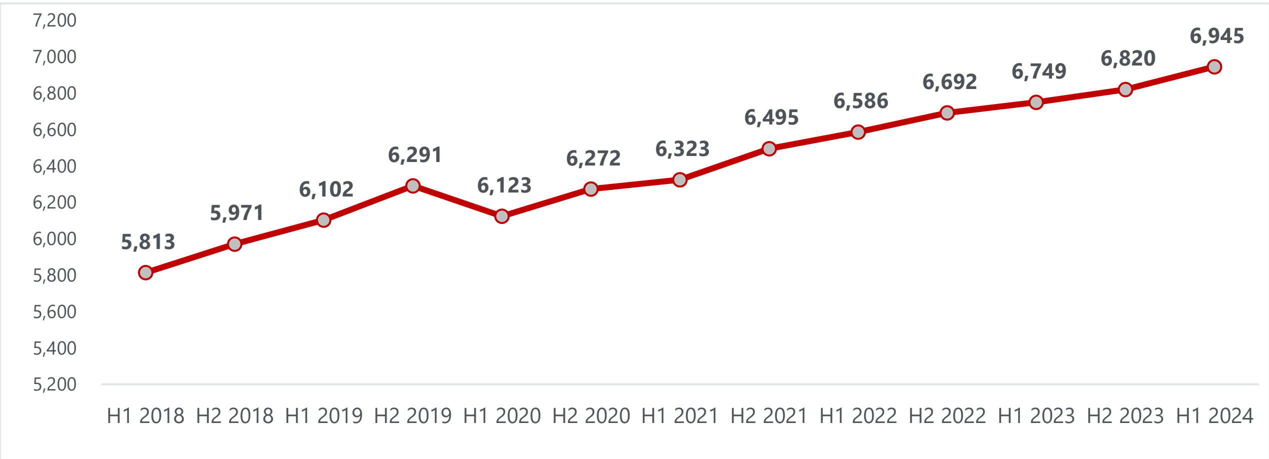

*Source: Knight Frank Research*

In tandem with the surge in new launches, demand for premium residential developments in Gurugram is on the rise, driven by the city's increasing household income levels. As more residents seek elevated living standards, there is a growing preference for developments that offer state-of-the-art amenities, comfort, and spacious homes. Emerging areas like Dwarka Expressway, Southern Peripheral Road, Sohna Road, and New Gurgaon are at the forefront of this trend, providing luxury housing options that meet these expectations. These locations are not only offering premium living but are also well-connected to Gurugram's commercial hubs through established infrastructure, making them highly attractive to discerning homebuyers.

Max Estates' upcoming residential projects in Gurugram stand out not only for their top-notch construction quality and state-of-the-art amenities but also for their strategic location in rapidly developing areas like Dwarka Expressway. These projects are designed to cater to the discerning tastes of modern homebuyers, offering spacious layouts, cutting-edge technology integration, and sustainable design features. Additionally, Max Estates is focusing on creating a holistic living experience with thoughtfully planned green spaces, world-class recreational facilities, and seamless connectivity to major commercial hubs. These attributes position Max Estates' projects as prime choices for homebuyers seeking premium living in Gurugram.

**Residential Capital Prices**

Gurugram's average capital prices have consistently grown over the past few years, underscoring the city's strong real estate market. Starting at ₹ 5,813 per square foot in the first half of 2018, prices have steadily risen, crossing the ₹ 6,000 mark by early 2019. Although the market saw a slight dip in early 2020 due to the pandemic, it quickly rebounded, with prices reaching ₹ 6,495 per square foot by the end of 2021. This upward trend continued through 2022 and 2023, with prices climbing to ₹ 6,820 per square foot by the second half of 2023. As of the first half of 2024, the average capital price in Gurugram has reached ₹ 6,945 per square foot.




Gurugram Average Capital Price Trends (₹/square feet)

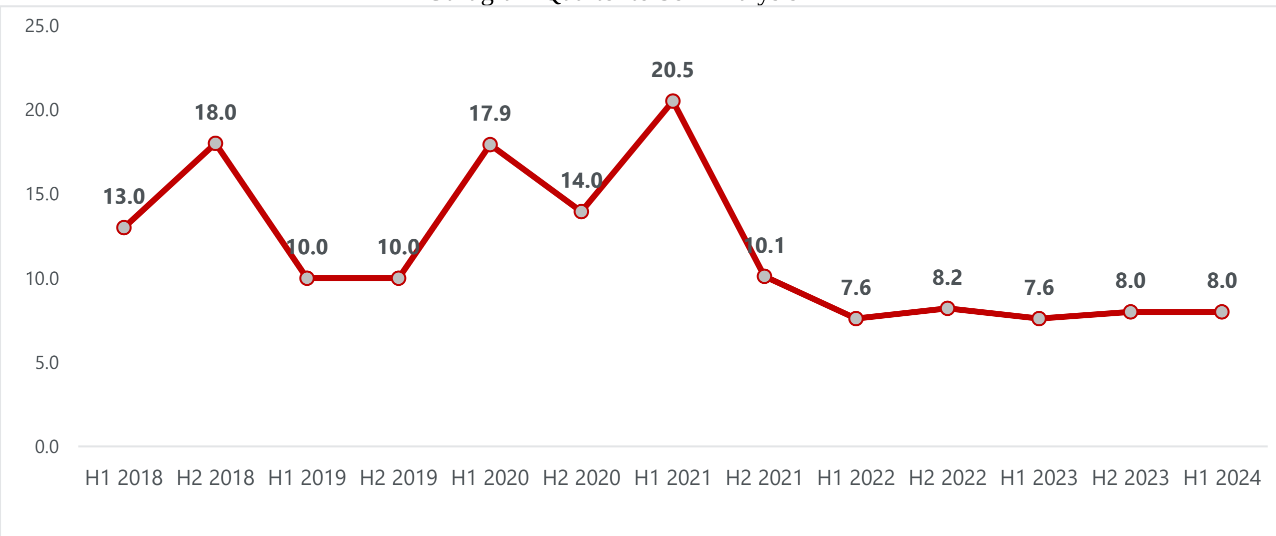
*Source: Knight Frank Research*

This price growth reflects Gurugram's shift towards the premium segment, driven by high demand for upscale residential properties. The city's evolving infrastructure, coupled with its status as a corporate hub, is attracting a discerning buyer base, further boosting prices. Established ultra-premium markets such as Golf Course Road and Golf Course Extension Road command average capital prices of ₹ 22,000 to 25,000 per square feet and ₹ 18,000 to 20,000 per square feet, respectively. In contrast, premium projects in developing markets like Dwarka Expressway, New Gurugram, Southern Peripheral Road and Sohna Road command prices ranging from ₹ 14,000 to 18,000 per square feet. Considering these trends, Max Estates' upcoming developments are perfectly positioned to tap into Gurugram's growing premium market.

**<u>Quarter to Sell (QTS) Analysis</u>**

Gurugram's rising average capital prices are closely linked to its residential inventory dynamics, particularly the 'quarter to sell' (QTS) metric. As the city has shifted towards a premium residential market, high demand has led to faster absorption of inventory, reflected in a decreasing QTS over recent years. While the QTS peaked at 20.5 quarters in early 2021, it has since dropped to around 8.0 quarters by 2024, indicating a strong and balanced market. This quickening pace of sales has supported continuous price growth, underscoring Gurugram's status as a sought-after real estate destination.

Gurugram Quarter to Sell Analysis




*Source: Knight Frank Research*

Given this dynamic market, Max Estates is making a strategic move by launching its new projects in Gurugram. The low QTS indicates a healthy and vibrant market, with strong demand for residential properties. By entering the market now, Max Estates is well-positioned to capitalize on this favorable trend, offering premium developments that align with the city's evolving real estate landscape. Their projects are set to attract buyers who are eager to invest in high-quality living spaces, further cementing Gurugram's reputation as a top destination for luxury real estate.

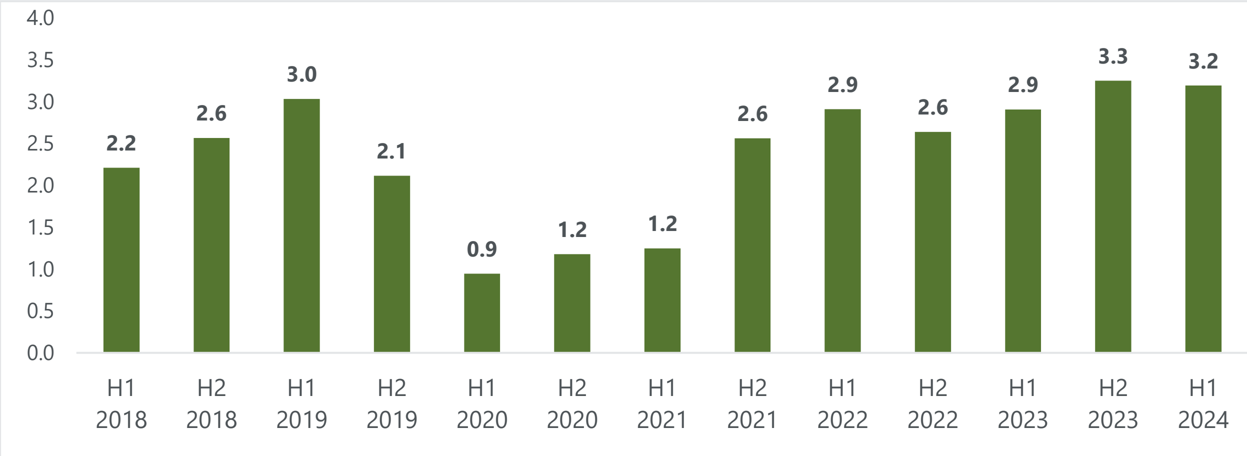
**Gurugram Office Real Estate Market**

Gurugram has emerged as a leading office real estate hub in the Delhi urban agglomeration, driven by its superior infrastructure, connectivity, and more affordable commercial spaces compared to Delhi. The constrained supply of quality commercial space in Delhi has led many companies, particularly in the IT/ITeS sector, as well as multinational corporations and large corporates, to relocate to Gurugram. Areas like Udyog Vihar, MG Road, and the initial stretch of NH-48 have become established commercial hubs, though they now have limited new supply. Meanwhile, newer prime developments are concentrated along corridors such as Sohna Road, Golf Course Extension Road, and Dwarka Expressway. These areas are witnessing the rise of integrated complexes that combine retail spaces on lower floors with commercial offices above, offering a modern, mixed-use environment that continues to attract businesses to Gurugram.

**<u>Office Transactions</u>**

Gurugram's office real estate sector has shown resilience and growth over the years, consistently leading the NCR in office transactions. Beginning with 2.2 million square feet in the first half of 2018, office transactions in Gurugram peaked at 3.0 million square feet by the first half of 2019, before experiencing a decline during the early phase of the pandemic in 2020. However, the market quickly recovered, with transactions rebounding to 2.6 million square feet by the second half of 2021. The upward trajectory continued through 2022 and 2023, with transactions reaching 3.3 million square feet in the latter half of 2023 and maintaining a strong 3.2 million square feet in the first half of 2024.

Gurugram's dominant share in NCR's office transactions is a testament to its strong demand for commercial space. This demand is driven by its attractive business environment, lower capital and rental values compared to Delhi, and ongoing infrastructural developments. As companies continue to seek high-quality office spaces with modern amenities, Gurugram remains the preferred destination, solidifying its position as the leading office market in the region.




Office Transactions trend in Gurugram (million square feet)

*Source: Knight Frank Research*

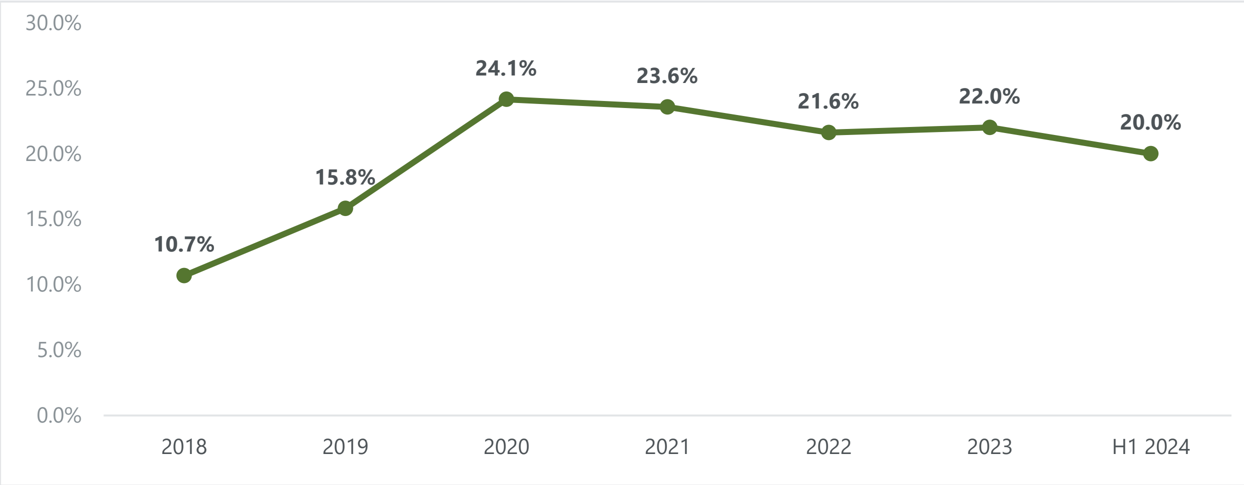
On Golf Course Extension Road, where Max Estates is developing its new office project, the area is emerging as a prominent commercial hub. The micro-market is home to notable occupiers such as Zomato, Deloitte, British Airways, Reliance Industries, Renew Power, Dell, Fareportal, Smartworks and Bharti Airtel. This region is attracting significant interest from office tenants, with businesses relocating from older areas like Udyog Vihar, NH-8, and Sectors 32 and 44. These older locations feature outdated buildings and higher rentals, while Golf Course Extension Road offers modern, green-certified office spaces with efficient floor plates at competitive rentals.

Max Estates' commercial project is strategically positioned to capitalize on this trend. With the high demand for quality office spaces in the area, their development aligns perfectly with the market's shift toward new, premium commercial spaces, reinforcing Golf Course Extension Road as the next major commercial hub in Gurugram.

**Office Vacancy Rates**

Gurugram's office market, while leading NCR in transaction volumes, has seen fluctuating vacancy rates, rising from 10.7% in 2018 to 24.1% in 2020. This increase was largely due to a surge in new office space supply. The vacancy rate has since stabilized at around 21.6% in 2022 and 22.0% in 2023, with a slight decrease to 20.0% in the first half of 2024. This higher vacancy reflects a robust development pipeline and growing market confidence, positioning Gurugram as a prime location for businesses seeking modern office environments and indicating a healthy and expanding real estate sector.

Office Space Vacancy Trend of Gurugram




*Source: Knight Frank Research*

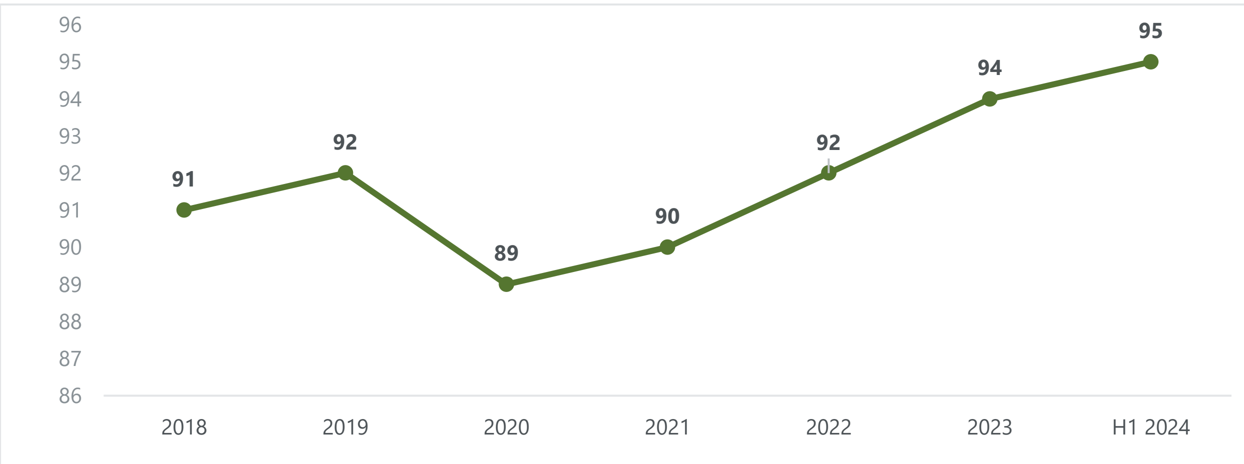
Gurugram's office market, while leading NCR in transaction volumes, has seen fluctuating vacancy rates, rising from 10.7% in 2018 to 24.1% in 2020. This increase was largely due to a surge in new office space supply. The vacancy rate has since stabilized at around 21.6% in 2022 and 22.0% in 2023, with a slight decrease to 20.0% in the first half of 2024. This higher vacancy reflects a robust development pipeline and growing market confidence, positioning Gurugram as a prime location for businesses seeking modern office environments and indicating a healthy and expanding real estate sector.

In contrast, Golf Course Road, a prominent micro-market within Gurugram, presents a more favourable scenario with an average office vacancy rate of approximately 12% to 15%. This lower rate is notably below the city's overall average, suggesting stronger demand and a more competitive market in this area. The reduced vacancy level on Golf Course Road indicates that the micro-market is thriving, attracting higher occupancy rates, and demonstrating its appeal to businesses. The strong performance of Golf Course Road underlines its status as a prime commercial hub, offering well-situated, high-quality office spaces in a vibrant and expanding part of Gurugram's office market. Consequently, this robust demand and lower vacancy rate highlight the promising prospects for Max Estates' under-construction project in the area, positioning it as a strategic investment in a thriving market.

**Average Office Rental Trend in Gurgaon**

Gurugram's office rental market has shown a steady upward trend in recent years. Starting at an average rent of ₹ 91 per square feet per month in 2018, rental prices saw a modest increase to ₹ 92 in 2019. Although there was a slight dip to ₹ 89 in 2020, likely due to the pandemic's impact, the market quickly rebounded. By 2021, average rents stabilized at ₹ 90 and continued to rise, reaching ₹ 92 in 2022 and ₹ 94 in 2023. As of the first half of 2024, average office rents have further increased to ₹ 95 per square feet per month. This consistent growth reflects a resilient office market in Gurugram, driven by increasing demand and a robust real estate environment.

Average Office Rental Movement in Gurugram (₹/square feet/Month)



*Source: Knight Frank Research*

On Golf Course Extension Road, average office space rentals range from ₹ 75 to 80 per square feet per month. However, premium commercial developments in this area command higher rates due to their superior features. For instance, AIPL Business Club leases at ₹ 90 to 120 per square feet, Tata Realty Intellion Park at ₹ 90 to 100, Ireo Grand at ₹ 110 to 120, and World Mark at ₹ 90 to 110. These higher rentals are attributed to their efficient floor plans, quality construction, green certifications, prime locations, and strong tenant profiles. Consequently, the premium development by Max Estates is anticipated to command rentals above the market average.

**Noida Real Estate Market Overview**

Noida has established itself as a premier residential destination for those employed in Delhi, thanks to its excellent connectivity through a network of roads, national highways, and the modern eight-lane expressway. This strategic location offers seamless access to the capital and other parts of the country, making it an attractive choice for commuters.

Noida's real estate market offers a diverse range of housing options, from affordable apartments to luxury villas, supported by well-planned infrastructure and modern amenities like shopping malls, entertainment hubs, and educational institutions. The city's green spaces and recreational facilities further enhance its appeal, making it a desirable location for families and professionals.

The city’s strong industrial base, housing numerous multinational companies, IT firms, manufacturing units, and BPO centers, has significantly driven residential real estate demand. Technology parks like the Noida Special Economic Zone (NSEZ), Noida Export Processing Zone (NEPZ), and Sector 62 Electronic City have attracted investment and generated employment, fueling the development of residential projects near these employment hubs.

**Major Growth Drivers of Noida**

- **IT and Technical Sector:** Noida has become a major hub for the IT and technology sectors, hosting renowned international companies like Adobe Systems, Microsoft, Oracle, Amazon, HCL Technologies, and Samsung. As one of India's largest IT-BPO hubs, Noida attracts a skilled workforce and fosters innovation through its thriving start-up ecosystem. This strong presence of global tech giants drives economic growth and creates substantial employment opportunities.
- **Manufacturing Sector:** Noida’s economy is heavily driven by its industrial sector, which provides employment to lakhs of individuals. The city hosts key organizations such as NTPC, Birla, GAIL, BHEL, NFL, and FCI. Noida’s well-established industrial areas, supported by favorable government policies, have attracted diverse manufacturing units across sectors like electronics, automotive, and consumer goods sectors, contributing significantly to the region’s economic activity.
- **Established Infrastructure:** Noida’s proximity to Delhi has made it a prime residential destination, featuring a well-developed network of roads and civic infrastructure. The city’s extensive infrastructural development, including the widening of national highways, enhances accessibility and promotes seamless travel. Noida’s planned urban layout, with modern utilities and public services, adds to its appeal as a residential and business hub.
- **Upcoming Infrastructure:** Noida is set for significant growth with strategic projects like the expansion of Metro services and the construction of the Faridabad-Noida-Ghaziabad (FNG) Expressway. These developments will enhance regional connectivity and spur economic growth. Additionally, the proposed Jewar International Airport is expected to boost the logistics and manufacturing sectors, attracting more businesses and investments, and driving Noida’s long-term growth.

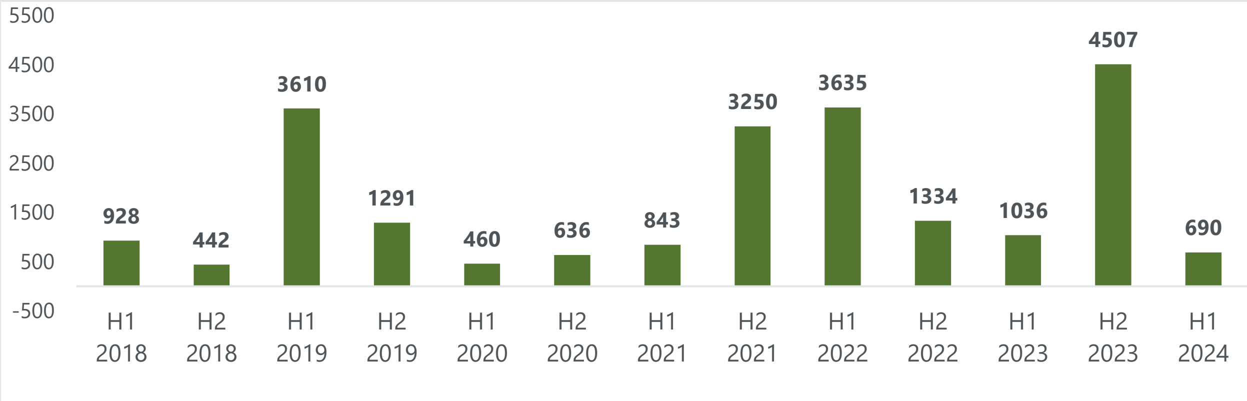
**Noida Residential Real Estate Market**

Noida's residential real estate market is flourishing, fuelled by its strategic location, strong infrastructure, and vibrant industrial base. The city's modern amenities, including shopping malls, educational institutions, and recreational facilities, make it an attractive place to live. Its proximity to major employment hubs in the IT and manufacturing sectors further drives demand for housing. With ongoing infrastructure projects like metro expansions and the upcoming Jewar International Airport, Noida's residential market is set for continued growth, appealing to both homebuyers and investors.

**<u>New Launches in Noida</u>**

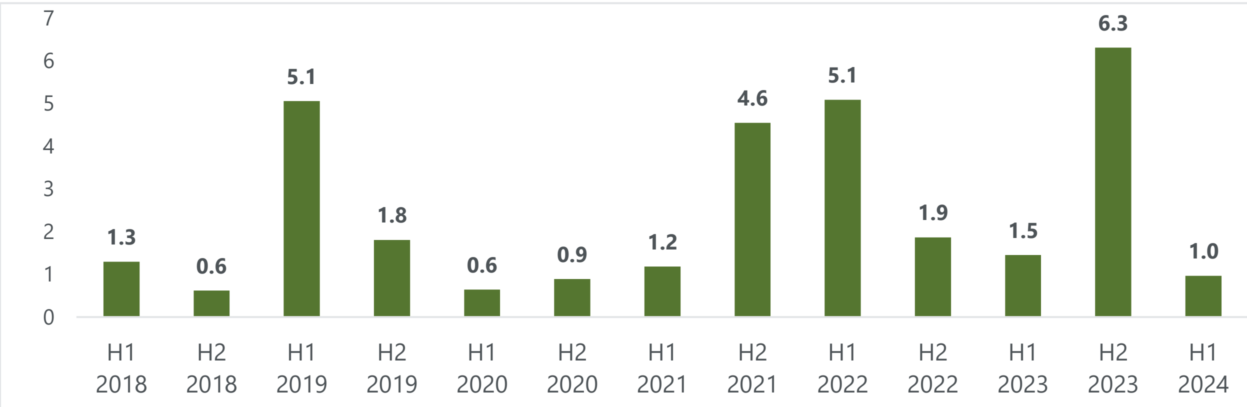
The city’s residential real estate market has seen fluctuating trends in new launches over the years, reflecting the city's evolving demand and market dynamics. After a dip in 2018, with just 442 units launched in H2, the market rebounded in H1 2019 with a significant surge to 3,610 units launched. The subsequent years witnessed varying levels of activity, with notable spikes in H2 2021 and H2 2023, reaching 3,250 and 4,507 units, respectively. This recent increase in new launches, particularly in H2 2023, signals growing confidence among developers and a shift towards premium projects. Noida is increasingly attracting high-end residential developments, catering to the rising demand for luxury living in the city.

Residential New Launches in Noida (Nos.)




*Source: Knight Frank Research*

Residential New Launches in Noida (million square feet)



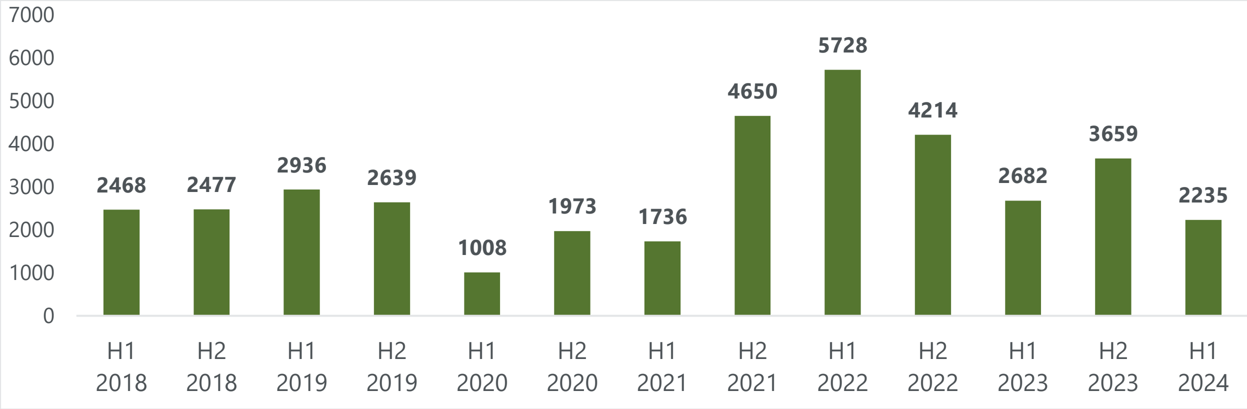

*Source: Knight Frank Research*

Noida, traditionally known for its affordable to mid-end market, is now establishing itself as a premium destination. The launch of high-end projects such as Godrej Tropical Isle, Supertech Supernova, ATS Knightsbridge, and M3M Cullinan along the Noida-Greater Noida Expressway has significantly enhanced the market's image. These developments are setting new benchmarks for luxury living in Noida, reflecting the area's shift towards a more upscale real estate landscape. Max Estates’ premium project, Max Estate 128, is strategically positioned within this evolving market, aligning perfectly with the growing demand for high-quality residential spaces in the Noida-Greater Noida Expressway corridor.

**Residential Sales in Noida**

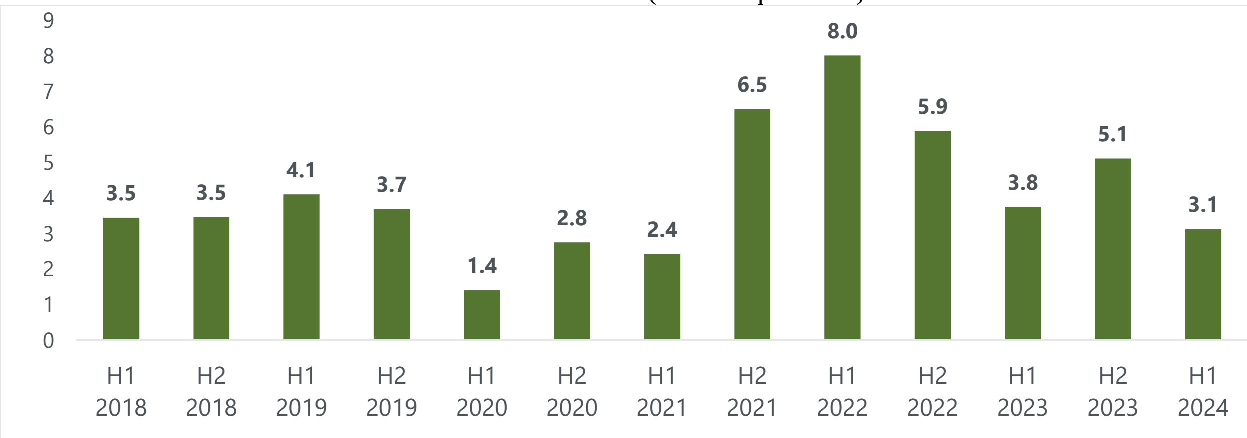
Noida's residential real estate market highlights strong demand, as recent sales figures consistently exceed new launches. In H1 2024, for instance, sales reached 2,235 units while new launches amounted to only 690 units. This disparity indicates a robust market appetite, with demand outpacing supply. The trend of higher sales compared to launches over recent years underscores the city's appeal and ongoing interest in Noida's residential properties. As the market continues to favour existing offerings over new developments, it reflects a dynamic and resilient real estate environment.

Residential Sales in Noida (Nos.)




*Source: Knight Frank Research*

Residential Sales in Noida (million square feet)



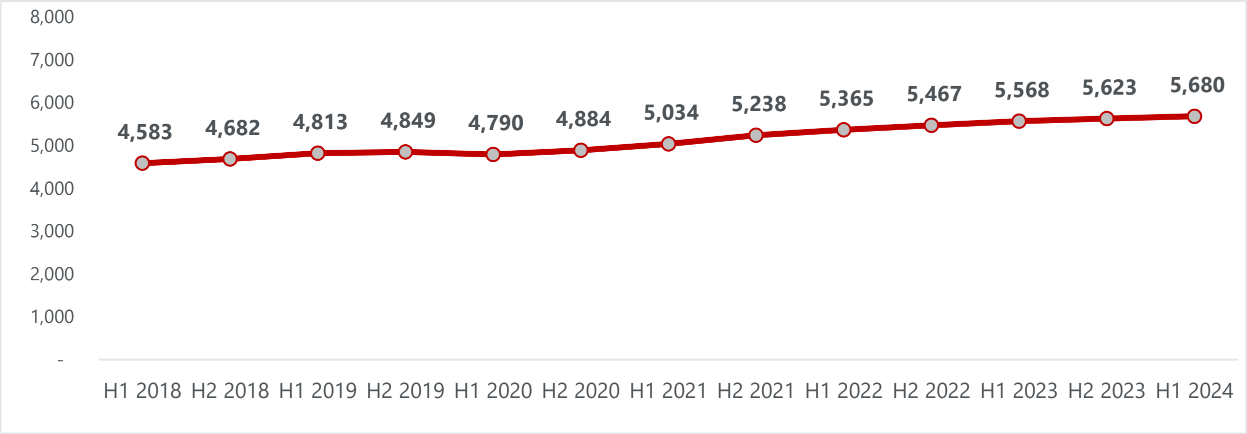

*Source: Knight Frank Research*

In line with recent launches, premium projects along the Noida-Greater Noida Expressway have seen impressive sales velocities, driven by strong demand for high-end developments. A prime example is Max Estate 128, which was quickly sold out due to its appeal and strategic location. This trend indicates a positive outlook for premium developments in the Noida-Greater Noida Expressway corridor, reinforcing the area's emerging status as a prime location for luxury living.

**Residential Average Capital Prices in Noida**

Noida's average capital prices have demonstrated a steady increase, rising from ₹ 4,583 per square feet in the first half of 2018 to ₹ 5,680 per square feet in the first half of 2024. This upward trend reflects the city's evolving real estate landscape, driven by rising income levels and increasing demand for premium housing. As residents' disposable incomes have grown, so has their preference for luxury living, prompting developers to launch more high-end projects. The demand for upscale residential options has, in turn, fuelled the increase in average property prices. This shift towards the luxury segment is indicative of Noida's transformation into a sought-after destination for discerning buyers, with developers responding by introducing premium projects that further boost market values. As the city continues to attract affluent buyers, the trend of rising capital prices is expected to persist, reinforcing Noida's position as a premium real estate market.

Noida Average Capital Price Trends (₹/Sqft)



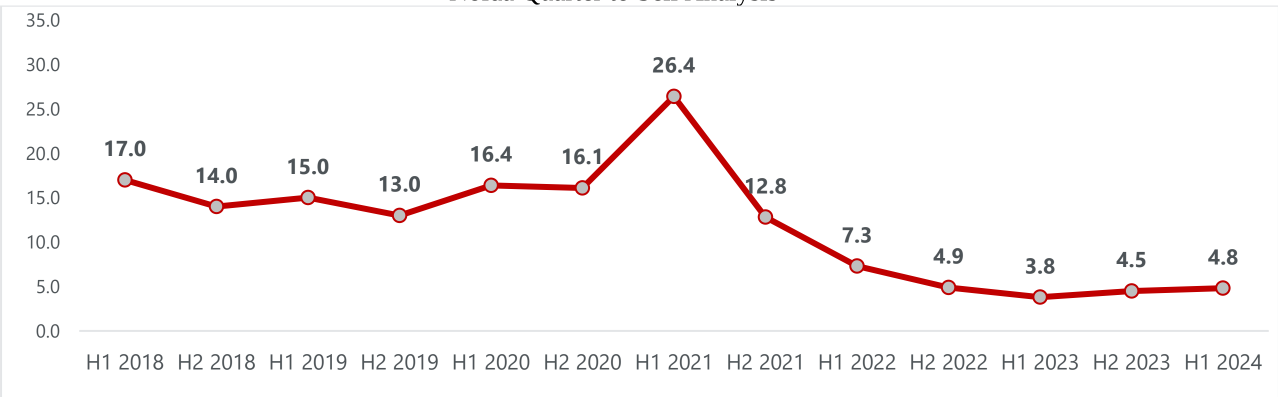

*Source: Knight Frank Research*

The average residential capital prices along the Noida-Greater Noida Expressway currently range from ₹ 10,000 to 12,000 per square feet. In contrast, premium projects such as Max Estate 128 command prices between ₹ 20,000 to 22,000 per square feet, while M3M The Cullinan is priced at ₹ 18,000 to 20,000 per square feet. Other notable projects include Godrej Tropical Isle at ₹ 13,000 to 15,000 per square feet, ATS Knightsbridge at ₹ 18,000 to 18,500 per square feet, and Gulshan Dynasty at ₹ 15,000 to 16,000 per square feet. These elevated price points underscore the premium nature of developments in the area, further highlighting Noida's transition to a high-end real estate market.

**Noida Quarter to Sell (QTS)**

Noida's residential market dynamics are reflected in the 'quarter to sell' (QTS) metric, which measures the time required to absorb available inventory. Over recent years, Noida has experienced a notable shift in its QTS, mirroring its evolving real estate landscape. Starting at 17.0 quarters in H1 2018, the QTS fluctuated but generally showed a consistent downward trend, reaching a low of 3.8 quarters in H1 2023. This decrease in QTS indicates a strong demand for residential properties, as inventory was being absorbed rapidly. Despite a slight uptick in H2 2023 and early 2024, the overall trend reflects a healthy market with quick turnover, supporting the rise in average capital prices. This efficient absorption of inventory aligns with Noida's growing appeal and the increasing preference for premium residential options, reinforcing its position as a dynamic and attractive real estate market.

Noida Quarter to Sell Analysis




*Source: Knight Frank Research*

The current state of Noida's market further demonstrates its positive health and outlook. With a high rate of inventory turnover and a steady rise in average capital prices, the market is clearly robust and responsive to demand. The influx of premium projects, coupled with strong sales performance, highlights the city's transformation into a high-end real estate hub. The increased interest from developers and the growing number of luxury residential offerings signal a continued upward trajectory for Noida's real estate sector. As the market adapts to the evolving preferences of affluent buyers, Noida is well-positioned to maintain its momentum and attract further investment, ensuring a bright future for its residential real estate landscape.

**Noida Office Real Estate Market**

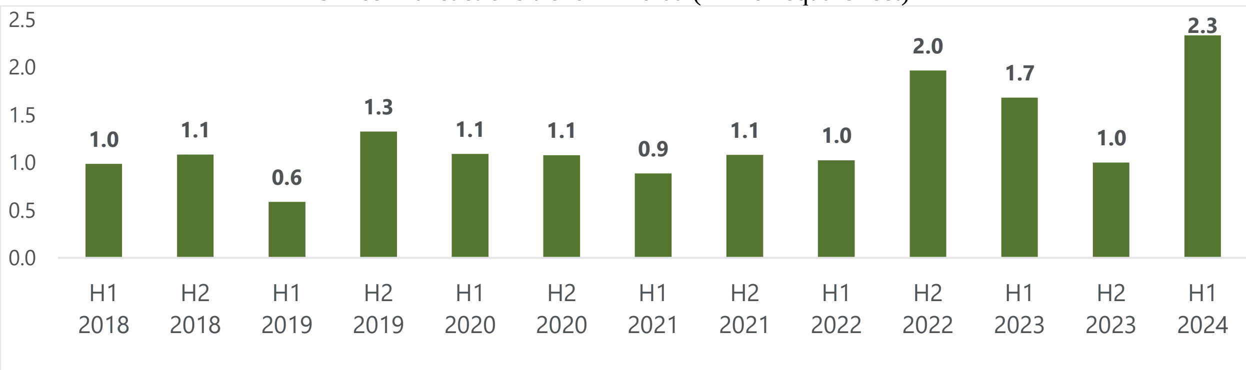
Noida's office space market has flourished due to its strategic location, superior infrastructure, and supportive state government initiatives. It's well-connected network of highways and metro rail links to Delhi and other parts of the National Capital Region (NCR) has made Noida a preferred choice for businesses seeking cost-effective yet well-connected office spaces. The city’s commercial real estate sector is predominantly driven by the IT/ITeS industry, which benefits from Noida’s competitive rental rates compared to other commercial hubs like Gurgaon and Bangalore, coupled with its robust infrastructure.

The state government’s proactive measures, including the promotion of Noida as an IT and startup destination, have further bolstered the market. Key initiatives such as the development of the Noida International Airport, the establishment of a startup incubation centre, and the extension of the Noida-Greater Noida Metro Rail project are set to enhance the city’s commercial real estate landscape. These developments are expected to attract more businesses, stimulate demand, and contribute to the ongoing growth and evolution of Noida’s office space market.

**Office Transactions in Noida**

Noida's office real estate market has demonstrated notable activity over recent years, reflecting a robust demand for commercial spaces. Transaction volumes have shown a positive trend, with significant peaks indicating a dynamic market. Starting at 1.0 million square feet in H1 2018, transactions experienced fluctuations but generally remained active. The market saw a notable uptick in H2 2022, reaching 2.0 million square feet, and continued to exhibit strength in 2023 with 1.7 million square feet in H1. The momentum has carried into 2024, with transactions reaching 2.3 million square feet in the first half of the year.

Office Transactions trend in Noida (million square feet)



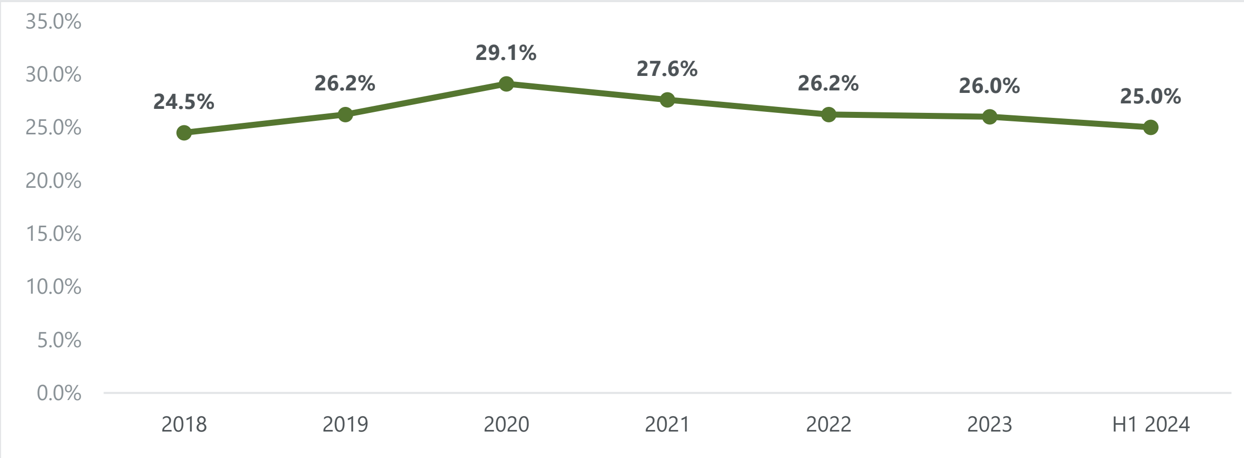

*Source: Knight Frank Research*

The key office micro-markets in Noida include Sector 16, Sector 62, and the Noida-Greater Noida Expressway. These areas feature some of the most sought-after office buildings, such as Max Towers, Berger Tower, BPTP Capital City, Advant Navis Business Park, DLF Tech Park, One Skymark, and Max Square 129. These buildings attract a diverse range of high-profile tenants, including WeWork, Dainik Jagran, Ultratech Cement, Cyril Amarchand Mangaldas, Udacity, Skootr, NDTV, Clear Water Analytics, Tablespace, Siemens, Croma, Samsung Engineering, KPMG, Synopsys, and STT. The presence of these prominent tenants and high-demand buildings underscores the attractiveness and vitality of Noida's office market, reflecting its status as a major hub for commercial activity.

**Vacancy Trends in Noida**

Noida's office market has experienced fluctuating vacancy levels over the past several years, reflecting the evolving dynamics of commercial real estate in the city. Starting at 24.5% in 2018, vacancy rates increased to 29.1% in 2020, driven by economic uncertainties and an influx of new supply. However, as the market stabilized and demand grew, vacancy levels began to decrease. By 2022, the vacancy rate was 26.2%, and improved slightly to 26.0% in 2023. In the first half of 2024, vacancy rates further reduced to 25.0%. This gradual decrease in vacancy suggests a positive shift in market absorption, driven by increasing demand and the effective utilization of available office space in Noida.

Office Space Vacancy Trend of Noida



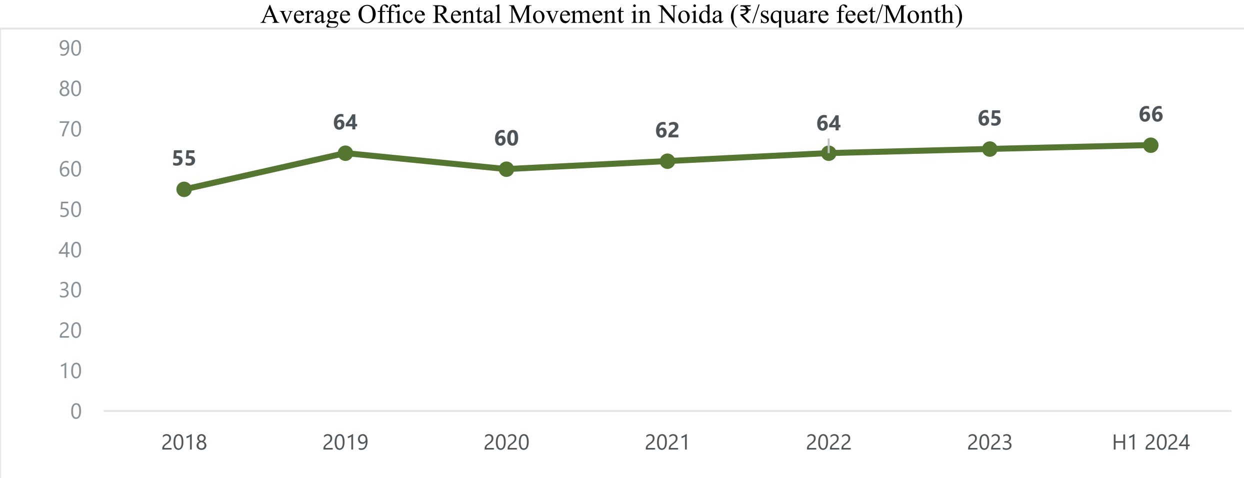

*Source: Knight Frank Research*

However, premium office developments in Noida, which maintain an average vacancy rate of 5% to 10%, show a much stronger performance compared to the city's overall average. This indicates a positive outlook for high-quality office spaces, particularly along the Noida-Greater Noida Expressway. The low vacancy levels in these premium developments underscore the area's growing appeal among businesses, further highlighting the demand for top-tier office environments in this corridor.

**Office Rental Trends in Noida**

Noida's office rental market has shown a steady increase in average rental rates over recent years. Beginning at ₹ 55 per square feet per month in 2018, rents gradually climbed to ₹ 64 per square feet by the end of 2019. Despite a slight decline in 2020 due to the pandemic, rentals rebounded and continued their upward trend, reaching ₹ 62 per square feet in 2021. This positive momentum persisted through 2022 and 2023, with rents reaching ₹ 65 per square feet by the end of 2023. In the first half of 2024, average office rents have further increased to ₹ 66 per square feet.

Average Office Rental Movement in Noida (₹/square feet/Month)




*Source: Knight Frank Research*

The average rental along the Noida-Greater Noida Expressway is currently between ₹ 60 and 70 per square feet. However, premium developments such as World Trade Tower command higher rents, ranging from ₹ 120 to 130 per square feet, Berger Tower at ₹ 125 to 135, BPTP Capital City at ₹ 110 to 130, DLF Tech Park at ₹ 75 to 80, One Skymark at ₹ 120 to 125, and Max Towers at ₹ 130 to 140 per square feet. These figures indicate that premium developments are commanding a significant 20% to 25% premium over the average market price.

Similarly, in Okhla, where the average market rent ranges between ₹ 60 to 70 per square feet, Max Estates is able to command rentals of ₹ 100 to 120 per square feet. This demonstrates Max Estates' ability to secure premium rates across different micro-markets, underscoring the strong demand for their high-quality developments.

**Max Estates' Synergy with the evolving real estate landscape**

- **Indian Economy:** With the growing GDP and rising per capita income, the standard of living in India is improving significantly. This economic progress is bolstering consumer purchasing power and driving demand for high-quality real estate. Private equity investments in the real estate sector are also on the rise, reflecting increased confidence in the market's potential. Furthermore, several government initiatives are supporting real estate growth by enhancing infrastructure and streamlining regulatory processes. These factors are collectively fueling the expansion of both residential and commercial markets, positioning India as a dynamic and attractive environment for real estate development.

- **India Real Estate Market:** India's real estate sector is experiencing significant growth, driven by rising incomes and a shift in residential demand towards the premium segment. The commercial segment is also expanding, with the presence of Global Capability Centers (GCCs) increasing the demand for large and high-quality office spaces by Multi-National Companies (MNCs). Max Estates Limited is strategically positioned to capitalize on these trends, with its focus on developing premium residential projects and high-grade commercial spaces. Their approach aligns perfectly with the evolving preferences of homebuyers and the expanding requirements of global corporations, ensuring that they remain a key player in the market's upward trajectory.
- **Delhi NCR Real Estate Market:** Delhi NCR is one of the largest and fastest-growing real estate markets in the country. Prominent areas like Gurugram and Noida are rapidly evolving into premium markets. Max Estates' current and future plans to expand their portfolio in these two cities within the premium segment align well with the region's growth trajectory and current demand dynamics. By focusing on high-end residential and commercial developments in these prime locations, Max Estates is ensuring that they not only meet the existing demand but also set new benchmarks for quality and luxury in the NCR real estate landscape.
- **Max Estate Portfolio and Market Dynamics:** Gurugram and Noida are key drivers in Delhi NCR's real estate landscape, with both markets experiencing robust growth and a strong demand for premium properties. Max Estate's strategic presence in these high-demand areas positions the company to capitalize on this upward trend effectively. Future developments by Max Estates are strategically located in some of the region's fastest-growing corridors, including Dwarka Expressway, Golf Course Extension Road, and Noida-Greater Noida Expressway. These areas are witnessing rapid infrastructure development and increasing interest from homebuyers and investors alike, promising a favorable outlook for Max Estates' upcoming projects.

**PERFORMANCE OF FEW PROMINENT LISTED DEVELOPERS (Fiscal 2019 – Fiscal 2024)**

This section presents an analysis of notable listed developers at Pan India level. The analysis is on the bases of average revenue generated from operations (₹ million) and CAGR (%) recorded and published by the developers in last six financial years starting from Fiscal 2019 to Fiscal 2024:

Revenue from operations by Listed Developers

| Sr. no. | Developer | Revenue from operations (₹ million) | | | | | | Average revenue from operations per year (₹ million) | CAGR |
|---|---|---|---|---|---|---|---|---|---|
| | | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | Fiscal 2023 | Fiscal 2024 | | |
| 1 | DLF | 32,954 | 23,699 | 39,288 | 40,536 | 39,792 | 32,426 | 34,782 | -0.3% |
| 2 | Godrej | 14,338 | 20,854 | 5,704 | 14,735 | 11,551 | 13,306 | 13,414 | -1% |
| 3 | Lodha | 1,19,070 | 81,148 | 59,257 | 83,659 | 92,253 | 94,595 | 88,330 | -4% |
| 4 | Prestige | 24,411 | 33,558 | 40,542 | 45,592 | 43,297 | 26,512 | 35,652 | 1% |
| 5 | Shobha | 33,588 | 37,558 | 20,967 | 25,471 | 33,281 | 30,919 | 30,297 | -1% |

*Source: Annual report available in respective Company / Developer's website*

Earnings before interest, tax, depreciation, and amortisation (EBITDA) by Listed Developers

| Sr. no. | Developer | EBITDA (₹ million) | | | | | | Average EBITDA per year (₹ million) | CAGR |
|---|---|---|---|---|---|---|---|---|---|
| | | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | Fiscal 2023 | Fiscal 2024 | | |
| 1 | DLF | 7,656 | 22,799 | 14,457 | 19,105 | 27,390 | 15,270 | 17,780 | 12% |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 2 | Godrej | 2,850 | 6,221 | 834 | 7,136 | 8,305 | 7,143 | 5,415 | 17% |
| 3 | Lodha | 24,916 | 12,149 | 6,160 | 15,984 | 4,126 | 15,841 | 13,196 | -7% |
| 4 | Prestige | 2,980 | 3,218 | 3,171 | 5,599 | 3,946 | 2,232 | 3,524 | -5% |
| 5 | Shobha | 4,319 | 4,411 | 747 | 2,311 | 1,317 | 684 | 2,298 | -26% |

*Source: Annual report available in respective Company / Developer's website*

Profit After Tax (PAT) by Listed Developers

| Sr. no. | Developer | Profit After Tax (PAT) (₹ million) | | | | | | Average PAT per year (₹ million) | CAGR |
|---|---|---|---|---|---|---|---|---|---|
| | | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 | Fiscal 2022 | Fiscal 2023 | Fiscal 2024 | | |
| 1 | DLF | 6,876 | 22,643 | 10,760 | 13,354 | 23,108 | 12,512 | 14,875 | 10% |
| 2 | Godrej | 2,094 | 3,842 | -428 | 5,260 | 6,557 | 5,644 | 3,828 | 18% |
| 3 | Lodha | 24,916 | 4,330 | 1,221 | 11,336 | 4,560 | 11,638 | 9,667 | -12% |
| 4 | Prestige | 2,892 | 2,624 | 2,128 | 9,473 | 3,409 | 2,458 | 3,831 | -3% |
| 5 | Shobha | 2,865 | 2,895 | 655 | 1,691 | 953 | 466 | 1,588 | -26% |

*Source: Annual report available in respective Company / Developer's website*

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also "Financial Statements" on page 351 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2022 included herein is derived from the Special Purpose Audited Consolidated Financial Statements, for Fiscal 2023 and Fiscal 2024 included herein is derived from the Audited Consolidated Financial Statements, and the financial information for the three months ended June 30, 2024, included herein is derived from the Unaudited Interim Condensed Consolidated Financial Statements included in this Preliminary Placement Document. For further information, see "Financial Statements" on page 351. The Unaudited Interim Condensed Consolidated Financial Statements of our Company are not indicative of our Company's annual performance and are not comparable with the Special Purpose Audited Consolidated Financial Statements/financial information and Audited Consolidated Financial Statements/ financial information.*

*The NCLT had pursuant to its order dated July 3, 2023 approved the composite scheme of amalgamation and arrangement between Max Ventures and Industries Limited and Max Estates Limited and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws (the "**Scheme**"). Pursuant to the Scheme, the entire business and undertaking of Max Ventures and Industries Limited was transferred and vested in our Company with effect from April 1, 2022, that is, the Appointed Date. Accordingly, the consolidated financial information for Fiscal 2024 and Fiscal 2023 is not directly comparable with the financial information for Fiscal 2022.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Real Estate Industry Report" dated August 2024 (the "**KFIPL Report**") prepared and issued by Knight Frank (India) Private Limited, appointed by us on July 26, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the KFIPL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

### OVERVIEW

We are a leading Indian real estate developer active primarily in the Delhi-NCR Region with a focus on developing sustainable, "*Grade A*" developments. *(Source: KFIPL Report)* We are the real estate development arm of Max group, one of India's business conglomerates with a strong presence in life insurance, senior living and real estate and allied businesses. (*Source: KFIPL Report*) We are focused on developing commercial real estate as well as residential real estate projects and as of June 30, 2024, we had 6 Commercial Projects and 4 Residential Projects which includes Completed Projects, Ongoing Projects and Forthcoming Projects with a total area of 11.50 million square feet (delivered, under-construction and under-development) in the Delhi NCR Region. We aspire to build sustainable commercial and residential developments in the Delhi NCR region, with a focus on well-being. Our aim is to be the most preferred brand in real estate in the Delhi NCR region, driven by our vision to enhance quality of life through the spaces we create.

We believe that the 'Max' brand is one of the key contributors to our success and the strength of our brand is attributable to our ability to understand customer preferences and inspire customer confidence. An affirmation of the strength of our brand is also reflected in various awards and recognitions we have received, including Best Realty Brands by ET Now Realty Convention + Best Realty Brands 2024, Emerging Developer of the Year by Economic Times Real Estate Awards 2022.

We have adopted an integrated real estate development model, with in-house capabilities and resources to execute developments from initiation to completion. Several strategic initiatives have been undertaken to strengthen systems and processes, including transition to our new ERP platform and digital interventions across the value chain. We have developed in-house competencies for every stage of the property development life cycle, commencing from business development, which involves identification of land parcels and the conceptualization of the development, to execution, comprising planning, designing and overseeing the construction activities, marketing and sales. In addition to our in-house competencies, we also leverage the expertise of external specialists to match our wide range of operations, such as architects, interior designers, landscaping experts, engineers and building services consultants for the development and management of our real estate operations.

For further information, see "*Our Business*" on page 200.

**SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

***Progress of construction and development, sales volumes***

Our results of operations significantly depend upon the revenues from sale and lease of real estate developments, and facility management of our real estate commercial and residential properties.

On March 28, 2018, the MCA notified Ind AS 115, Revenue from Contracts with Customers, applicable from April 1, 2018. Ind AS 115 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. Under Ind AS 115, the revenue from real estate projects is recognised at a point in time upon our Company satisfying its performance obligation and the customer obtaining control of the underlying asset as compared to earlier percentage of completion method as per the Guidance Note on Accounting for Real Estate Transactions. In Fiscal 2022, 2023, 2024 and the three months ended June 30, 2024, our income from revenue from sale of constructed properties were ₹ 2,861.76 lakhs, ₹ 1,841.17 lakhs, nil, and ₹ 650.81 lakhs, respectively.

Further, our ability to sell units in a residential project depends on the design of projects and their ability to meet customer preferences and market trends, the willingness of customers to pay for the projects or enter into sale agreements well in advance of receiving possession of the projects and general market conditions. We market and pre-sell our projects in phases from the date of launch of the project after receiving requisite approvals, including those required under the RERA, which is typically after acquisition of the land or land development rights and during the process of planning and designing the project, up until the time we complete our project, depending on market conditions. Construction progress depends on various factors, including the availability of labour and raw materials, the actual cost of construction (which is particularly affected by fluctuations in the market price for steel and cement) and changes to the estimated total construction cost, the competence of and priority given to our projects by our contractors, the receipt of approvals and regulatory clearances, access to utilities, and the absence of contingencies including litigation and adverse weather conditions.

We receive lease income from our commercial projects, consisting of income from rental to third parties on our commercial lease developments, upon completion of these projects. Our lease income depends on the ability of our commercial tenants to pay rent at the levels that we determine as well as the supply of and lease rentals for similar properties in such areas. In addition, we also offer facility management services and managed office services. The occupancy and rates we charge per square foot depend on various factors including the location and design of the project, the tenant mix, prevailing economic conditions and competition. Our lease income is also affected by escalation clauses contained in our lease agreements.

***General economic and real estate conditions in India and particularly in the Delhi-NCR Region***

The overall economic condition of India, along with performance of commercial and residential real estate, particularly the Delhi-NCR region, significantly affects our operational performance. As of June 30, 2024, 2.23% of our Portfolio was located in Delhi, 29.52% of our Portfolio was located in Noida and 67.43% of our Portfolio was located in Gurugram which underscores importance of local market conditions on our operations. The table below provides the spread of our Portfolio as of June 30, 2024:

| Region | Completed Projects (million Square Feet) | Ongoing Projects (million Square Feet) | Forthcoming Projects (million Square Feet) |
|---|---|---|---|
| Delhi | 0.26 | - | - |
| Noida | 0.98 | 2.06 | 0.35 |
| Gurugram | - | 4.07 | 3.69 |
| Other* | 0.09 | - | - |
| **Total** | 1.33 | 6.13 | 4.04 |

* *Includes 222 Rajpur in Dehradun.*

The table below provides details of revenue from operations generated from our Commercial Projects and Residential Projects in the last three Fiscals and three months ended June 30, 2024:

| Category | Fiscal 2022 | | Fiscal 2023 | | Fiscal 2024 | | Three months ended June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | **Total Revenue (₹ lakhs)** | **Percentage of Revenue from Operations** | **Total Revenue (₹ lakhs)** | **Percentage of Revenue from Operations** | **Total Revenue (₹ lakhs)** | **Percentage of Revenue from Operations** | **Total Revenue (₹ lakhs)** | **Percentage of Revenue from Operations** |
| Commercial Projects[(1)] | 4,067.11 | 58.77% | 8,064.37 | 75.13% | 9,294.37 | 100.00% | 3,397.81 | 83.93% |
| Residential Projects | 2,861.76 | 41.23% | 1,852.82 | 17.26% | - | - | 650.81 | 16.07% |
| Income from shared services | - | - | 817.01 | 7.61% | - | - | - | - |
| **Total** | **6,928.87** | **100.00** | **10,734.20** | **100.00** | **9,294.37** | **100.00** | **4,048.62** | **100.00** |

*(1) Includes rent as well as common area maintenance*

The supply and demand for commercial and residential real estate is affected by several factors including prevailing economic, income and demographic conditions, domestic employment levels, changes in, and manner of implementation of governmental policies, prevailing interest rates, changes in applicable regulatory schemes, demand from multinational corporations, the availability of financing and outbreaks of infectious disease such as COVID-19.

***Fluctuations in rental rates and market prices for our projects***

Our total income is affected by the price at which we rent and sell our projects, which are affected by prevailing market conditions and prices in the real estate sector in the Delhi-NCR region and in India generally (including market forces of supply and demand), the type, size and location of our projects, and other factors such as our brand reputation, project size, the amenities we offer and the design of the projects. Prices we may charge for our properties are also affected by various factors outside our control, including prevailing economic, income and demographic conditions, interest rates available to clients requiring financing, the availability of comparable properties completed or under development, changes in governmental policies relating to zoning and land use, changes in applicable regulatory schemes and competition from other real estate development firms.

***Supply of land and cost of acquisition of land and development rights***

Our business is dependent on the availability of suitable land. Our growth is linked to the availability of land in areas where we intend to develop projects. The cost of acquiring land including amounts paid for freehold rights, leasehold rights, cost of registration, stamp duty, and other statutory approvals, represents a substantial part of our project costs. Increasingly, we acquire the right to develop projects through development agreements with land-owners, who typically either share the sale proceeds in a pre-determined proportion depending upon the nature of the project and the location of the land or receive a pre-determined percentage of the developed area which such party may market at its expense. We believe that the increased use of this model to obtain development rights over land would allow us to gain access to land for the development of our projects with a minimal initial cash investment.

***Lease terms and occupancy rates***

For our commercial projects, we typically secure long-term lease agreements with tenants, which provides visibility on future cash flows. The tenure of the leases varies depending on the asset and its location and typically ranges between three to nine years, with an initial commitment of generally three years and the option to renew the lease post the initial commitment period.

Our results of operations are also significantly influenced by achieving certain underwritten occupancy rates within specified timeframe, which depend on several factors such as demand for and comparable supply of commercial real estate in the micro-markets, competitive rental rates, attractiveness of the properties, the range of amenities and the ability to re-lease space or enter into new leases without significant intervals of time.

The table below provides details of leased area and occupancy rates across our Commercial Projects as of the dates set forth:

| Asset | As of March 31, 2022 | | As of March 31, 2023 | | As of March 31, 2024 | | As of June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | Leasable Area (Million Square Feet) | Occupancy Rate (%) | Leasable Area (Million Square Feet) | Occupancy Rate (%) | Leasable Area (Million Square Feet) | Occupancy Rate (%) | Leasable Area (Million Square Feet) | Occupancy Rate (%) |
| Max Towers, Noida | 0.30 | 100.00% | 0.30 | 100.00% | 0.30 | 100.00% | 0.30 | 100.00% |
| Max House – Phase I, Okhla | 0.11 | 100.00% | 0.11 | 100.00% | 0.11 | 100.00% | 0.11 | 100.00% |
| Max Square, Sector 129, Noida | - | - | - | - | 0.68 | - | 0.68 | 63.22% |
| Max House – Phase II, Okhla | - | - | - | - | 0.15 | 50.00% | 0.15 | 88.61% |
| **Total** | **0.41** | **100.00%** | **0.41** | **100.00%** | **1.24** | **74.18%** | **1.24** | **78.43%** |

We are committed to enhancing our long-term relationships with tenants by maintaining proactive and open communication. This approach allows us to better understand and address their needs and requirements.

***Costs of construction and development***

Construction costs include the cost of labour, cost of raw materials such as steel, cement and finishing materials, as well as payments to construction contractors. Raw material prices can be volatile and are subject to factors affecting the Indian and international commodity markets. If there are significant price increases in construction materials, or shortages in supply, the contractors we hire for construction or development work may increase their contract prices or be unable to fulfil their contractual obligations. Increases in costs for any construction materials may affect our construction costs, and consequently the sales prices for our projects. Further, we are subject to the property tax regime and any increase in property taxes and stamp duties, can increase the cost of buying and selling properties.

In addition, the timing and quality of construction of the projects we develop depends on the availability and skill of contractors and consultants, as well as contingencies affecting them, including labour and raw material shortages and industrial action such as strikes.

***Cost of financing and changes in interest rates***

We fund our property development activities through a combination of medium and long-term debt and internal accruals. Accordingly, our ability to obtain financing, as well as the cost of such financing, affects our business. Though we believe we are able to obtain funding at competitive interest rates, cost of financing is material for us. Our total outstanding borrowings were ₹ 126,881.03 lakhs as of June 30, 2024, and our finance costs were ₹ 1,616.92 lakhs, ₹ 1,861.87 lakhs, ₹ 4,298.60 lakhs and ₹ 1,655.24 lakhs in Fiscal 2022, 2023, 2024 and the three months ended June 30, 2024, respectively.

Among the major factors that drive the growth of demand for housing units is rising disposable income and availability of housing loans at affordable interest rates. Changes in interest rates also affect the ability and willingness of our prospective real estate customers, particularly customers for our residential properties, to obtain financing for their purchase of our developments. Accordingly, if the interest rate rises, the cost of borrowing for customers will also correspondingly increase. So, the interest rate at which our real estate customers may borrow funds for the purchase of our properties affects their affordability and purchasing power, and hence the market demand for our residential real estate developments.

***Regulatory framework***

The real estate sector in India is highly regulated. Our operations, the acquisition of land development rights and land, in certain instances, and the implementation of our projects require us to obtain regulatory approvals and licenses and require us to comply with the land acquisition and conversion rules and regulations of a variety of regulatory authorities. We are also subject to local and municipal laws relating to real estate development activities. These require approvals for construction and development of real estate projects including approvals for the ratio of built-up area to land area, plans for road access, community facilities, open spaces, water supply, sewage disposal systems, electricity supply, environmental suitability, zoning regulations and size of the project. Any delay or failure in getting any of these approvals for our Ongoing Developments and Forthcoming Developments may affect our business and result of operations.

The RERA was notified on March 26, 2016 to regulate the real estate industry and ensure, amongst others, imposition of certain responsibilities on real estate developers and accountability towards customers and protection of their interest. RERA requires the mandatory registration of real estate projects and developers are not permitted to issue advertisements or accept advances unless real estate projects are registered. RERA also imposes restrictions on use of funds received from customers prior to project completion and taking customer approval for major changes in sanction plan. In addition, with the introduction of RERA we will have to comply with specific legislations enacted by the Government of Maharashtra or other State Governments, where our Ongoing Developments, Forthcoming Developments are, or future projects may be located. Our results of operation may, therefore, be impacted on account of the significant resources and management time we expend to ensure compliance with the RERA and other regulatory requirements.

In addition, some of our affordable income housing real estate projects qualify for tax benefits. The continuation of these benefits cannot be assured and if they are disputed or terminated, there could be a material effect on our results of operations. Further, the goods and services tax ("**GST**") has been implemented by the GoI with effect from July 1, 2017 and has subsumed a large number of central and state indirect taxes, resulting in a unified tax across the country. The provisions of the GST provide that if the property is used for leasing after completion or sold after receipt of the completion certificate then the input of GST will not be available. As a result, the real estate developer who sells the property subsequent to receipt of the completion certificate or leases the property after completion, will have to book GST input as a cost. In the erstwhile tax regime, since leasing of commercial property qualified as a service, it was subject to a total levy of 15%, which included a service tax of 14%, Swach Bharat cess of 0.5% and Krishi Kalyan Cess of 0.5%, however, pursuant to the implementation of GST, the tax rate has increased to 18%. This has resulted in an adverse impact on our results of operations and cash flows.

***Competition***

We compete for land, sale of projects, manpower resources and skilled personnel with other private developers. We face competition from regional, national and international property developers. Moreover, as we seek to diversify into new geographies, we face the risk that some of our competitors have a pan-India presence while our other competitors have a strong presence in certain regional markets. Our competitors include both large corporate and small real estate developers. We compete with these developers for the sale of our projects as well as entering into joint development and joint venture opportunities.

## PRESENTATION OF FINANCIAL INFORMATION

Pursuant to the Scheme, our Company was not required to prepare consolidated financial statements for the period ended March 31, 2022, since our Company availed the exemption prescribed under Section 129 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, as amended. Accordingly, and as required under applicable regulations, and for the convenience of prospective investors, we have included the following in this Preliminary Placement Document:

- unaudited interim condensed consolidated financial statements of our Company and our subsidiaries (together, the "**Group**") for the three months ended June 30, 2024 prepared in accordance with Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act read with rule 3 of Companies (Indian Accounting Standards) Rules, 2015, as amended;

- audited consolidated financial statements of our Company and its subsidiaries as at and for each of the financial years ended March 31, 2024 and March 31, 2023, prepared in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards ("**Ind AS**") specified under Section 133 of the Companies Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

- special purpose audited consolidated financial statements of our Group as at and for the financial year ended March 31, 2022, prepared in accordance with accounting principles generally accepted in India, including Ind AS specified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended; and

- audited standalone financial statements of our Company as at and for the financial year ended March 31, 2022, prepared in accordance with the Ind AS, as prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules 2015, as amended.

**SUMMARY OF ACCOUNTING POLICIES**

Set forth below is a summary of accounting policies used in the preparation of our annual financial statements for the year ended March 31, 2024:

**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 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.

**Property, Plant and Equipment and Investment Property**
**Property, Plant and Equipment**

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of 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 |

**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 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 properly 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 |

**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.

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.

**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.

**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 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.

**Financial Instruments**

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

**(i) Financial assets**

The 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 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 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.

**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**

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 medication is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

**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:

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).

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.

**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.

**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 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 realised 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.

**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.

**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.

**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.

**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.

**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.

**Provision and Contingent liabilities**

**Provisions**

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.

**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**

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.

**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 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.

**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.

**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

**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.

**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.

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 date 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.

**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 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 fulfiled and government grant is reduced by deferred income recognised.

**NON-GAAP MEASURES**

EBITDA, EBITDA Margin, Adjusted EBITDA, Adjusted EBITDA Margin, Net Debt and Net Worth (together, "**Non-GAAP Measures**"), presented in this Preliminary Placement Document are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Such Non-GAAP Measures are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, these Non-GAAP Measures and other statistical information relating to our operations and financial performance are not standardised terms, hence a direct comparison of these Non-GAAP measures between companies may not be possible. Other companies may calculate Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP measures are not a measure of performance calculated in accordance with applicable accounting standards, our Company's management believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate a company's operating performance. For further information see, "*Risk Factors - We have in this Preliminary Placement Document included certain non-GAAP financial and operational measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the real estate industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies*." on page 85.

**Reconciliation of Non-GAAP Measures**

Reconciliation for certain non-GAAP measures included in this Preliminary Placement Document are given below:

***Reconciliation of EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin to Profit/(Loss) After Tax for the Years/Period***

The table below reconciles profit / (loss) for the year / period to EBITDA, EBITDA Margin, Adjusted EBITDA and Adjusted EBITDA Margin:

| Particulars | Fiscal | | | Three months ended June 30, 2024 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | |
| | (₹ lakhs, unless otherwise stated) | | | |
| **Profit/ (Loss) for the year (A)** | **492.20** | **1,846.70** | **(5,512.44)** | **(199.56)** |
| Total tax expense/ (Credit) (B) | 352.88 | 361.50 | (1,261.58) | (88.10) |
| **Profit/ (Loss) before tax (C= A+B)** | **845.08** | **2,208.20** | **(6,774.02)** | **(287.66)** |
| Finance costs (D) | 1,616.92 | 1,861.87 | 4,298.60 | 1,655.24 |
| Depreciation and amortization expense (E) | 1,068.14 | 1,490.82 | 2,540.23 | 876.86 |
| **EBIDTA (F=C+D+E)** | **3,530.14** | **5,560.89** | **64.81** | **2,244.44** |
| Exceptional item (G) | - | - | 4,445.06 | - |
| **Adjusted EBIDTA (H=F+G)** | **3,530.14** | **5,560.89** | **4,509.87** | **2,244.44** |
| **Revenue from operations (I)** | **6,928.87** | **10,734.20** | **9,294.37** | **4,048.62** |
| **EBIDTA Margin (J=F/I)** | **50.95%** | **51.81%** | **0.70%** | **55.44%** |
| **Adjusted EBIDTA Margin (K=H/I)** | **50.95%** | **51.81%** | **48.52%** | **55.44%** |

***Reconciliation of Net Debt***

The table below reconciles borrowings to Net Debt.

| Particulars | As at | | | As at June 30, 2024 |
|---|---|---|---|---|
| | March 31, 2022 | March 31, 2023 | March 31, 2024 | |
| | (₹ lakhs) | | | |
| Non-current borrowings **(A)** | 28,335.38 | 75,081.26 | 82,587.12 | 1,25,032.29 |
| Current borrowings **(B)** | 3,176.68 | 7,358.04 | 8,832.14 | 1,848.74 |
| Interest accrued on Compulsory Convertible Debentures **(C)** | 1,190.50 | 1,192.36 | 3,680.47 | 4,579.93 |
| Current - Interest accrued on borrowings **(D)** | 13.34 | 534.34 | 87.50 | 86.41 |
| | | | | |
| Less: | | | | |
| Cash and bank Balance **(E)** | 272.20 | 1,762.70 | 23,073.62 | 29,546.15 |
| Balances with bank other than above (F) | 4,566.40 | 2,374.31 | 2,924.31 | 4,154.71 |
| Other bank balances (G) | 10.26 | 1,001.35 | 2,451.02 | 2,478.90 |
| | | | | |
| **Net Debt (H = A+B+C+D-E-F-G)** | **27,867.04** | **79,027.64** | **66,738.28** | **95,367.61** |

***Reconciliation of Net worth***

The table below reconciles equity share capital and reserves to Net worth.

| Particulars | As at | | | As at June 30, 2024 |
|---|---|---|---|---|
| | March 31, 2022 | March 31, 2023 | March 31, 2024 | |
| | (₹ lakhs) | | | |
| Equity share capital (A) | 7,791.00 | - | 14,713.45 | 14,740.89 |
| Pending for allotment (B) | - | 14,710.36 | 38.69 | 24.87 |
| Other equity (C) | 53,095.73 | 1,06,410.14 | 1,02,337.70 | 1,02,564.04 |
| **Net worth (A+B+C)** | **60,886.73** | **1,21,120.50** | **1,17,089.84** | **1,17,329.80** |

## PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE

The principal components of our income and expenditure are as follows:

### Income

Our income comprise revenue from operations and other income.

***Revenue from operations***

Revenue from operations comprise: (i) revenue from sale of constructed properties, lease income and facility management, which includes income from rental and facility management from commercial projects and income from sale of constructed residential projects; and revenue from services, i.e., income from shared services. Income from shared service refers to cost cross charged from group companies which are not subsidiaries.

***Other Income***

Other income comprise: (i) interest income on: (a) fixed deposits; and (b) on security deposit (on financial assets at amortised cost); (ii) gain on stake sale of subsidiary; (iii) profit on derecognition of ROU; (iv) gain on mutual fund investments; (v) fair value gain on financial instruments at fair value through profit or loss; (vi) liabilities/provisions no longer required written back; (vii) gain on sale of investment; (viii) interest other i.e., interest income earned on subleasing of assets; and (ix) miscellaneous income which includes sale of scrap.

**Expenses**

Total expenses comprise: (i) cost of land, plots, development rights, constructed properties and others; (ii) change in inventories of constructed properties; (iii) employee benefits expense; (iv) finance cost; (v) depreciation and amortization expense; and (vi) other expenses.

***Cost of land, plots, development rights, constructed properties and others***

Cost of land, plots, development rights, constructed properties and others includes cost of land, plots, development rights and constructed properties sold during the period.

***Changes in inventories of constructed properties***

Changes in inventories of constructed properties includes inventories which includes work-in-progress; real estate and finished goods at the end of the year and inventories at the beginning of the year.

***Employee benefits expense***

Employee benefits expense includes salaries, wages and bonus; contribution to provident and other funds; employee sock option scheme; gratuity expense and staff welfare expenses.

***Finance costs***

Finance costs comprise: (a) interest on term loan; (b) interest on lease liabilities; (c) interest on others; and (d) bank charges.

***Depreciation and amortization expense***

Depreciation and amortization expense comprise: (a) depreciation of tangible assets; (b) depreciation on investment property; (c) depreciation of right-of-use-assets; and (d) amortization of intangible assets.

***Other expenses***

Other expenses primarily includes: (i) rent; (ii) insurance expenses; (iii) rates and taxes; (iv) repairs and maintenance on building; and others; (v) printing and strategy; (vi) travelling and conveyance; (vii) communication costs; (viii) legal and professional (which includes payment to auditor); (ix) directors' sitting fees; (x) auditorium running or expenses incurred to manage the auditorium; corporate social responsibility expenditure; (xii) electricity expense; and (xiii) miscellaneous expense.

**RESULTS OF OPERATIONS**

The following table sets forth certain information with respect to our results of operations on a consolidated basis for Fiscal 2022, 2023, 2024 and the three months ended June 30, 2024:

| Particulars | Fiscal | | | | | | Three months ended June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | | |
| | (₹ lakhs) | Percentage of Total Income (%) | (₹ lakhs) | Percentage of Total Income (%) | (₹ lakhs) | Percentage of Total Income (%) | (₹ lakhs) | Percentage of Total Income (%) |
| **Income** | | | | | | | | |
| Revenue from operations | 6,928.87 | 93.72% | 10,734.20 | 81.77% | 9,294.37 | 77.28% | 4,048.62 | 84.88% |
| Other income | 464.60 | 6.28% | 2,393.63 | 18.23% | 2,732.64 | 22.72% | 721.41 | 15.12% |
| **Total Income** | **7,393.47** | **100.00%** | **13,127.83** | **100.00%** | **12,027.01** | **100.00%** | **4,770.03** | **100.00%** |
| | | | | | | | | |
| **Expenses** | | | | | | | | |
| Cost of land, plots, development rights, constructed properties and others | - | - | 1,015.55 | 7.74% | - | - | - | - |
| Change in inventories of constructed properties | 1,850.94 | 25.03% | 1,138.84 | 8.68% | - | - | 186.75 | 3.92% |
| Employee benefit expense | 347.49 | 4.70% | 1,537.73 | 11.71% | 1,227.96 | 10.21% | 381.58 | 8.00% |
| Finance costs | 1,616.92 | 21.87% | 1,861.87 | 14.18% | 4,298.60 | 35.74% | 1,655.24 | 34.70% |
| Depreciation and amortization expense | 1,068.14 | 14.45% | 1,490.82 | 11.36% | 2,540.23 | 21.12% | 876.86 | 18.38% |
| Advertisement and Sales promotion expense | - | - | - | - | 2,258.98 | 18.78% | 781.19 | 16.38% |
| Facility and management services | - | - | - | - | 1,825.87 | 15.18% | 617.45 | 12.94% |
| Other expenses | 1,664.90 | 22.52% | 3,874.82 | 29.52% | 2,204.33 | 18.33% | 558.62 | 11.71% |
| **Total expenses** | **6,548.39** | **88.57%** | **10,919.63** | **83.18%** | **14,355.97** | **119.36%** | **5,057.69** | **106.03%** |
| | | | | | | | | |
| **Profit/ (Loss) before exceptional items and tax** | **845.08** | **11.43%** | **2,208.20** | **16.82%** | **(2,328.96)** | **(19.36)%** | **(287.66)** | **(6.03)%** |
| Exceptional item | - | - | - | - | (4,445.06) | (36.96)% | - | - |
| **Profit/ (Loss) before tax** | **845.08** | **11.43%** | **2,208.20** | **16.82%** | **(6,774.02)** | **(56.32)%** | **(287.66)** | **(6.03)%** |
| **Tax expense** | | | | | | | | |
| - Current tax | - | - | 2,050.11 | 15.62% | 323.51 | 2.69% | 71.33 | 1.50% |
| - Income tax for earlier years | 77.82 | 1.05% | 4.17 | 0.03% | 154.96 | 1.29% | - | - |
| - Deferred tax | 275.06 | 3.72% | (1,692.78) | (12.89)% | (1,740.05) | (14.47)% | (159.43) | (3.34)% |

| Particulars | Fiscal | | | | | | Three months ended June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | 2022 | | 2023 | | 2024 | | | |
| | (₹ lakhs) | Percentage of Total Income (%) | (₹ lakhs) | Percentage of Total Income (%) | (₹ lakhs) | Percentage of Total Income (%) | (₹ lakhs) | Percentage of Total Income (%) |
| **Total tax expense/ (Credit)** | **352.88** | **4.77%** | **361.50** | **2.75%** | **(1,261.58)** | **(10.49)%** | **(88.10)** | **(1.85)%** |
| **Profit/ (Loss) for the year** | **492.20** | **6.66%** | **1,846.70** | **14.07%** | **(5,512.44)** | **(45.83)%** | **(199.56)** | **(4.18)%** |
| Attributable to: | | | | | | | | |
| Equity holders of the Parent | 499.89 | 6.76% | 1,901.49 | 14.48% | (4,216.30) | (35.06)% | 157.21 | 3.30% |
| Non-controlling interests | (7.69) | (0.10)% | (54.79) | (0.42)% | (1,296.14) | (10.78)% | (356.77) | (7.48)% |
| | | | | | | | | |
| ***Other comprehensive income not to be reclassified to profit or loss in subsequent period:*** | | | | | | | | |
| Re-measurement loss/(gain) of defined benefit plans | 3.93 | 0.05% | 0.02 | 0.00% | (15.81) | (0.13)% | (7.35) | (0.15)% |
| Income tax effect | (0.99) | (0.01)% | (0.01) | 0.00% | 3.98 | 0.03% | 0.85 | 0.01% |
| **Net comprehensive income not to be reclassified to profit or loss in subsequent period** | **2.94** | **0.04%** | **0.01** | **0.00%** | **(11.83)** | **(0.10)%** | **(6.50)** | **(0.14)%** |
| | | | | | | | | |
| **Other comprehensive income/(loss) for the year, net of tax** | **2.94** | **0.04%** | **0.01** | **0.00%** | **(11.83)** | **(0.10)%** | (6.50) | (0.14)% |
| Attributable to: | | | | | | | | |
| Equity holders of the Parent | - | - | - | - | (11.83) | (0.10)% | (6.50) | (0.14)% |
| Non-controlling interests | - | - | - | - | - | - | - | - |
| **Total comprehensive income/(loss) for the year** | **495.14** | **6.70%** | **1,846.71** | **14.07%** | **(5,524.27)** | **(45.93)%** | **(206.06)** | **(4.32)%** |
| Attributable to: | | | | | | | | |
| Equity holders of the Parent | 502.83 | 6.80% | 1,901.49 | 14.48% | (4,228.13) | (35.16)% | 150.71 | 3.16% |
| Non-controlling interests | (7.69) | (0.10)% | (54.79) | (0.42)% | (1,296.14) | (10.78)% | (356.77) | (7.48)% |

## THREE MONTHS ENDED JUNE 30, 2024

### Total Income

Total income was ₹ 4,770.03 lakhs in the three months ended June 30, 2024.

***Revenue from Operations***

Revenue from operations was ₹ 4,048.62 lakhs in the three months ended June 30, 2024.

***Other Income***

Other income was ₹ 721.41 lakhs in the three months ended June 30, 2024, primarily comprising interest income from fixed deposits, interest income from sub-leasing of lease properties, gain on sale of mutual funds, interest income from security deposits amortisation, liability written back and other miscellaneous income.

**Expenses**

Total expenses was ₹ 5,057.69 lakhs in the three months ended June 30, 2024.

***Change in inventories of constructed properties***

Change in inventories of constructed properties was ₹ 186.75 lakhs in the three months ended June 30, 2024.

***Employee Benefit Expense***

Employee benefit expenses was ₹ 381.58 lakhs in the three months ended June 30, 2024.

***Finance Costs***

Finance costs was ₹ 1,655.24 lakhs in the three months ended June 30, 2024.

***Depreciation and Amortisation Expenses***

Depreciation and amortisation expenses was ₹ 876.86 lakhs in the three months ended June 30, 2024.

***Advertisement and sales promotion expenses***

Advertisement and sales promotion expenses was ₹ 781.19 lakhs in the three months ended June 30, 2024.

***Facility and management services***

Facility and management services was ₹ 617.45 lakhs in the three months ended June 30, 2024.

***Other Expenses***

Other expenses was ₹ 558.62 lakhs in the three months ended June 30, 2024, primarily comprising repair and maintenance expense, electricity expense, donations including corporate social responsibility expenditure, legal and professional expenses and rates and taxes.

**(Loss) before exceptional items and tax**

Loss before exceptional items and tax was ₹ (287.66) lakhs in the three months ended June 30, 2024.

**(Loss) before tax**

As a result of the above, loss before tax was ₹ (287.66) lakhs in the three months ended June 30, 2024.

**Tax Expense**

Total tax credit ₹( 88.10) lakhs in the three months ended June 30, 2024.

**(Loss) for the period**

For the reasons discussed above, our loss for the period was ₹ (199.56) lakhs in the three months ended June 30, 2024.

**Adjusted Earnings before Interest, Taxes, Depreciation and Amortisation (Adjusted EBITDA)**

Adjusted EBITDA were ₹ 2,244.44 lakhs in the three months ended June 30, 2024, while Adjusted EBITDA Margin (Adjusted EBITDA as a percentage of revenue from operations) was 55.44% in the three months ended June 30, 2024.

**FISCAL 2024 COMPARED TO FISCAL 2023**

**Total Income**

Total income decreased by 8.39% from ₹ 13,127.83 lakhs in Fiscal 2023 to ₹ 12,027.01 lakhs in Fiscal 2024 primarily on account of a decrease in revenue from operations.

***Revenue from Operations***

Revenue from operations decreased by 13.41% from ₹ 10,734.20 lakhs in Fiscal 2023 to ₹ 9,294.37 lakhs in Fiscal 2024 mainly on account of decrease in revenue from sale of constructed properties, lease income and facility management in Fiscal 2024. Further, in Fiscal 2024, there was no revenue from sale of residential projects.

*Revenue from services*

Revenue from services decreased from ₹ 817.01 lakhs in Fiscal 2023 to nil in Fiscal 2024 as no such income was cross charged to a group company in Fiscal 2024 as the shareholding in such group company was sold to a third party.

***Other Income***

Other income increased by 14.16% from ₹ 2,393.63 lakhs in Fiscal 2023 to ₹ 2,732.64 lakhs in Fiscal 2024, mainly on account of an increase in:

- interest income on fixed deposits from ₹ 563.95 lakhs in Fiscal 2023 to ₹ 893.34 lakhs in Fiscal 2024;
- gain on mutual fund investments from ₹ 101.82 lakhs in Fiscal 2023 to ₹ 804.92 lakhs in Fiscal 2024; and
- other interest from ₹ 149.06 lakhs in Fiscal 2023 to ₹ 468.75 lakhs in Fiscal 2024 on account of interest income from sublease of property – Level 12 and Level 15 which was taken on lease.

This was offset by a decrease in gain on sale of investment from ₹ 944.14 lakhs in Fiscal 2023 to ₹ 106.49 lakhs in Fiscal 2024 on account of sale of partial stake in Max Speciality Films Limited in Fiscal 2023.

**Expenses**

Total expenses increased by 31.47% from ₹ 10,919.63 lakhs in Fiscal 2023 to ₹ 14,355.97 lakhs in Fiscal 2024, primarily due to increase in depreciation and amortisation expense and finance cost, facility management expense and marketing and advertisement expense.

***Cost of land, plots, development rights, constructed properties and others***

Cost of land, plots, development rights, constructed properties and others decreased from ₹ 1,015.55 lakhs in Fiscal 2023 to nil in Fiscal 2024, mainly due to a decrease in civil construction work in Fiscal 2023 from Fiscal 2024.

***Change in inventories of constructed properties***

Change in inventories of constructed properties were ₹ 1,138.84 lakhs in Fiscal 2023 compared to nil in Fiscal 2024 on account of a decrease in inventories at the beginning of the year from ₹ 1,325.59 lakhs in Fiscal 2023 to ₹ 186.75 lakhs in Fiscal 2024.

***Employee Benefits Expense***

Employee benefits expenses decreased by 20.14% from ₹ 1,537.73 lakhs in Fiscal 2023 to ₹ 1,227.96 lakhs in Fiscal 2024, mainly on account of a decrease in salaries, wages and bonus from ₹ 1,230.64 lakhs in Fiscal 2023 to ₹ 972.15 lakhs in Fiscal 2024.

***Finance Costs***

Finance costs increased from ₹ 1,861.87 lakhs in Fiscal 2023 to ₹ 4,298.60 lakhs in Fiscal 2024 primarily on account of an increase in interest on term loan from ₹ 4,541.68 lakhs in Fiscal 2023 to ₹ 8,464.22 lakhs in Fiscal 2024. The increase in interest on term loan during Fiscal 2024, was on account of borrowings charged to profit and loss post capitalization of Max House Block C and Max Square.

***Depreciation and Amortisation Expenses***

Depreciation and amortisation expenses increased by 70.39% from ₹ 1,490.82 lakhs in Fiscal 2023 to ₹ 2,540.23 lakhs in Fiscal 2024, primarily on account of depreciation on investment properties which were capitalized during the year.

***Advertisement and sales promotion expense***

Advertisement and sales promotion expense increased from nil in Fiscal 2023 to ₹ 2,258.98 lakhs in Fiscal 2024, primarily on account of separate presentation of advertisement and sales expense from other expenses during Fiscal 2024. The expense during Fiscal 2024 primarily includes expense incurred on launch of Estate 128 and pre-launch expense for Estate 360.

***Facility and management services***

Facility and management services were ₹ 1,825.87 lakhs in Fiscal 2024 compared to nil in Fiscal 2023, primarily on account of primarily on account of separate presentation of advertisement and sales expense from other expenses during Fiscal 2024. Expense includes the facility management services related to completed commercial projects.

***Other Expenses***

Other expenses decreased by 43.11% from ₹ 3,874.82 lakhs in Fiscal 2023 to ₹ 2,204.33 lakhs in Fiscal 2024. Expense in Fiscal 2023 also included expense on account of facility management and advertisement which were presented separately in Fiscal 2024. Excluding these two expenses, there is no significant movement in other expenses.

**Profit/ (Loss) before exceptional items and tax**

Profit before exceptional items and tax was ₹ 2,208.20 lakhs in Fiscal 2023 compared to (loss) before exceptional items and tax of ₹ (2,328.96) lakhs in Fiscal 2024.

**Exceptional item**

Exceptional item was ₹ (4,445.06) lakhs in Fiscal 2024 compared to nil in Fiscal 2023. During the Fiscal 2024, consequent to reassessment of fair value of investment in Azure Hospitality Private Limited, we had recorded a fair value loss through statement of profit and loss of ₹ 4,445.06 lakhs and presented as exceptional item.

**(Loss) before tax**

For the reasons discussed above, we generated a loss before tax was of ₹ (2,208.20) lakhs in Fiscal 2023 compared to ₹ (6,774.02) lakhs in Fiscal 2024.

**Tax Expense**

Current tax decreased from ₹ 2,050.11 lakhs in Fiscal 2023 to ₹ 323.51 lakhs in Fiscal 2024 on account of creation of deferred tax credit on brought forward losses and unabsorbed depreciation in Fiscal 2024 which were not created in earlier years. in Fiscal 2024 and deferred tax creditof ₹ (1,692.78) lakhs in Fiscal 2023 to ₹ (1,740.05) lakhs in Fiscal 2024. As a result, total tax expense/(credit) amounted to ₹ 361.50 lakhs in Fiscal 2023 as compared to ₹ (1,261.58) lakhs in Fiscal 2024.

**Profit/ (loss) for the year**

For the reasons discussed above, our profit for the year was ₹ 1,846.70 lakhs in Fiscal 2023 as compared to loss for the year of ₹ (5,512.44) lakhs in Fiscal 2024.

**Adjusted Earnings before Interest, Taxes, Depreciation and Amortisation (Adjusted EBITDA) and Adjusted EBITDA Margin**

Adjusted EBITDA was ₹ 5,560.89 lakhs in Fiscal 2023 and ₹ 4,509.87 lakhs in Fiscal 2024, while Adjusted EBITDA Margin (Adjusted EBITDA as a percentage of Revenue from operations) was 51.81% in Fiscal 2023 and 48.52% in Fiscal 2024. For reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin, see " – *Non GAAP Measures – Reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin to Profit After Tax for the Years / Period*" on page 180.

**FISCAL 2023 COMPARED TO FISCAL 2022**

**Key Developments**

The NCLT had pursuant to its order dated July 03, 2023 approved the composite scheme of amalgamation and arrangement between Max Ventures and Industries Limited and Max Estates Limited and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws. Pursuant to the Scheme, the entire business and undertaking of Max Ventures and Industries Limited was transferred and vested in our Company with effect from April 01, 2022, that is, the Appointed Date.

**Total Income**

Total income increased by 77.56% from ₹ 7,393.47 lakhs in Fiscal 2022 to ₹ 13,127.83 lakhs in Fiscal 2023 primarily on account of an increase in revenue from operations.

***Revenue from Operations***

Revenue from operations increased by 54.92% from ₹ 6,928.87 lakhs in Fiscal 2022 to ₹ 10,734.20 lakhs in Fiscal 2023 mainly on account of income from facility management of commercial properties. Prior to the merger, there was no income from facility management in in Fiscal 2022.

*Revenue from services*

Revenue from services increased from nil in Fiscal 2022 to ₹ 817.01 lakhs in Fiscal 2023 on account of cost cross charged from Max Speciality Films Limited which was not charged in Fiscal 2022.

***Other Income***

Other income increased from ₹ 464.60 lakhs in Fiscal 2022 to ₹ 2,393.63 lakhs in Fiscal 2023, mainly on account of an increase in:

- interest income on fixed deposits from ₹ 356.25 lakhs in Fiscal 2022 to ₹ 563.95 lakhs in Fiscal 2023;
- gain on mutual fund investments from ₹ 4.28 lakhs in Fiscal 2022 to ₹ 101.82 lakhs in Fiscal 2023; and
- gain on stake sale of investment from nil in Fiscal 2022 to ₹ 944.14 lakhs in Fiscal 2023.

This was offset by a decrease in liabilities/provisions no longer required written back from ₹ 30.57 lakhs in Fiscal 2022 to nil in Fiscal 2023 and a decrease in other non-operating income from ₹ 14.69 lakhs in Fiscal 2022 to nil in Fiscal 2023.

**Expenses**

Total expenses increased by 66.75% from ₹ 6,548.39 lakhs in Fiscal 2022 to ₹ 10,919.63 lakhs in Fiscal 2023, primarily due to an increase in development rights, constructed properties and others, employee benefits expense, finance costs, depreciation and amortization expense and other expenses.

***Cost of land, plots, development rights, constructed properties and others***

Cost of land, plots, development rights, constructed properties and others increased from nil in Fiscal 2022 to ₹ 1,015.55 lakhs in Fiscal 2023, mainly due to an increase in civil construction work.

***Change in inventories of constructed properties***

Change in inventories of constructed properties decreased by 38.47% from ₹ 1,850.94 lakhs in Fiscal 2022 to ₹ 1,138.84 lakhs in Fiscal 2023 on account of a decrease in inventories at the end of the year from ₹ 1,325.59 lakhs in Fiscal 2022 to ₹ 186.75 lakhs in Fiscal 2023.

***Employee Benefits Expense***

Employee benefits expenses increased by 39.57% from ₹ 1,068.14 lakhs in Fiscal 2022 to ₹ 1,573.73 lakhs in Fiscal 2023, primarily on account of an increase in salaries, wages and bonus from ₹ 253.23 lakhs in Fiscal 2022 to ₹ 1,230.64 lakhs in Fiscal 2023. The increase was primarily on account of consolidation of Max Assets Service Limited from Fiscal 2023 onwards (post receipt of merger order of Max Ventures and Industries Limited and Max Estates Limited) and annual increments paid to employees.

***Finance Costs***

Finance costs increased by 15.15% from ₹ 1,616.92 lakhs in Fiscal 2022 to ₹ 1,861.87 lakhs in Fiscal 2023 primarily on account of an increase in interest on term loan from ₹ 1,565.77 lakhs in Fiscal 2022 to ₹ 4,541.68 lakhs in Fiscal 2023.

***Depreciation and Amortisation Expenses***

Depreciation and amortisation expenses increased by 39.57% from ₹ 1,068.14 lakhs in Fiscal 2022 to ₹ 1,490.82 lakhs in Fiscal 2023, primarily on account of an increase in depreciation of right-of-use assets from nil in Fiscal 2022 to ₹ 267.57 lakhs in Fiscal 2023.

***Other Expenses***

Other expenses increased from ₹ 1,664.90 lakhs in Fiscal 2022 to ₹ 3,874.82 lakhs in Fiscal 2023, primarily on account of an increase in:

- brokerage from nil in Fiscal 2022 to ₹ 77.26 lakhs in Fiscal 2023;
- building repairs and maintenance from ₹ 10.49 lakhs in Fiscal 2022 to ₹ 1,526.46 lakhs in Fiscal 2023;
- legal and professional expenses from ₹ 483.86 lakhs in Fiscal 2022 to ₹ 948.22 lakhs in Fiscal 2023; and
- miscellaneous expenses from ₹ 20.83 lakhs in Fiscal 2022 to ₹ 210.61 lakhs in Fiscal 2023.

However, this was offset by a decrease in:

- rent expenses from ₹ 256.15 lakhs in Fiscal 2022 to ₹ 14.73 lakhs in Fiscal 2023. During Fiscal 2022, subsidiary company has given minimum assured rental to a customer. Such minimum assurance period got expired in Fiscal 2023 and accordingly no expenses were occurred.
- facility management charges to nil in Fiscal 2023 from ₹ 64.94 lakhs in Fiscal 2022 on account of elimination at time of consolidation as the same is paid to another subsidiary company. This amount is paid by group to Max Assets Subsidiaries Limited which became subsidiary to the company from April 1, 2022, thus the expense which were earlier part of the profit and loss, is eliminated as consolidation adjustment in Fiscal 2023; and
- advertisement and sales promotion expenses to ₹ 330.13 lakhs in Fiscal 2023 compared to ₹ 448.94 lakhs in Fiscal 2022 on account of lower spend commensurate with lower sales of units in our residential projects.

**Profit/ (Loss) before tax**

For the reasons discussed above, profit before tax increased from ₹ 845.08 lakhs in Fiscal 2022 to ₹ 2,208.20 lakhs in Fiscal 2023.

**Tax Expense**

Current tax increased from nil in Fiscal 2022 to ₹ 2,050.11 lakhs in Fiscal 2023 on account of capital gain tax on sale of stake in Max Speciality Films Limited in Fiscal 2023 and deferred tax decreased from ₹ 275.06 lakhs in Fiscal 2022 to ₹ (1,692.78) lakhs in Fiscal 2023. As a result, total tax expense amounted to ₹ 352.88 lakhs in Fiscal 2022 as compared to ₹ 361.50 lakhs in Fiscal 2023.

**Profit/ (loss) for the year**

For the reasons discussed above, our profit for the year increased from ₹ 492.20 lakhs in Fiscal 2022 as compared to a profit for the year of ₹ 1,846.70 lakhs in Fiscal 2023.

**Adjusted Earnings before Interest, Taxes, Depreciation and Amortisation (Adjusted EBITDA) and Adjusted EBITDA Margin**

Adjusted EBITDA was ₹ 3,530.14 lakhs in Fiscal 2022 and ₹ 5,560.89 lakhs in Fiscal 2023, while Adjusted EBITDA Margin (Adjusted EBITDA as a percentage of Revenue from operations) was 50.95% in Fiscal 2022 and 51.81% in Fiscal 2023. For reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin, see " – *Non GAAP Measures – Reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin to Profit After Tax for the Years / Period*" on page 180.

## LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations through internal accruals for organic as well as inorganic expansion.

## CASH FLOWS

The following table sets forth certain information relating to our cash flows in the years/period indicated:

| Particulars | Fiscal | | | Three months ended June 30, 2024 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | |
| | (₹ lakhs) | | | |
| Net cash flows from/(used) in operating activities | 4,070.81 | (45,635.23) | 27,070.05 | (26,232.12) |
| Net cash flows from/(used) in investing activities | (12,095.01) | (5,214.39) | (29,166.01) | 234.91 |
| Net cash flows from financing activities | 7,798.29 | 52,128.83 | 23,406.88 | 32,469.74 |
| Net (decrease)/increase in cash and cash equivalents | (225.90) | 1,279.21 | 21,310.92 | 6,472.53 |
| Cash and cash equivalents at the year/period end | 272.20 | 1,762.70 | 23,073.62 | 29,546.15 |

**Operating Activities**

***Three months ended June 30, 2024***

In the three months ended June 30, 2024, net cash outflow from operating activities was ₹ 26,232.12 lakhs. Loss before tax was ₹ 287.66 lakhs and adjustments primarily consisted of finance cost of ₹ 1,655.24 lakhs, depreciation and amortisation expenses of ₹ 876.86 lakhs, expense recognised on employee stock option scheme of ₹ 25.70 lakhs. This was partially offset by interest income of ₹ 670.32 lakhs and profit on sale of mutual funds of ₹ 29.17 lakhs.

Operating profit before working capital changes was ₹ 1,560.90 lakhs in the three months ended June 30, 2024. The main changes in working capital included an decrease in other current and non-current liabilities of ₹ 464.44 lakhs and increase in trade payables and other payables of ₹ 830.93 lakhs. This was partially offset by an increase in other current and non-current assets of ₹ 17,585.29 lakhs, an increase in trade receivables of ₹ 549.36 lakhs and an increase in inventories of ₹ 9321.12 lakhs. Cash outflow from operations in the three months ended June 30, 2024 was ₹26,232.12 lakhs.

***Fiscal 2024***

In Fiscal 2024, net cash inflow from operating activities was ₹ 27,070.05 lakhs. Profit before tax was ₹ (6,774.02) lakhs and adjustments primarily consisted of finance costs of ₹ 3,859.84 lakhs, depreciation and amortisation expenses of ₹ 2,540.23 lakhs, expense recognised on employee stock option scheme of ₹ 76.13 lakhs. This was partially offset by interest income of ₹ (1,649.70) lakhs and profit on sale of mutual funds of ₹ (804.92) lakhs.

Operating profit before working capital changes was ₹ 1,927.21 lakhs in Fiscal 2024. The main changes in working capital included an increase in other current and non-current liabilities of ₹ 45,985.88 lakhs and increase in trade payables and other payables of ₹ 7,652.60 lakhs. This was partially offset by an increase in other current and non-current assets of ₹ 14,644.39 lakhs and an increase in inventories of ₹ 13,307.81 lakhs. Cash generated from operations in Fiscal 2024 was ₹ 27,070.05 lakhs.

***Fiscal 2023***

In Fiscal 2023, net cash outflow from operating activities was ₹ 45,635.23 lakhs. Profit before tax was ₹ 2,208.20 lakhs and adjustments primarily consisted of finance costs of ₹ 1,861.87 lakhs, depreciation and amortisation of ₹ 1,490.82 lakhs, and expense recognised on employee stock option scheme of ₹ 105.87 lakhs. This was partially offset by net gain on sale of non-current investments of ₹ (944.14) lakhs and unwinding of interest on security deposit of ₹ 319.88 lakhs.

Operating profit before working capital changes was ₹ 4,125.90 lakhs in Fiscal 2023. The main changes in working capital included a decrease in trade and other payables of ₹ 1,505.44 lakhs. This was partially offset by an increase in inventories of ₹ 37,299.88 lakhs, increase in other current and non-current assets of ₹ 10,160.40 lakhs, and an increase in trade and other receivables and repayments of ₹ (436.37) lakhs.

***Fiscal 2022***

In Fiscal 2022, net cash inflow from operating activities was ₹ 4,070.81 lakhs. Profit before tax was ₹ 845.08 lakhs and adjustments primarily consisted of depreciation and amortisation expense of ₹ 1,068.14 lakhs and loss on disposal of property, plant and equipment of ₹ 0.42 lakhs. This was partially offset by interest income of ₹ (338.37) lakhs and revenue from Rental (equalisation as pre Ind AS) of ₹ (176.41) lakhs.

Operating profit before working capital changes was ₹ 2,985.23 lakhs in Fiscal 2022. The main changes in working capital included a decrease in inventories of ₹ 1,886.95 lakhs and an increase in current and non-current liability of ₹ 1,640.74 lakhs. This was partially offset by a decrease in trade and other payables of ₹ 1,171.34 lakhs and increase in trade and other receivables and prepayments of ₹ (296.64) lakhs.

**Investing Activities**

***Three months ended June 30, 2024***

Net cash inflow in investing activities was ₹ 234.91 lakhs in the three months ended June 30, 2024, primarily on account of sale of current investment of ₹ 10,163.45 lakhs and interest received ₹ 645.78 lakhs. This has been offset by purchase of property, plant and equipment (including investment property, intangible assets, capital work-in-progress, capital advances and capital creditor) of ₹ 2,312.56 lakhs, purchase of current investment of ₹ 7,003.49 lakhs and net movement in deposits of ₹ 1,258.28 lakhs.

***Fiscal 2024***

Net cash outflow in investing activities was ₹ 29,166.01 lakhs in the three months ended June 30, 2024, primarily on account of purchase of property, plant and equipment (including investment property, intangible assets, capital work-in-progress and capital advances) of ₹ (32,051.31) lakhs and net movement in deposits of ₹ (1,999.67) lakhs.

***Fiscal 2023***

Net cash outflow in investing activities was ₹ 5,214.39 lakhs in Fiscal 2023, primarily on account of purchase of property, plant and equipment and investment property (including intangible assets and capital advances) of ₹ 50,143.71 lakhs and purchase of current investments (net) of ₹ 6,270.64 lakhs. This was partially offset by net redemption of deposits with remaining maturity for more than 3 months of ₹ 38,933.62 lakhs and proceeds from sale of non-current investments of ₹ 13,172.86 lakhs.

***Fiscal 2022***

Net cash outflow in investing activities was ₹ 12,095.01 lakhs in Fiscal 2022, primarily on account of proceeds from sale of property, plant and equipment of ₹ 0.72 lakhs and purchase of property, plant and equipment and investment property (including intangible assets and capital advances) of ₹ (12,882.43) lakhs. This was partially offset by net redemption of deposits with remaining maturity for more than 3 months of ₹ 464.19 lakhs and interest received of ₹ 357.77 lakhs.

**Financing Activities**

***Three months ended June 30, 2024***

Net cash inflow from financing activities was ₹ 32,469.74 lakhs in the three months ended June 30, 2024, primarily on account of proceeds from borrowings of ₹ 59,630.96 lakhs and proceeds on exercise of employee stock option plan of ₹ 47.50 lakhs. This was partially offset by repayment of borrowings and interest of ₹ 24,169.21 lakhs and ₹ 2,764.53 lakhs, respectively, and repayment of lease liability of ₹ 274.98 lakhs.

***Fiscal 2024***

Net cash inflow in financing activities was ₹ 23,406.88 lakhs in Fiscal 2024, primarily on account of proceeds from issue of securities to non-controlling interest of ₹ 16,096.44 lakhs, sale of stake in subsidiary of ₹ 14,490.64 lakhs, and proceeds from borrowings of ₹ 6,397.51 lakhs. This was partially offset by interest paid of ₹ (6,673.80) lakhs, and repayment of lease liability of ₹ (744.66) lakhs.

***Fiscal 2023***

Net cash inflow in financing activities was ₹ 52,128.83 lakhs in Fiscal 2023, primarily on account of proceeds from long-term borrowings of ₹ 81,470.46 lakhs, proceeds from short term borrowings of ₹ 6,856.75 lakhs and proceeds from issue of equity shares of subsidiary of ₹ 1,851.13 lakhs. This was partially offset by repayment of long-term borrowings of ₹ (34,724.58) lakhs and interest paid of ₹ (4,236.05) lakhs.

***Fiscal 2022***

Net cash inflow in financing activities was ₹ 7,798.29 lakhs in Fiscal 2022, primarily on account of proceeds from borrowings of ₹ 10,270.12 lakhs interest paid of ₹ (2,471.84) lakhs.

**INDEBTEDNESS**

As of June 30, 2024, our total outstanding borrowings (including current borrowings and non-current borrowings) were ₹ 126,881.03 lakhs.

The following table sets forth certain information relating to our outstanding indebtedness as of June 30, 2024, and our repayment obligations in the periods indicated:

| Particulars | As of June 30, 2024 | | | |
|---|---|---|---|---|
| | Payment due by period | | | |
| | Total | Less than one year | One to four years | More than 4 years |
| | (₹ lakhs) | | | |
| **Current Borrowings** | | | | |
| Term loans (secured) | 1,819.86 | 1,819.86 | - | - |
| Vehicle loans (secured) | 28.88 | 28.88 | - | - |

| Particulars | As of June 30, 2024 | | | |
|---|---|---|---|---|
| | Payment due by period | | | |
| | Total | Less than one year | One to four years | More than 4 years |
| | (₹ lakhs) | | | |
| **Total Current Borrowings (A)** | **1,848.74** | **1,848.74** | - | - |
| | | | | |
| **Non-current Borrowings** | | | | |
| Term loans (secured) | 107,103.70 | - | 52,351.76 | 54,751.94 |
| Vehicle loans (secured) | 93.54 | - | 93.54 | - |
| Debt portion of compulsory convertible debentures | 17,835.05 | - | 4,144.88 | 13,690.17 |
| **Total Non-current Borrowings (B)** | **125,032.29** | - | **56,590.18** | **68,442.11** |
| | | | | |
| **Total (A+B)** | 126,881.03 | 1,848.74 | 56,590.18 | 68,442.11 |

## CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

The following table sets forth our contingent liabilities as per Ind AS 37 – "Provisions, Contingent Liabilities and Contingent Assets" as at June 30, 2024 based on Unaudited Interim Condensed Consolidated Financial Statements:

| S. No. | Particulars | Amount (₹ lakhs) |
|---|---|---|
| 1. | Uttarakhand VAT case | 21.24 |
| 2. | Bank guarantee | 5,000 |
| 3. | Income tax demand | 357.13 |

The following table sets forth our capital commitments as per Ind AS 16 – "Property, Plant and Equipment" as at June 30, 2024:

| Particulars | Amount (₹ lakhs) |
|---|---|
| • Estimated amount of contracts remaining to be executed on capital account and not provided for | 9,594.09 |
| • Less: Capital advances | (1,030.81) |
| • **Net capital commitment for acquisition of capital assets** | **8,563.28** |

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

## CAPITAL EXPENDITURES

In the three months ended June 30, 2024, our capital expenditure towards purchase of property, plant and equipment (including investment property, intangible assets, capital work-in-progress, capital advances and capital creditor) was ₹ 2,312.56 lakhs.

In Fiscal 2024, our capital expenditure towards purchase of property, plant and equipment (including investment property, intangible assets, capital work-in-progress and capital advances) was ₹ 32,051.31 lakhs.

In Fiscal 2023, our capital expenditure towards purchase of property, plant and equipment (including investment property, intangible assets, capital work-in-progress and capital advances) was ₹ 52,240.58 lakhs.

In Fiscal 2022, our capital expenditure towards purchase of property, plant and equipment (including investment property, intangible assets, capital work-in-progress and capital advances) was ₹ 12,882.43 lakhs.

## RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include key management personnel compensation, rent income, sale of material, sundry balance written off, interest expense, purchase of material, other direct expenses, corporate social responsibility expenditure, labour and material contractual expenses, reimbursement of expenses, security charges, repairs and maintenance others, outsourced manpower cost, technical and consultancy fees and dividend income.

Related parties with whom transactions have taken place during the period / year include our key management personnel, associates, joint venture and entities in which our key management personnel exercise significant influence.

## INTEREST COVERAGE RATIO

The following table sets out the interest coverage ratio for Fiscal 2022, 2023, 2024 and the three months ended June 30, 2024:

| Particulars | Fiscal | | | Three months ended June 30, 2024 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | |
| | (₹ lakhs) | | | |
| Profit/ (Loss) before tax **(A)** | 845.08 | 2,208.20 | (6,774.02) | (287.66) |
| Adjustments: | | | | |
| Add: Finance Costs **(B)** | 1,616.92 | 1,861.87 | 4,298.60 | 1,655.24 |
| Add: Exceptional item **(C)** | - | - | 4,445.06 | - |
| Profit for interest coverage **(D=A+B+C)** | 2,462.00 | 4,070.07 | 1,969.64 | 1,367.58 |
| Finance Costs (E) | 1,616.92 | 1,861.87 | 4,298.60 | 1,655.24 |
| Interest Coverage Ratio (F=D/E) | 1.52 | 2.19 | 0.46 | 0.83 |

## RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

Except as set out below, there have been no reservations/ qualifications/ adverse remarks/ emphasis of matters highlighted by the statutory auditors of our Company in the five Fiscals immediately preceding the year of this Preliminary Placement Document:

| Financial year / period ended | Reservation, qualification, emphasis of matter or adverse remark | Impact on the financial statements and financial position of the Company | Corrective steps taken and / or proposed to be taken by the Company* |
|---|---|---|---|
| Financial year ended March 31, 2024 | **Consolidated Financial Statement:**<br>a) Remarks in Report on other legal and regulatory requirement and<br><br>b) Remarks in Annexure 1 referred to in paragraph 1 of "Report on other legal and regulatory requirements"<br><br>For detailed remarks refer note 1 below. | Not quantifiable | - |
| Financial year ended March 31, 2023 | **Consolidated Financial Statement:**<br>a) Emphasis of matter on preparation of comparative financial information for the | None | - |

| Financial year / period ended | Reservation, qualification, emphasis of matter or adverse remark | Impact on the financial statements and financial position of the Company | Corrective steps taken and / or proposed to be taken by the Company* |
|---|---|---|---|
| | year ended March 31, 2023 and<br><br>b) Remarks in Annexure 1 referred to in paragraph 1 of "Report on other legal and regulatory requirements"<br><br>For detailed remarks refer note 2 below. | | |

**Note 1 Consolidated Financial year ended March 31, 2024:**

a) Remarks in Report on other legal and regulatory requirement:
The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using privileged access rights. Further, during the course of our audit the Statutory Auditors did not come across any instance of audit trail feature being tampered with in respect of accounting software.

b) Remarks in Annexure 1 referred to in paragraph 1 of "Report on other legal and regulatory requirements"
There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements except for following where the respective auditors have reported qualifications or adverse remarks in their audit report:

| S. No. | Name | CIN | Holding company/ Subsidiary | Clause number of the CARO report of relevant subsidiary which is qualified or is adverse |
|---|---|---|---|---|
| **1.** | Max Square Limited | U70200UP2019PLC118369 | Subsidiary | Clause (xvii)* |
| **2.** | Max Estates 128 Private Limited | U55101DL2006PTC151422 | Subsidiary | Clause (xvii)* |
| **3.** | Acreage Builders Private Limited | U70101HR2010PTC047012 | Subsidiary | Clause (xvii)* |
| **4.** | Max Estates Gurgaon Limited | U70109UP2022PLC170197 | Subsidiary | Clause (xvii)* |

*Clause (xvii): These entities have incurred cash losses in the year under audit and in the immediately preceding year.

**Note 2 Consolidated Financial Statement for the year ending March 31, 2023:**

a) Emphasis of matter on preparation of comparative financial information for the year ended March 31, 2023:

Our Statutory Auditors have drawn attention to a note in the consolidated financial statements which describes that the merger with MVIL has been accounted from the appointed date i.e. April 1, 2022 as defined in the Scheme of Amalgamation. However, being a common control business combination, Ind AS 103, Business Combinations requires the Company to account for the business combination from the combination date (i.e., the date on which control has been transferred) or from the earliest date presented in the financial statements, whichever is later. Therefore, comparative financial information for previous year ended March 31, 2022 has not been restated since the Scheme prevails over the applicable accounting requirements.

b) Remarks in Annexure 1 referred to in paragraph 1 of "Report on other legal and regulatory requirements"

There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements except for following where the respective auditors have reported qualifications or adverse remarks in their audit report:

| S. No. | Name | CIN | Holding company/ Subsidiary | Clause number of the CARO report which is qualified or is adverse |
|---|---|---|---|---|
| 1 | Max Square Limited | U70200UP2019PLC118369 | Subsidiary | Clause (xvii)* |
| 2 | Max I Limited | U74999PB2016PLC045450 | Subsidiary | Clause (xvii)* |
| 3 | Acreage Builders Private Limited | U70101HR2010PTC047012 | Subsidiary | Clause (xvii)* |
| 4 | Max Estates 128 Private Limited | U55101DL2006PTC151422 | Subsidiary | Clause (xvii)* |

*Clause (xvii): These entities have incurred cash losses in the year under audit and in the immediately preceding year.

There have been no reservations/ qualifications/ adverse remarks/ emphasis of matters highlighted by our statutory auditors for Fiscal 2020, 2021 and three months ended June 30, 2024.

**CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE FINANCIAL YEARS**

There have been no changes in our accounting policies in the last three Fiscals and three months ended June 30, 2024.

**QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We have instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Our Corporate Finance department, evaluates financial risks in close co-operation with the various stakeholders.

We are exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by senior
management, duly supported by various groups and committees.

***Capital Risk***

Our objective when managing capital is to safeguard our ability to continue as a going concern in order to provide returns to our shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of our Company consists of debt, which includes the borrowings, cash and cash equivalents and equity.

***Liquidity Risk***

Liquidity risk is the risk that we will not be able to meet our financial obligations as they become due. We employ prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the Corporate Finance department 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 not only for the entities but the Group as a whole 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. While borrowing funds for large capital project, we negotiate 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 Investment and Performance Review Committee of the Board.

**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. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

*Trade receivables*

Customer credit risk is managed subject to our 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 and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. An impairment analysis is performed at each reporting date on company category basis. The calculation is based on exchange losses historical data and available facts as on date of evaluation. Trade receivables comprise a widespread customer base. We evaluate the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

*Financial instruments and cash deposit*

Credit risk from balances with banks and financial institutions is managed by our treasury department in accordance with our 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 us.

***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.

*Interest rate risk*

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to our long term debt obligation at fixed interest rate.

*Foreign currency risk*

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities (when revenue, expense or capital expenditure is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods in foreign currency. We evaluate exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

**UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS**

To our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

**SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*– Significant Factors Affecting our Results of Operations and Financial Conditions*" and the uncertainties described in "*Risk Factors*" on pages 161 and 62, respectively.

**KNOWN TRENDS OR UNCERTAINTIES**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*– Significant Factors Affecting our Results of Operations and Financial Conditions*" and the uncertainties described in "*Risk Factors*" on pages 161 and 62, respectively. To our knowledge, except as discussed in this Preliminary Placement Document, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

**FUTURE RELATIONSHIP BETWEEN COST AND INCOME**

Other than as described in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 62, 200 and 160, respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

**NEW PRODUCTS OR BUSINESS SEGMENTS**

We have not announced and do not expect to announce in the near future any new business segments.

**COMPETITIVE CONDITIONS**

We operate in a competitive environment. See "*Risk Factors*", "*Industry Overview*", "*Our Business*" and on pages 62, 109 and 200, respectively, for further details on competitive conditions that we face across our various business segments.

**SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision marker of our Company. As the chief operating decision of our Company assess the financial performances and position as a whole and makes strategic decision, we consider our activities as a single operating segment as per Ind AS 108, hence separate segment disclosures have not been included.

**SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS/SUPPLIERS**

Given the nature of our business operations, we do not believe our business is dependent on any single or a few customers or suppliers.

**SEASONALITY/ CYCLICALITY OF BUSINESS**

Given the nature of our business operations, we generally do not believe that our business is seasonal.

**SIGNIFICANT DEVELOPMENTS AFTER JUNE 30, 2024 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

Except as mentioned below, there have been no significant developments after June 30, 2024 that may materially and adversely affect or is likely to affect within the next 12 months, (i) the trading or profitability of our Company; (ii) value of our assets; (iii) ability to pay our liabilities.

- We submitted resolution plan for resolution for Boulevard Projects Private Limited. The NCLT, New Delhi has approved the resolution plan for the development of commercial plot admeasuring 34,687 square meters located in NOIDA under the project name "Delhi One". The implementation of the resolution plan was subject to receipt of requisite approvals from regulatory and statutory authorities. Certain fundamental reliefs imperative for implanting the plan are being sought from NOIDA for which we have filed an appeal in the NCLAT on April 11, 2023.

  Subsequently after June 30, 2024, on August 23, 2024, we received approval from NOIDA for the said project. We will now take necessary steps to clarify the details of this approval from NOIDA and will subsequently approach the NCLAT to seek ratification and approval for the implementation of the resolution plan.

- Max Estates Gurgaon Limited, our wholly owned subsidiary had entered into a JDA for the development of land parcels. Subsequent to June 30, 2024, we have received RERA approval for the project.

- As intimated to the Stock Exchanges by way of our letter dated August 28, 2024, a meeting of the Board of Directors is scheduled on August 31, 2024, *inter-alia*, to consider and approve the raising of funds by issuance of equity shares/ warrants/ preference shares/ any other security convertible into equity shares aggregating up to an amount of ₹ 15,000 lakhs to the promoters / members of the promoter group of our Company and/or potential investors through any permissible mode, including by way of a preferential issue or any other mode as may be permitted under applicable laws, including the Companies Act, 2013 read with the rules notified thereunder and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, and to approve all the necessary actions required for raising funds, subject to necessary regulatory, statutory and other approval(s), if any, including approval of shareholders of our Company.

# OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 18 for a discussion of the risks and uncertainties related to those statements and also "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 62, 351 and 160, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Our fiscal year ends on March 31 of each year. Accordingly, references to a "Fiscal" year are to the 12-month period ended March 31 of the relevant year. Unless otherwise indicated or the context otherwise requires, the financial information for Fiscal 2022 included herein is derived from the Special Purpose Audited Consolidated Financial Statements, for Fiscal 2023 and Fiscal 2024 included herein is derived from the Audited Consolidated Financial Statements, and the financial information for the three months ended June 30, 2024, included herein is derived from the Unaudited Interim Condensed Consolidated Financial Statements included in this Preliminary Placement Document. For further information, see "Financial Statements" on page 351. The Unaudited Interim Condensed Consolidated Financial Statements of our Company are not indicative of our Company's annual performance and are not comparable with the Special Purpose Audited Consolidated Financial Statements/financial information and Audited Consolidated Financial Statements/ financial information.*

*The NCLT had pursuant to its order dated July 3, 2023 approved the composite scheme of amalgamation and arrangement between Max Ventures and Industries Limited and Max Estates Limited and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws (the "**Scheme**"). Pursuant to the Scheme, the entire business and undertaking of Max Ventures and Industries Limited was transferred and vested in our Company with effect from April 1, 2022, that is, the Appointed Date. Accordingly, the consolidated financial information for Fiscal 2024 and Fiscal 2023 is not directly comparable with the financial information for Fiscal 2022.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the industry report titled "Real Estate Industry Report" dated August 2024 (the "**KFIPL Report**") prepared and issued by Knight Frank (India) Private Limited, appointed by us on July 26, 2024 and exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with this Issue. There are no parts, data or information (which may be relevant for the proposed Issue), that has been left out or changed in any manner. Unless otherwise indicated, financial, operational, industry and other related information derived from the KFIPL Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

## OVERVIEW

*Who We Are*

We are a leading Indian real estate developer active primarily in the Delhi-NCR Region with a focus on developing sustainable, "*Grade A*" developments. *(Source: KFIPL Report)* We are the real estate development arm of Max group, one of India's business conglomerates with a strong presence in life insurance, senior living and real estate and allied businesses. (*Source: KFIPL Report*) We are focused on developing commercial real estate as well as residential real estate projects and as of June 30, 2024, we had 6 Commercial Projects and 4 Residential Projects which includes Completed Projects, Ongoing Projects and Forthcoming Projects with a total area of 11.50 million square feet (delivered, under-construction and under-development) in the Delhi NCR Region. We aspire to build sustainable commercial and residential developments in the Delhi NCR region, with a focus on well-being. Our aim is to be the most preferred brand in real estate in the Delhi NCR region, driven by our vision to enhance quality of life through the spaces we create.

*Our Journey*

<u>*Experiment*</u>. Our erstwhile parent company, Max Ventures and Industries Limited ("**MVIL**") was focused on manufacturing of specialty packaging films business while selectively exploring opportunities in real estate development. In 2018, we completed our inaugural project, *222 Rajpur*, a luxury residential villa community on Rajpur Road in Dehradun, Uttarakhand.

*Establish*. Building on the success of *222 Rajpur* and recognizing the growth potential in commercial real estate in the Delhi-NCR region, we shifted our focus to office-led commercial developments. With the purpose of 'enhancing quality of life through spaces it creates', We adopted the "*one region and multiple asset classes*" as our strategy to grow. During this period, we expanded our operations and ventured into certain notable projects. One of the key projects delivered was *Max Towers*, a commercial office space located at the cusp of Delhi and Noida. *Max Towers* stood out as a marquee development, offering innovative features and amenities to cater to the needs of modern businesses and enable holistic well-being of occupiers. Following that in 2020, Phase I of *Max House*, a redevelopment project of an office campus in Okhla, South Delhi, was also completed. Both *Max Towers* and *Max House Phase I* achieved and maintain a full occupancy with 100.00% leasing, as on date.

To focus on expanding our real estate portfolio, our erstwhile parent, MVIL, exited the specialty packaging films business by selling 51% stake in Max Speciality Films Limited to its former partner, who previously held a 49% stake. This divestment provided us with capital to further grow our real estate operations.

*Expansion*. From Fiscal 2023 onwards, our focus has shifted to the premium residential real estate market in Delhi-NCR. We acquired a 10-acre residential land parcel in Noida, entered the Gurugram market with a 7.15 acre commercial land parcel, and embarked on our first residential joint development in Sector 36A, Gurugram with an area of 11.80 acres. Additionally, our subsidiary, Max Square Limited, acquired a land parcel in Sector 129, Noida. We believe that these acquisitions coupled with strengthening of our organization capacity, capability and institutionalizing processes and systems, we are geared for execution at scale and further grow our portfolio.

We concluded the merger of MVIL into our Company in Fiscal 2023 and were listed on the NSE and BSE on October 30, 2023. The merger has enhanced our balance sheet flexibility to further expand and grow the real estate business and we are targeting time and cost synergies through streamlining of administrative operations.

*Our Philosophy*

Guided by our core operating philosophy promoting holistic well-being - Work*Well* and Live*Well*, we strive to provide distinct consumer experiences that seamlessly blend innovative design and exceptional hospitality.

1. **Empathetic Hospitality** An emotionally intelligent approach to hospitality & service that begins with empathy
2. **Elemental Harmony** Focus on elements like air, water and biophilia through interventions like, purifying plant, rainwater harvesting, green design, etc.
3. **Generosity** of time, space, and attention to detail. Providing more green cover per person
4. **Inclusivity** Age and needs inclusive design for wellbeing of all users
5. **Peace of Mind** Focus on best-in-practice safety measures, high standards of sanitation, and carefully selected locations
6. **Belonging** with Specially designed amenities for engagement among residents to promote social well-being
7. **Intentional Design** Promoting a healthier lifestyle through design interventions to ensure comfort, aesthetics, mobility and best-in-class technology solutions
8. **Sustainability** with use of sustainable materials, recycling, resource conservation and efficient use
9. **Food & Nutrition** Access to organic vegetables & biotic food sales, curated F&B options with focus on quality & nutrition

*Our Business Model*

Our commercial projects follow our philosophy of Work*Well*, which entails developing commercial real estate projects where all physical amenities of a modern workspace come together with human centric design. Our Commercial Projects are situated at among the most sought after locations in the Delhi-NCR Region. (*Source: KFIPL Report*) Certain of our Commercial Projects that are currently in operation include Max Towers, Noida, Max Square at Sector 129, Noida, Max House Phase 1 and 2 at Okhla, New Delhi. Max Square was awarded Best Commercial Project at CNBC Aawaz's 14th Real Estate Awards & Conclave 2023 (North Zone) and Commercial Project of the Year – Office Building (Non Metro: Ongoing) at the Economic Times Real Estate Awards & Conclave 2022.

Our operating model for our commercial properties focuses on an "owned and then built to lease" approach, which generates a steady annuity income for our Company. This provides significant financial stability and resilience, especially during economic downturns or cyclical fluctuations in the residential market. By having a portfolio of leased properties, we can mitigate the impact of periods when residential real estate may not be performing optimally which ensures that we remain financially robust and capable of sustaining growth, even amidst market volatility.

Our residential real estate projects cater to a diverse range of homeowners, accommodating various price points and preferences. We are led by our Live*Well* ethos which entails developing real estate projects that can enhance and enrich the quality of life of its residents by building a project that enables comfort, healthy living, and community experiences, while ensuring their well-being. Our portfolio of Completed, Ongoing and Forthcoming Residential Projects include one residential community of luxury villas (*222 Rajpur*), Estate 128 in Noida, Estate 360 in Gurugram and Max 36A in Gurugram, respectively.

*Portfolio of Completed, Ongoing and Forthcoming Real Estate Projects*

| **Asset** | **Location** | **Asset Class** | **Size (Leasable/ Saleable area) (Million Square Feet)** |
|---|---|---|---|
| Max Towers | Noida | Commercial | 0.30[(1)] |
| Max House – Phase 1 | Delhi | Commercial | 0.11 |
| Max Square | Noida | Commercial | 0.68 |
| Max House – Phase 2 | Delhi | Commercial | 0.15 |
| Estate 128 | Noida | Residential | 1.05 |
| Estate 128- II | Noida | Residential | 0.35 |
| Max 65 | Gurugram | Commercial | 1.59 |
| Max 36A | Gurugram | Residential | 3.69 |
| Estate 360 | Gurugram | Residential | 2.48 |
| Max Square Two | Noida | Commercial | 1.01 |
| 222 Rajpur | Dehradun | Residential | 0.09 |

*Note:*

(2) *Total area is 0.53 million square feet*

As part of our business model, we prioritize effective capital deployment across all asset classes while maintaining a diversified portfolio within the Delhi NCR region. Our land acquisition approach for our residential projects involves outright approach as well as entering into joint development agreements to optimize resource allocation. For instance, we have acquired land for the Estate 128, Noida project and have also entered into joint development agreements for ongoing project Estate 360 in Gurugram and forthcoming project Max 36A in Gurugram. Further, our commercial properties are situated on land leased on a long-term basis for 90 years from NOIDA.

*The 'Max' Brand*

We believe that the 'Max' brand is one of the key contributors to our success and the strength of our brand is attributable to our ability to understand customer preferences and inspire customer confidence. An affirmation of the strength of our brand is also reflected in various awards and recognitions we have received, including Best Realty Brands by ET Now Realty Convention + Best Realty Brands 2024, Emerging Developer of the Year by Economic Times Real Estate Awards 2022.

*Integrated Operations*

We have adopted an integrated real estate development model, with in-house capabilities and resources to execute developments from initiation to completion. Several strategic initiatives have been undertaken to strengthen systems and processes, including transition to our new ERP platform and digital interventions across the value chain. We have developed in-house competencies for every stage of the property development life cycle, commencing from business development, which involves identification of land parcels and the conceptualization of the development, to execution, comprising planning, designing and overseeing the construction activities, marketing and sales. In addition to our in-house competencies, we also leverage the expertise of external specialists to match our wide range of operations, such as architects, interior designers, landscaping experts, engineers and building services consultants for the development and management of our real estate operations.

*Technology Driven*

We leverage technology in various aspects of our operations with the endeavour to deliver world class spaces and enhanced customer satisfaction. Digital interventions as part of our execution process include solutions to offer virtual tours of our assets to prospective clients, enhanced air purification and real-time air quality monitoring for the wellness of occupants, call center software designed to boost sales and customer service agent performance, and an AI-based video analytics tool for enhancing customer experience, crowd control, safety and security.

*Association with New York Life Insurance Company*

We also benefit from our strategic partnership with New York Life Insurance Company ("**NYL**") for our commercial real estate projects and we are NYL's exclusive real estate partner in India. *(Source: KFIPL Report)* Our partnership with NYL started in 2017 when it invested approximately ₹ 22,528.04 lakhs to acquire 23% stake in erstwhile MVIL which was subsequently amalgamated into our Company. Subsequently in 2020, NYL committed ₹ 8,575.92 lakhs to acquire 49% in Max Square, Sector 129 and in Fiscal 2022 and Fiscal 2023 it made a commitment of ₹ 19,600.00 lakhs and ₹ 28,572.09 lakhs, respectively, to acquire 49% stake each in Max Square Two and the Sector 65, Gurugram commercial projects. Further, NYL in 2024 has entered into a memorandum of understanding and made a commitment of ₹ 38,841.56 Lakhs to acquire 49% equity shareholding each into our Subsidiaries that owns Max Towers and Max House (Phase-I and Phase-II), which is subject to certain closing conditions. Until June 30, 2024, NYL has committed ₹ 118,117.61 lakhs across six investment rounds and continues to evaluate co-investment opportunities.

We intend to allocate the proceeds to retire the debt associated with our Subsidiaries that will significantly enhance our free cash flow. As a result, we will be better positioned to reinvest these resources into further growth opportunities and operational expansion. This approach not only strengthens our balance sheet but also supports our long-term growth strategy by reducing financial obligations and improving our capability to pursue new projects and maintain our leadership position.

*Sustainability Focused*

Our operations lay special emphasis on sustainability. Environment, social and governance ("**ESG**") elements such as reduction of carbon emissions, use of sustainable materials, energy efficiency and wellness enhancements are a key focus for our real estate development activities. With our first Sustainability Report in 2021, we have embarked towards our commitment to sustainability, and we expect this to be a key differentiator for us in the real estate market. We continue to embrace ESG best practices across the organization, with participation in GRESB rankings and in 2023, we achieved GRESB 4-star rating in the second year of our participation. We believe this would enable us to benchmark ourselves against best practices of leading players, both domestic and global.

*Seasoned Promoter and Senior Management Team*

We are led by a diverse management team having extensive experience across the real estate sector and related industries. Our Chairman, Analjit Singh provides strategic direction and leadership to the Max group as a whole and is widely recognized as an industry statesman and has a long history of entrepreneurship and building successful businesses in the insurance, healthcare and other lifestyle related segments. He has been awarded the Padma Bhushan in 2011, one of India's top civilian honours. He has also received the Outstanding Lifetime Achievement Award from Indian American Centre for Political Awareness in 2003 and Golden Peacock Award for Business Leadership in 2012. Our Vice Chairman and Managing Director, Sahil Vachani is responsible for the overall strategic vision, direction and growth of our Company. He was earlier associated with Dixon Appliances Private Limited. Our Chief Operating Officer, Rishi Raj was previously associated with McKinsey & Co, while our Chief Financial Officer, Nitin Kumar has an extensive experience across hospitality and real estate.

*Strong Financial and Operational Performance*

We maintain a conservative approach to debt, leveraging a limited amount of borrowing to ensure financial stability. Specifically, we utilize lease rental discounting and construction finance as our primary forms of debt. This strategic focus on financing not only underscores our commitment to prudent financial management but also positions us to effectively manage and mitigate risk while supporting our growth and development projects.

The following table sets forth certain of our financial performance as of and for the years/period indicated:

| Particulars | As of and for the year ended March 31, | | | As of and for the three months ended June 30, 2024 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | |
| Revenue from Operations (₹ lakhs) | 6,928.87 | 10,734.20 | 9,294.37 | 4,048.62 |

| Particulars | As of and for the year ended March 31, | | | As of and for the three months ended June 30, 2024 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | |
| Total income (₹ lakhs) | 7,393.47 | 13,127.83 | 12,027.01 | 4,770.03 |
| Profit/ (loss) before tax (₹ lakhs) | 845.08 | 2,208.20 | (6,774.02) | (287.66) |
| Profit/ (loss) after Tax for the Year / Period (₹ lakhs) | 492.20 | 1,846.70 | (5,512.44) | (199.56) |
| Profit after Tax for the Year / Period Margin(1) (%) | 7.10% | 17.20% | (59.31)% | (4.93)% |
| EBITDA(2) (₹ lakhs) | 3,530.14 | 5,560.89 | 64.81 | 2,244.44 |
| Adjusted EBITDA(3) (₹ lakhs) | 3,530.14 | 5,560.89 | 4,509.87 | 2,244.44 |
| Adjusted EBITDA Margin(4) (%) | 50.95% | 51.81% | 48.52% | 55.44% |
| Total Equity (₹ lakhs) | 64,310.00 | 1,25,387.44 | 1,45,053.32 | 144,936.51 |
| Net Debt(5) (₹ lakhs) | 27,867.04 | 79,027.64 | 66,738.28 | 95,367.61 |
| Net Worth(6) (₹ lakhs) | 60,886.73 | 1,21,120.50 | 1,17,089.84 | 1,17,329.80 |
| Total assets(7) (₹ lakhs) | 1,02,537.96 | 2,22,718.89 | 3,10,139.88 | 3,46,155.86 |

*Notes:*

1. *Profit after Tax Margin for the Year / Period (%) is calculated by dividing profit after tax for the year by revenue from operations.*
2. *EBITDA is calculated as profit after tax for the year plus total tax expense, finance costs (including the interest expense charged to profit and loss through construction cost), depreciation and amortization expense.*
3. *Adjusted EBITDA is calculated by adjusting any exceptional item loss from EBITDA.*
4. *Adjusted EBITDA Margin is calculated as Adjusted EBITDA divided by revenue from operations.*
5. *Net Debt refers to the sum of non-current borrowing, current borrowing, interest accrued but not due on borrowings which is forming part of other non-current or current financial liabilities reduced by cash and cash equivalent, bank balances other than cash and cash equivalents and long term deposits with bank – deposits with original maturity of more than 12 months (including restricted deposits) forming part of other non-current financial assets and deposits with bank remaining maturity of less than 12 months forming part of other current financial assets.*
6. *Net Worth is calculated as owner equity which is share capital plus other equity plus share application money pending allotment.*
7. *Total assets is sum total of all assets i.e. current assets and non-current assets.*

The following table sets forth certain of our operational performance as of and for the years/period indicated:

| Particulars | As of and for the year ended March 31, | | | As of and for the three months ended June 30, 2024 |
|---|---|---|---|---|
| | 2022 | 2023 | 2024 | |
| Pre-Sales(1) (₹ lakhs) | 2,861.76 | 1,852.82 | 184,117.26 | - |
| Pre-Sales (Number of units) | 4 | 3 | 201 | - |
| Collections(2) (₹ lakhs) | 2,861.76 | 1,852.82 | 45,329.36 | 45,767.54 |
| Saleable Area(3) (million square feet) | 0.09 | 0.09 | 1.05 | - |
| FAR (million square feet) | 0.09 | 0.09 | 0.06 | 0.06 |
| Leased Area (million square feet) | 0.41 | 0.41 | 0.81 | 0.91 |
| Rental Income(4) (₹ lakhs) | 3,468.38 | 4,824.44 | 6,617.13 | 2,542.35 |
| Occupancy Rate(5) | 100.00% | 100.00% | 74.18% | 78.43% |

*Notes:*

1. *Pre-Sales for any period refers to the value of all units sold (net of any cancellations) during such period, for which the booking amount has been received.*
2. *Collections refers to gross collections from sale / lease of units excluding indirect taxes and facility management charges net of cancellations.*
3. *Saleable Area is defined as the area where construction has been completed and occupation certificate/building completion certificate has been received.*
4. *Rental Income refers to income from rent from completed projects.*
5. *Occupancy Rate refers to projects whose lease agreement or letter of intent are signed.*

We believe our brand equity, geographical focus, local connect and expertise, design and hospitality led differentiation in consumer experience, strong balance sheet and institutionalized processes and systems uniquely positions us to capture opportunities in the growing Delhi NCR market.

## OUR COMPETITIVE STRENGTHS

***Leading Real Estate Developer in the Delhi-NCR Region with a Portfolio of Commercial and Residential Projects***

We are a leading Indian real estate developer active primarily in the Delhi-NCR Region and are one of the few players in the Delhi-NCR region specializing in residential, commercial, and mixed-use properties, distinguishing ourselves with a broad and diversified geographical footprint. (*Source: KFIPL Report*) Our unique position as a diversified developer allows us to cater to a wide range of market needs and capitalize on various opportunities. By maintaining a balanced presence in multiple asset class, we enhance our ability to navigate market fluctuations and optimize growth potential across different areas.

We focus on developing "*Grade A*" developments and launched our flagship project, Max Towers Noida in 2017 and Max House (Phase 1), our second flagship project in Okhla, Delhi in 2018. Both of these projects are operating at 100.00% occupancy and command a rental premium of 25% to 30% compared to their respective micro-markets highlighting their appeal to both domestic and multinational corporations (*Source: KFIPL Report*), as well as demonstrating our strong execution capability and organizational systems and processes that us to develop high quality premium office space. Further, in February 2023, we received the completion certificate for our third flagship commercial real estate project, Max Square located in Sector 129 Noida, which as of June 30, 2024 has 63.22 % Occupancy Rate (including commitments pursuant to letter of intent). Further, we expanded our presence in Delhi, by completing phase II of Max House which is located in the same campus as Max House – Phase I which received its occupancy certificate in the third quarter of Fiscal 2024 and as of June 30, 2024 has 88.61% occupancy rate.

The table below provides the spread of our portfolio as of June 30, 2024:

| Region | Completed Projects (Million Square Feet) | Ongoing Projects (Million Square Feet) | Forthcoming Projects (Million Square Feet) |
|---|---|---|---|
| Delhi | 0.26 | - | - |
| Noida | 0.98* | 2.06 | 0.35 |
| Gurugram | - | 4.07 | 3.69 |
| Other** | 0.09 | - | - |
| **Total** | **1.33** | **6.13** | **4.04** |

* *This considers Max Towers which is under the ownership of MTPL.*
** *Includes 222 Rajpur in Dehradun.*

As of June 30, 2024, we had 6 Commercial Projects and 4 Residential Projects with a total area of 11.50 million square feet. The table below provides details of our portfolio, as of June 30, 2024:

*Commercial Portfolio*

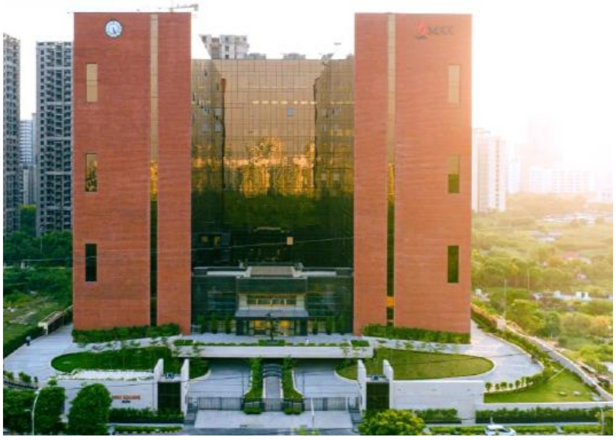
| Asset | Leasable Area(1) (Million Square Feet) | Leased Area(2) (Million Square Feet) | Occupancy Rate(3) (%) | Status |
|---|---|---|---|---|
| Max Towers, Noida | 0.30 | 0.30 | 100.00% | Delivered |
| Max House – Phase I, Okhla | 0.11 | 0.11 | 100.00% | Delivered |
| Max Square, Sector 129, Noida | 0.68 | 0.37 | 63.22% | Delivered |
| Max House – Phase II, Okhla | 0.15 | 0.13 | 88.61% | Delivered |
| Max 65, Gurugram | 1.59 | - | - | Ongoing |
| Max Square Two, Noida | 1.01 | - | - | Ongoing |
| **Total** | **3,84** | **0.92** | **78.43%** | |

*(5) Leasable Areas refers to maximum area of the building which can be let out.*
*(6) Leased Area refers to area for which lease deeds have been executed and/or commitments in the form of Letter of Intent has been received .*
*(7) Occupancy Rate refers to % of Leasable Area that has been leased.*
*(8) Computed based on property leased out.*

***Commercial Projects in Operations***

*Max Towers, Noida* *Max House-Phase I, Noida*

*Max Square, Noida*



*Residential*

| Asset | Saleable Area (Million Square Feet) | FAR (Million Square Feet) | Number of Units | Status |
|---|---|---|---|---|
| 222 Rajpur, Dehradun | 0.09 | 0.09 | 29[1] | Completed |
| Estate 128, Noida | 1.05 | 0.68 | 201 | Ongoing |
| Estate 128- II, Noida | 0.35 | 0.22 | 67 | RERA to be applied |
| Estate 360, Gurugram | 2.48 | 1.85 | 864 | Ongoing |
| Max 36A, Phase 2, Gurugram | 3.69 | 2.88 | Under design | Designing phase |

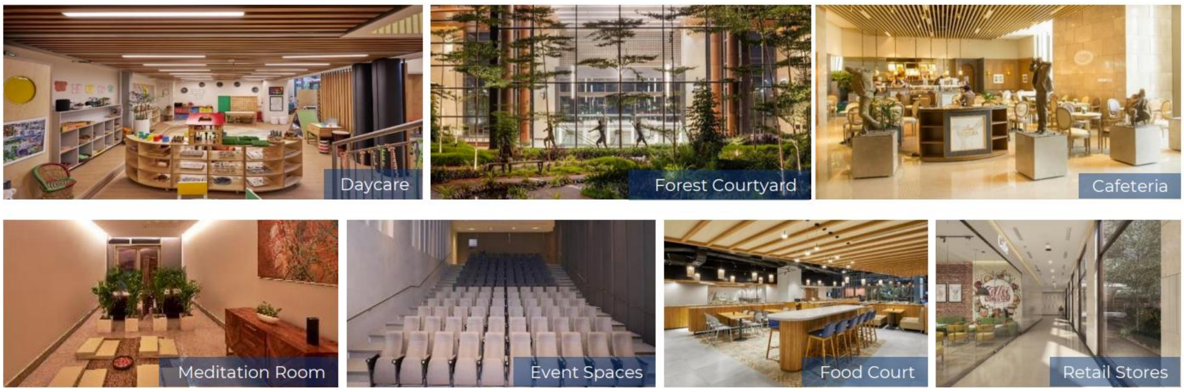
*Note:*

*(2) Includes 22 villas, 6 residential plots and 1 commercial plot*

*222 Rajpur, Dehradun*

Our assets are developed and managed to international standards making them amongst the preferred options for both domestic and multinational corporations in their respective submarkets. (*Source: KFIPL Report*) We focus on creating a holistic living experience with thoughtfully planned green spaces, world-class recreational facilities, and seamless connectivity to major commercial hubs. (*Source: KFIPL Report*) Our commercial real estate assets focus on design, well-being and tenant experience and provide a complete business ecosystem with modern infrastructure and amenities that enable our tenants to provide their employees with a safe, efficient and sustainable working environment.

*Customer Centricity*




Our residential real estate portfolio includes one Completed Project, 222 Rajpur in Dehradun which was completed in 2018, one Ongoing Project in Noida and two Forthcoming Projects in Gurugram. We have leveraged our experience and reputation in developing grade A quality commercial real estate projects to develop luxury residential projects which has been met by strong customer support. For example, Estate 128 in Noida, our first luxury residential project in the Delhi-NCR Region has been completely sold and garnered a launch sale of ₹ 184,117.26 lakhs and our Collections from this project amounted to ₹ 45,767.54 lakhs. We have two Forthcoming Projects in Gurugram, with estimated Saleable Area of 2.4 million square feet and 3.6 million square feet, respectively, which are currently under design phase, that are strategically located at the confluence of Dwarka Expressway, Central Peripheral Road and the planned Metro Corridor offering connectivity to central and secondary business districts of Gurugram such as Cyber City, Golf Course Road and Southern Peripheral Road.

We also have a healthy pipeline of Forthcoming Projects under our commercial portfolio with Max Square Two in Sector 129, Noida and Max 65, Golf Course Extension currently under design stage. The Leasable Area for Max Square Two and Max 65, Golf Course are between 1.0 to 1.1 million square feet and 1.5 to 1.6 million square feet, respectively, which will further help us grow our rental income from our commercial real estate portfolio. With a strong pipeline of commercial and residential portfolio we are well placed to further grow our business operations in the NCR region.

***Grade A Commercial Project Portfolio with a Diversified and Marquee Tenant Profile***

Our Commercial Projects are situated among the most sought after locations in the Delhi-NCR Region. (*Source: KFIPL Report*) All of our completed Commercial Projects are currently revenue generating and count reputed firms as tenants. As of June 30, 2024, we had over 38 tenants for our Commercial Projects. The table below provides certain operational details of our Commercial Projects as of the years/periods indicated:

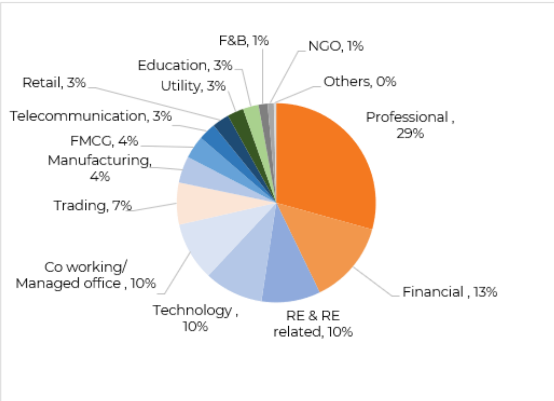
| Asset | Leasable Area (Million Square Feet) as of June 30, 2024 | Leased Area (Million Square Feet) as of June 30, 2024 | Occupancy Rate (%) as of June 30, 2024 | WALE (in years) as of June 30, 2024 | Total Rent | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Fiscal 2022 (₹ lakhs) | Fiscal 2023 (₹ lakhs) | Fiscal 2024 ₹ lakhs) | Three Months ended June 30, 2024 ₹ lakhs) |
| Max Towers, Noida | 0.30 | 0.30 | 100.00% | 5.1 | 2,758.01 | 3,396.18 | 3,813.64 | 1,019.91 |
| Max House – Phase I, Okhla | 0.11 | 0.11 | 100.00% | 6.1 | 710.37 | 1,428.26 | 1,404.26 | 373.13 |
| Max Square, Sector 129, Noida | 0.68 | 0.43 | 63.22% | 7.3(1) | - | - | 1,059.05 | 636.67 |
| Max House – Phase II, Okhla | 0.15 | 0.13 | 88.61% | 8.3 | - | - | 340.18 | 512.64 |
| **Total** | **1.24** | **0.96** | **78.43%** | **6.6(2)** | **3,468.38** | **4,824.44** | **6,617.13** | **2,542.35** |

*Notes:*

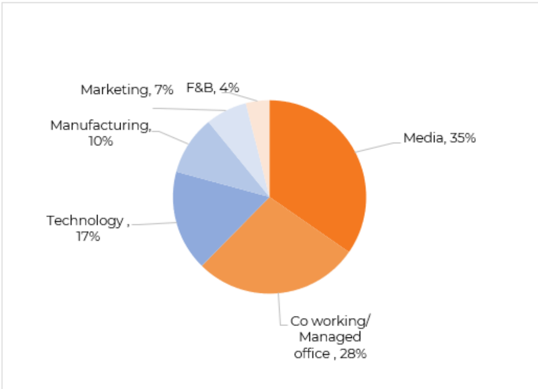
*(3) For Max Square WALE calculation, two of our tenants which have a lease tenure of 5 years and have the option to continue on same terms for next 4 years.*

*(4) Weighted Average of all buildings*

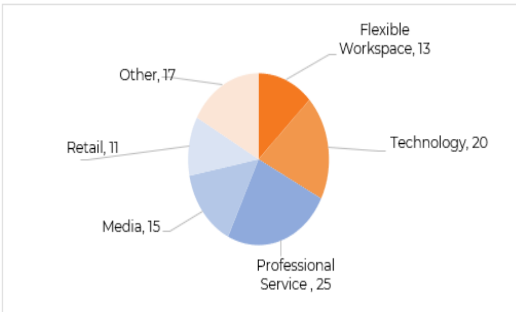
*Split of Portfolio Across Sectors as of June 30, 2024*




***Max Towers***




***Max Square***




***Max House***

We believe that our ability to attract and retain tenants across multiple sectors is a reflection of the leading position of our assets in their respective markets. This is driven by high quality infrastructure and amenities of our assets, and our best-in-class asset management capabilities. Further, leases in India are typically on a "warm shell" basis, and as a result tenants typically undertake significant capex at their own expense, they have significantly higher "stickiness" due to high exit costs which helps us to retain our existing tenants. (*Source: KFIPL Report*)

We maintain regular communication with our tenants through a dedicated customer relationship management program which ensures we anticipate and cater to tenant needs. This has resulted in tenant engagement which drive tenant growth as well result into retaining existing tenants. Further, no single tenant occupying more than 20% of our total leasable area, which helps minimize tenant concentration risk and ensures a more balanced and stable occupancy profile.

The table below provides details of rent generated from top 10 tenants for the respective asset as a percentage of total rent from the relevant asset in the last three Fiscals and three months ended June 30, 2024:

| Particulars | Fiscal 2022 | | Fiscal 2023 | | Fiscal 2024 | | Three months ended June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | Amount (₹ lakhs) | Percentage of total rent of the relevant asset (%) | Amount (₹ lakhs) | Percentage of total rent of the relevant asset (%) | Amount (₹ lakhs) | Percentage of total rent of the relevant asset (%) | Amount (₹ lakhs) | Percentage of total rent of the relevant asset (%) |
| Max Towers, Noida | 2,647.95 | 96.01% | 3,338.06 | 98.29% | 3,452.22 | 90.52% | 947.68 | 92.92% |
| Max House – Phase I, Okhla | 684.57 | 96.37% | 1,336.19 | 93.55% | 1,348.10 | 96.00% | 354.37 | 94.97% |
| Max Square, Sector 129, Noida | - | - | - | - | 1,059.05 | 100.00% | 636.67 | 100.00% |
| Max House – Phase II, Okhla | - | - | - | - | 340.18 | 100.00% | 495.26 | 96.61% |

The table below provides details of leased area and occupancy rates across our Commercial Projects as of the dates set forth:

| Asset | As of March 31, 2022 | | As of March 31, 2023 | | As of March 31, 2024 | | As of June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | Leasable Area (Million Square Feet) | Occupancy Rate (%) | Leasable Area (Million Square Feet) | Occupancy Rate (%) | Leasable Area (Million Square Feet) | Occupancy Rate (%) | Leasable Area (Million Square Feet) | Occupancy Rate (%) |
| Max Towers, Noida | 0.30 | 100.00% | 0.30 | 100.00% | 0.30 | 100.00% | 0.30 | 100.00% |
| Max House – Phase I, Okhla | 0.11 | 100.00% | 0.11 | 100.00% | 0.11 | 100.00% | 0.11 | 100.00% |
| Max Square, Sector 129, Noida | - | - | - | - | 0.68 | - | 0.68 | 63.22% |
| Max House – Phase II, Okhla | - | - | - | - | 0.15 | 50.00% | 0.15 | 88.61% |
| **Total** | **0.41** | **100.00%** | **0.41** | **100.00%** | **1.24** | **74.18%** | **1.24** | **78.43%** |

***Proven Project Execution Capabilities with a Focus on Technology***

We have an integrated real estate development model, with capabilities and in-house resources to execute developments from its initiation to completion. We have developed in-house competencies for every stage of the property development life cycle, and rely on the domain knowledge, experience and functional expertise of our in-house experts to deliver quality developments in compliance with regulations.

Our project execution capabilities are spread across verticals which helps us to codify the process for faster turnaround time. Our execution verticals include:

- Sales and Leasing: Focus on lead generation, client engagement, lead conversion and achieving revenue targets.
- Planning: In-depth planning, cost estimation and granular monitoring of project cost and timelines.
- CRM (Customer Relationship Management): Manage customer interactions, documentation and enhance customer satisfaction through personalized strategies.
- Marketing: Drive brand promotion and lead generation through digital and traditional campaigns.
- Quality: Ensure product/service quality through compliance, auditing and process improvement.
- Legal: Handle due diligence, contract negotiations, contract documentation, compliance, and dispute resolution.
- Growth and Business Development: Build pipeline of potential growth opportunities, shortlist and execute project acquisition opportunities.
- Strategy: Set long-term vision, business strategy and execute initiatives.
- HR and Payroll: Manage talent acquisition, retention, performance management, compensation, and employee engagement.
- Design: Be custodian of design guidelines and principals; lead design development process in coordination with international and domestic architects and consultants.
- Finance and Accounts: Manage financial budgeting, auditing, accounting, profit and loss management, and compliance with regulations.
- Procurement: Handle sourcing, negotiations, and contract execution.
- Projects: Plan and execute projects with a focus on quality, time, and cost.

Our project management consultancy model involves, breaking down projects into smaller components and assigning these segments to various contractors which allows us to leverage specialized skills and competitive pricing, ensuring high-quality developments while maintaining cost efficiency. The use of contractors, who offer both expertise and competitive rates, contributes to overall project affordability without compromising standards. Furthermore, this model enhances our ability to oversee and manage each segment closely, facilitating quality control and timely issue resolution. This structured and cost-effective approach underscores our commitment to delivering high-quality projects while optimizing financial resources.

We also leverage the expertise of external specialists to match our wide range of operations, such as architects, interior designers, engineers and building services consultants for the development and management of our developments. For instance, we have been associated with a global design and architecture firm, since 2019 to design Max Towers. We benefit from their strong design research practice and have currently engaged them for our Max 65 and Max 36A projects.

We believe that our proven execution capabilities to deliver developments in a time bound manner while achieving operational and design efficiencies positions us more favourably compared to our competitors. As a testament of our strong project execution capability, we were able to receive the competition certificate for our Max Square Project within 30 months from the start of construction.

We also leverage technology as an enabler in various aspects of our operations, including project planning and execution, and customer relationship management. Our technology initiatives include a customized central standard operating repository and training management module for our employees; a call center software to engage with customers; a cloud based relationship management solution to monitor new leads; a comprehensive enterprise resource planning for real estate modules; and a machine learning management platform for real-time visibility over our customers / employees. We also use a 3-dimensional BIM software for our assets which helps us to detect clashes and design flaws. As a result of our clash detection abilities, we are able to detect design flaws earlier and improve scheduling of construction material thereby helping us save time, and costs resulting in better project execution capabilities.

***Strong Focus on Sustainability Across our Operations***

We intend to enhance the quality of life of our customers through our sustainable operations. In 2022, we participated in the Global Real Estate Sustainability Benchmark, and received a rating of 69/100 for our Completed Projects and 75/100 for our Ongoing Projects. Following the announcement of the ratings, we undertook a detailed analysis to improve our score, and in 2023 results, we improved our score from 69 to 83 for Completed Projects and 75 to 93 for Ongoing Projects, which enabled our Company to achieve 4 star rating. In addition, all of our projects adhere to the National Building Code 2016 for safety standards. In addition, Max House is Leadership in Energy and Environmental Design Gold ("**LEED**") certified for green building strategies and Indian Green Building Mentioning ("**IGBC**") Gold certified for health and well-being aspects. Max Square is also rated IGBC Green Platinum. Having assets LEED/ IGBC certified endorses the commitment towards environmental sustainability and providing a greener and safer work environment for the occupants.

Our sustainable initiatives include the following:

- *Energy*: integration of double-glazing units and information of technology-based chiller operations optimizing energy efficiency from Smart Joules Private Limited, while heat recovery mechanisms and rooftop solar PV systems reduce environmental impact.
- *Water*: zero water discharge by treating the wastewater in sewage treatment plants.
- *Waste*: waste segregation at source, minimizing landfill waste, and an organic waste converter system for responsible reuse, promoting a greener future for resident.
- *Indoor environment quality*: real time air quality monitoring adjusts ventilation based on PM2.5 and PM 10 levels and filers reduce pollutants in conditioned areas, improving air quality usings solutions from Aliferous Technologies Private Limited.
- *Material Sourcing*: we adhere to material guidelines defined by LEED and IGBC of the certificate that were received for Max Tower, low VOC content paint and locally sourced materials.

***Strong Brand Equity Coupled with Experienced Management Team***

We are the real estate development arm of Max group, one of India's business conglomerates with a strong presence in life insurance, senior living and real estate and allied businesses. (*Source: KFIPL Report*) Further, we also believe that the "Max" brand provides us with competitive advantages in attracting talent, access to a global network, exploring potential business opportunities and corporate governance practices. We are able to leverage the "Max" brand through our strategic branding initiatives, consumer engagement programs and integrated marketing campaigns across our various businesses.

Our board comprises eminent and experienced members with deep expertise in real estate and other industries. Our Chairman, Mr. Analjit Singh provides strategic direction and leadership to the Max group as a whole and is widely recognized as an industry statesman and has a long history of entrepreneurial ventures including in the insurance, healthcare and other lifestyle related ventures. He has been awarded the Padma Bhushan in 2011, one of India's top civilian honours. He has also received the Outstanding Lifetime Achievement Award from Indian American Centre for Political Awareness in 2003 and Golden Peacock Award for Business Leadership in 2012. Our Non-Executive Directors, Anthony R Malloy, is currently associated with the New York Life Insurance Company; and Atul B Lall was associated with the Ministry of Communication & Information Technology, Government of India, Elcina Electronic Industries Association of India and Weston Electroniks Limited.. Our Independent Directors include, D K Mittal, who is a former Indian Administrative Service officer and board of various companies including Indus Tower Ltd., Lohia Corp Limited and Niva Bupa Health Insurance Company Limited..

We also have a committed senior management team. Our Vice Chairman and Managing Director, Sahil Vachani is responsible for the overall strategic vision, direction and growth of our Company. He was earlier associated with Dixon Appliances Private Limited. Our Chief Operating Officer, Rishi Raj was previously associated with McKinsey & Co, while our Chief Financial Officer, Nitin Kansal has an extensive experience across hospitality and real estate.

We believe that the experience of our board of directors and senior management team provides us with the ability to anticipate trends in the real estate market, identify and acquire lands in emerging locations and design our properties in accordance with customer trends.

## OUR GROWTH STRATEGIES

***Expand our Leadership Position in Commercial and Residential Developments in the Delhi NCR Region***

We intend to focus on acquiring land parcels for both our commercial and residential projects to expand our leadership position in the Delhi NCR region. Our strategic focus will be on creating a balanced portfolio that includes both residential and commercial projects, with an emphasis on premium developments. We are committed to maintaining a diverse and dynamic mix of high-quality properties to cater to varying market needs. To achieve this, we will strategically distribute our projects across key locations, ensuring a balanced presence in the Delhi-NCR micro-markets which will help us to leverage opportunities in each micro-market while delivering value and quality across our entire portfolio.

For our residential developments, we have executed a joint development agreement for 18.23 acres of Group Housing development in Gurugram. We intend to add an additional 2 million square feet of development potential in NCR cities of Gurugram, Noida and Delhi through which we intend to launch additional projects in the coming Fiscals. Further, we may explore to strategically develop projects on approximately 100 acres of land owned by our Promoter under the land pooling policy, capitalizing on these valuable assets to enhance our development portfolio. By utilizing promoter-owned land, we can optimize land use and streamline the development process, ensuring cost efficiency and effective resource management which will not only maximize the value of our existing assets but also enables us to undertake high-quality projects with greater control and flexibility. Leveraging promoter land will help us accelerate project timelines, reduce acquisition costs, and drive overall growth and profitability.

In addition, our focus will be on selecting projects that can be developed swiftly and efficiently. By prioritizing developments with shorter timelines, we aim to accelerate our project delivery and capitalize on market opportunities more effectively. This approach allows us to quickly bring new properties to market, respond promptly to demand, and optimize our overall project cycle to maintaining our competitive edge and maximizing returns on investment.

To further align with our strategy, we will also consider bidding for projects that are currently under insolvency proceedings. This approach allows us to explore opportunities for acquiring assets and potentially accelerate our development timeline. For example, our Company is the successful resolution applicant in Delhi One insolvency process. The Delhi One project consists of one commercial tower, one hotel tower, retails spaces and three residential towers with an Estimated Developable Area of 2.5 million square feet - 3 million square feet. The implementation and takeover of Delhi One is pending approval on select set of business pre-requisites requested in the resolution plan.

***Continue to Maintain Asset Light Operations***

We believe that an asset light model helps to unlock capital that can be used for future growth. We aspire to continue to find new partners to enter into joint development agreements which will help us to source premium land at strategic locations with minimal initial investment, help us continue to focus on and execute developments with land-owners. We believe that the strong brand equity of the Max Group, combined with our proven execution capabilities, enhances our ability to secure land through joint ventures and joint development agreements. As of June 30, 2024, 70.18% of the Saleable Area of our Ongoing Projects and 91.32% of the estimated Saleable Area of our Forthcoming Projects, respectively, were based on the joint development, joint venture or re-development model. We intend to leverage our established brand, proven track record and execution capabilities to actively pursue this model. We also intend to continue to selectively acquire land, which results in efficient utilization of capital resulting in lower debt, allowing us to have higher return on capital employed.

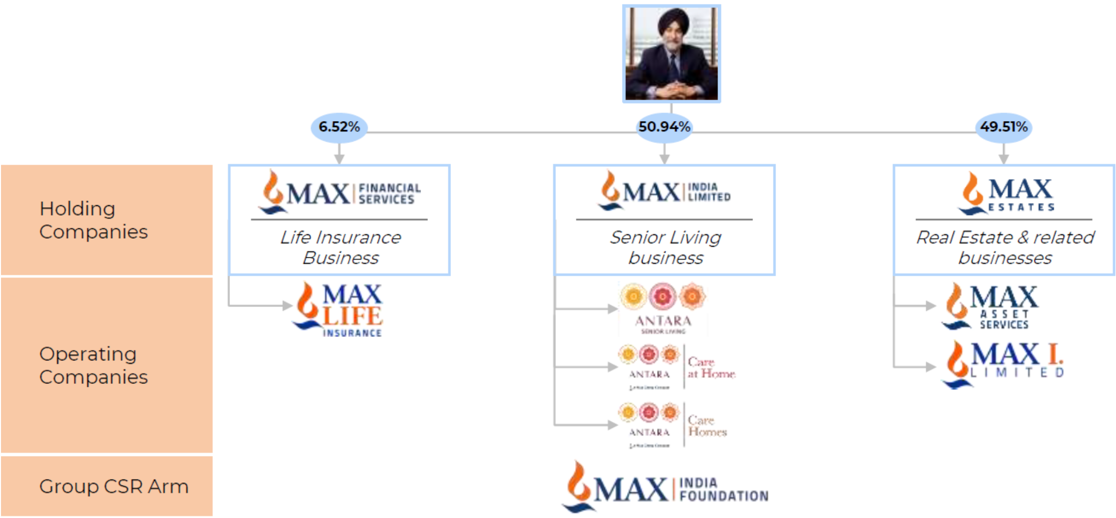
***Continue to Focus on Sustainability***

We assess the environmental impact of our developments and have adopted a comprehensive approach to sustainable development from an early design phase through the construction period. We will continue to focus our attention towards sustainability across our operations by incorporating environmental-friendly elements in our construction. We aim to continuously improve our operations and achieve a 5 star rating. We aspire to obtain LEED certifications by the IGBC for our Forthcoming Developments. Further, we have applied for ISO9001 certification for Quality Management, ISO45001 certification for Occupational and health safety and ISO14001 for environmental certification for our projects.

**Description of our Business**

We are a leading Indian real estate developer active primarily in the Delhi-NCR Region (*Source: KFIPL Report*) with a focus on developing sustainable, "*Grade A*" developments.

**The Max Group**




The following sets forth the definitions for each of these classification and other relevant terms:

| Classification | Definition |
|---|---|
| **Commercial** | |
| Completed Projects | "**Completed Projects**" are those projects where the Entities have completed development/re-development; and in respect of which the occupation/completion certificate/building completion certificate, as applicable, has been obtained from the relevant authorities by the Entities. |
| Ongoing Project | "**Ongoing Project**" are those projects in respect of which (i) all title or development/re-development rights/development management, or other interest in the land is held either directly or indirectly by the Entities; and (ii) development/re-development or construction work is ongoing/started; and (iii) the requisite approvals for commencement of development/re-development, including the commencement certificate/development permission, have been obtained by the Entities |
| Built-up Area | "**Built-up Area**" comprises the total construction area of the Project in accordance with approved plans, in case of Ongoing Projects, and in accordance with the applicable development control rules and regulations, in case of Forthcoming Projects, including permissible transferable development rights ("**TDR**"), floor space index ("**FSI**") area, free of FSI area, fungible FSI, premium FSI, TDRs, ancillary FSI, additional FSI, incentive FSI, prorate FSI etc., as applicable. |
| Leasable Area | **Leasable Area**" is the total area of a project that can be occupied by/assigned to a tenant, calculated in accordance with the Company's policy for calculation of Leasable Area, for which the prospective tenant or lessee or licensee, as the case may be, is obliged to pay rent/license fee or for which the Company expects that the respective tenant or lessee or licensee, as the case may be, will pay. |

| Classification | Definition |
| --- | --- |
| Leased Area | **Leased Area**" is the area for which a lease deed or LOI is executed by "Lessor" and "Lessee". |
| **Residential** | |
| Completed Projects | "**Completed Projects**" are those projects where the Company and/or its Subsidiaries have completed development; and in respect of which the occupation/completion certificate/building completion certificate, as applicable, has been obtained from the relevant authorities by the Entities. |
| Ongoing Projects | "**Ongoing Projects**" are those projects in respect of which (i) all title or development rights/development management, or other interest in the land is held either directly or indirectly by the Company and/or its Subsidiaries; (ii) development or construction work is ongoing/started; and (iii) the requisite approvals for commencement of development, including the commencement certificate/development permission, have been obtained by the Company and/or its Subsidiaries |
| Forthcoming Projects | "**Forthcoming Projects**" are those projects in respect of which (i) all title or development rights or other interest in the land is held either directly or indirectly by the Company and/or its Subsidiaries or where development right agreements are in the process of execution; and/or (ii) preliminary management development plans/designs are in place; and/or (iii) requisite applications for approvals and conversion of usage, if applicable, have been made; and/or (iv) architects have been identified and they have commenced planning; but (iv) in respect of which, no construction, development activities have commenced. |
| FAR Area | "**FAR Area**" Floor area ratio as defined by local authorities. |
| Estimated Developable Area | "**Estimated Developable Area**" is the estimated total construction area of the Project as per the prevailing development control rules and regulations of the sanctioning authority including permissible TDR, FSI area, free of FSI area, fungible FSI, premium FSI, TDR, incentive FSI, ancillary FSI, prorate FSI etc., as applicable. This is inclusive of the total built-up area as per FSI and the area which is not included in the FSI e.g., staircases, passages, service areas, clubhouse, podiums, amenities, basements etc. |
| Saleable Carpet Area | "**Saleable Carpet Area**" is the carpet area available for sale as per the prevailing laws viz. MOFA/RERA which were applicable at that time. |
| Saleable Area/Estimated Saleable Area | "**Saleable Area/Estimated Saleable Area**" is the total carpet area/estimated total carpet area, balconies and external walls along with proportionate loading of common areas which includes area under various services and amenities provided. |

### Our Assets

We are focused on developing commercial real estate as well as residential real estate projects and as of June 30, 2024, we had we had 6 Commercial Projects and 4 Residential Projects which includes Completed Projects, Ongoing Projects and Forthcoming Projects. The table below provides certain details of our Completed, Ongoing and Forthcoming Projects:

### Commercial

*Completed Projects*

| Name of the project | Built-up Area (square feet) | Leasable Area (square feet) | Leased Area (square feet) |
| --- | --- | --- | --- |
| Max Towers, Sector 16B, Noida | 395,923 | 301,860 | 301,860 |
| Max House Phase 1, Okhla | 137,338 | 105,643 | 105,643 |
| Max House Phase 2, Okhla | 141,255 | 150,454 | 133,319 |
| Max Square, Sector 129, Noida | 757,144 | 678,809 | 429,153 |

*As certified by Kulmeet Shangari, independent architect, pursuant to his certificate dated August 29, 2024.*

*Ongoing Projects*

| Name of the project | Built-up Area* (square feet) | Leasable Area (square feet) | Leased Area (square feet) |
| --- | --- | --- | --- |
| Max Square Two, Sector 129, Noida | 12,77,183 | 10,11,392 | - |

| | | | |
|---|---|---|---|
| Sector 65 Gurgaon | 17,70,305 | 15,89,341 | - |

**Above areas are based on schematic design and may vary as per design development.*
*As certified by Kulmeet Shangari, independent architect, pursuant to his certificate dated August 29, 2024.*

**Residential**

*Completed Project*

| Name of the project | FAR Area (square feet) | Saleable Carpet Area (square feet) | Saleable Area (square feet) | Plot Area (square meters) |
|---|---|---|---|---|
| 222 Rajpur | 89,925 | 71,353 | 93,870 | 20,099 |

*As certified by Kulmeet Shangari, independent architect, pursuant to his certificate dated August 29, 2024.*

*Ongoing Projects*

| Name of the project | FAR Area (square feet) | Estimated Saleable Carpet Area (square feet) | Saleable Area (square feet) | Plot Area (square meters) |
|---|---|---|---|---|
| Estate 128 (3 Towers) | 680,197 | 550,385 | 1,052,087 | 40,469** |
| Estate 360 | 1,849,824 | 1,332,293 | 2,476,884 | 47,753 |

*As certified by Kulmeet Shangari, independent architect, pursuant to his certificate dated August 29, 2024.*

*Forthcoming Projects*

| Name of the project | FAR Area (square feet) | Estimated Saleable Carpet Area (square feet) | Saleable Area (square feet) | Plot Area (square meters) |
|---|---|---|---|---|
| Estate 128 ($4^{th}$ Towers) | 220,491 | 183,462 | 350,696 | Refer note below** |
| Sector 36A project Phase II | 2,875,820 | 1,984,273 | 3,688,240 | 73,817 |

**Above areas are based on concept design and as certified by Kulmeet Shangari, independent architect, pursuant to his certificate dated August 29, 2024.*
***Since, the Tower 4 is part of same plot as Estate 128 (3 Towers), hence not separately disclosed. Area disclosed is of all four towers.*

***Commercial Assets***

**Max Towers**

Strategically located at the edge of South Delhi in Noida, Max Towers is a next-generation office building *(Source: KFIPL Report)*, LEED Platinum certified for Green Building Strategies, and IGBC Platinum rated for Health and Well-Being aspects. The facilities include an in-house auditorium, host of operational F&B amenities, engaging art, an early learning centre, a fitness centre, meditation room, a 374-seater cafeteria, and sports facilities. Max Towers is fully occupied by leading domestic and global organizations and is considered the one of the most premium workspace of Noida. *(Source: KFIPL Report)*

*Interiors at Max Tower*


As of June 30, 2024, Max Towers has 16 tenants. The table below provides rent generated from Max Towers in the last three Fiscals and three months ended June 30, 2024 as a percentage of total revenue from operations:

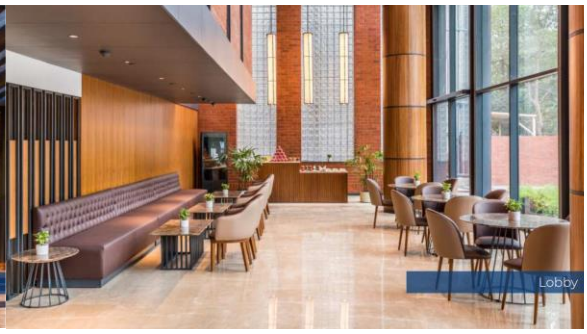
| **Asset** | **Fiscal 2022** | | **Fiscal 2023** | | **Fiscal 2024** | | **Three months ended June 30, 2024** | |
|---|---|---|---|---|---|---|---|---|
| | **Amount of rent (₹ lakhs)** | **Percentage of total revenue from operations (%)** | **Amount of rent (₹ lakhs)** | **Percentage of total revenue from operations (%)** | **Amount of rent (₹ lakhs)** | **Percentage of total revenue from operations (%)** | **Amount of rent (₹ lakhs)** | **Percentage of total revenue from operations (%)** |
| Max Towers, Noida | 2,758.01 | 40.00% | 3,396.18 | 32.00% | 3,813.64 | 41.00% | 1,019.91 | 25.00% |

**Max House – Phase I**

Located in the Central Business District of South Delhi *(Source: KFIPL Report)*, Max House – Phase -I is LEED Gold certified for Green Building Strategies and IGBC Gold Rated for Health and Wellness aspects.

Max House offers its tenants a host of F&B amenities, meeting and community building spaces at a well-connected, and easily accessible location in South Delhi. *(Source: KFIPL Report)*

*Max House Exterior and Interior*




As of June 30, 2024, Max House-I has 9 tenants and fully leased. The table below provides rent generated from Max House-I in the last three Fiscals and three months ended June 30, 2024 as a percentage of total revenue from operations:

| Asset | Fiscal 2022 | | Fiscal 2023 | | Fiscal 2024 | | Three months ended June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | Amount of rent (₹ lakhs) | Percentage of total revenue from operations (%) | Amount of rent (₹ lakhs) | Percentage of total revenue from operations (%) | Amount of rent (₹ lakhs) | Percentage of total revenue from operations (%) | Amount of rent (₹ lakhs) | Percentage of total revenue from operations (%) |
| Max House – Phase I | 710.37 | 10.00% | 1428.26 | 13.00% | 1404.26 | 15.00% | 373.13 | 9.00% |

**Max Square**

Built on the theme of nature and nurture, Max Square is 0.68 million square feet unique office space, designed around 11,000 sq. ft. of forest. Strategically located on the Noida-Greater Noida Expressway *(Source: KFIPL Report)*, Max Square is developed in one of the fast-developing sectors in Noida, Sector 129 *(Source: KFIPL Report)*. Max Square is conveniently accessible through both road and metro and connects to key destinations in the National Capital Region *(Source: KFIPL Report)*. It pays attention to the crucial elements that make up a modern workplace, including sustainability, design and a campus environment. Max Square is IGBC Platinum rated for green building standards, and hosts a curation of experiential retail, and food court.


As of June 30, 2024, Max Square has 8 tenants and is 63.22 percent leased. The table below provides rent generated from Max Square in the last three Fiscals and three months ended June 30, 2024 as a percentage of total revenue from operations:

| Asset | Fiscal 2022 | | Fiscal 2023 | | Fiscal 2024 | | Three months ended June 30, 2024 | |
|---|---|---|---|---|---|---|---|---|
| | Amount of rent (₹ lakhs) | Percentage of total revenue from operations (%) | Amount of rent (₹ lakhs) | Percentage of total revenue from operations (%) | Amount of rent (₹ lakhs) | Percentage of total revenue from operations (%) | Amount of rent (₹ lakhs) | Percentage of total revenue from operations (%) |
| Max Square | - | - | - | - | 1,059.05 | 11.00% | 636.67 | 16.00% |

**Max Square Two**

Max Square Two is situated on a land area of four acres with a development potential of 1 to 1.1 million square feet. Located next to Max Square, it has a 3.93 acres of office led mixed used development potential and is IGBC Platinum pre-certified for Green Building.

**Max House – Phase Two**

Located in the central business district of South Delhi, it was delivered in third quarter of Fiscal 2024. This is an extension of Max House Phase 1, with a larger leasable area of 0.15 million square feet. We have witnessed demand from both existing and new clients and is over 89% leased within six months of receipt of occupancy certificate.

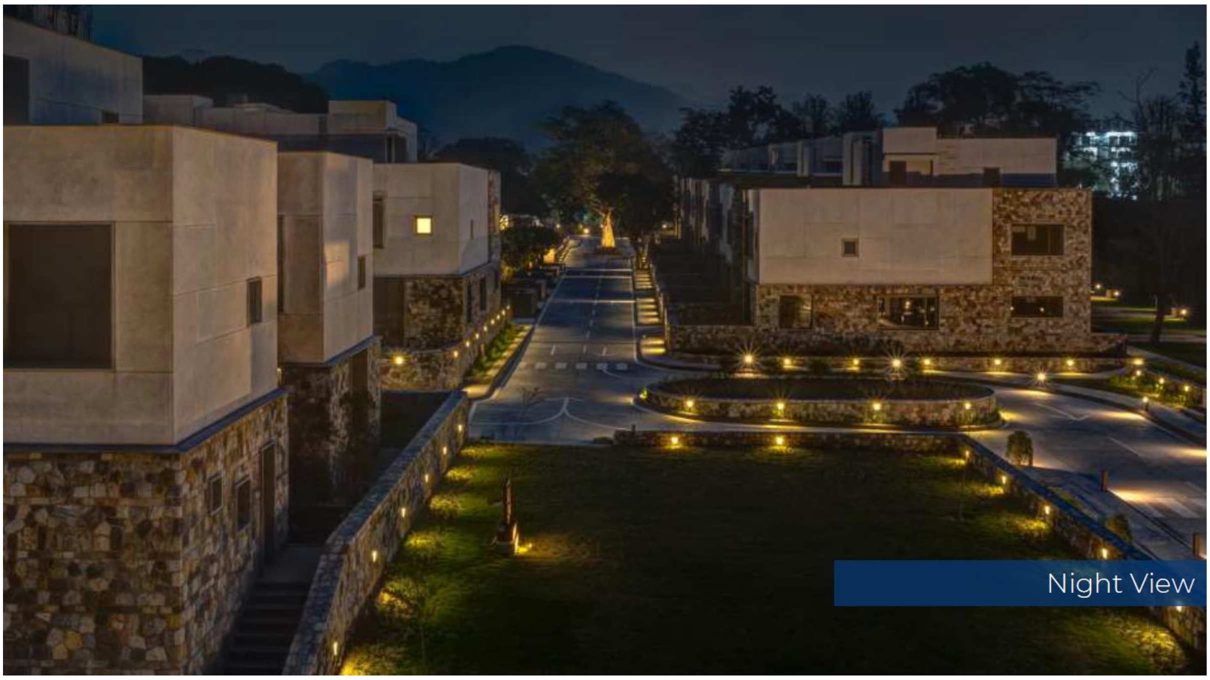
**Max 65 Gurugram**

Max 65 Gurugram is our first commercial real estate projects in Gurugram situated on a 7.15-acre land parcel on Golf Course Extension Road with development potential of 1.6 mn sq. ft. It is one of the very few commercial sites with access from three sides. (*Source: KFIPL Report*) We have commenced construction of the project.

***Residential Assets***

**222 Rajpur**

222 Rajpur is our first residential project completed in 2018 located in Dehradun, Uttarakhand. It is a luxury residential villa community with a limited inventory of 22 bespoke residences situated on 5 acres of land located adjacent to the Malsi forest. (*Source: KFIPL Report*)




**Estate 128**

Estate 128 is our first luxury residential project in the NCR region, situated next to the Noida-Greater Noida expressway with a frontage of 340 meters of expressway. (*Source: KFIPL Report*) It is IGBC Platinum pre-certified for Green Homes with 7 acres of gardens/ lawns. (*Source: KFIPL Report*)

**Estate 360**

Estate 360 is Delhi-NCR's first inter-generational community at scale situated on a land area of 11.8 acres at the confluence of three major corridor in Gurugram. (*Source: KFIPL Report*) It is situated opposite 220-acre green zone and 50 meters green belt and key commercial developments. (*Source: KFIPL Report*)

**Lease Arrangements**

All of our Subsidiaries, operating our Commercial Portfolio, have entered into lease agreements with their tenants for terms that generally extent from 3 years to 9 years. Further, for our under-construction projects, we generally enter into pre-committed lease arrangements with prospective tenants.

Our lease agreements generally contain common termination provisions such as termination upon default of the counterparty. Leases typically have a lock-in period during which the tenant is not allowed to exit unless there is a breach by the lessor of the terms of the lease agreement. Lock-in period, wherever applicable, typically lasts between two to five years from the lease commencement date. For leases where the lock-in period has expired or is not applicable (in cases of renewal by an existing tenant), the lessee has an option to surrender the premises after providing advance notice, usually of six months.

**Information Technology Infrastructure**

We leverage technology in various aspects of our operations with the endeavour to deliver world class spaces and enhanced customer satisfaction. Digital interventions as part of our execution process include solutions to offer virtual tours of our assets to prospective clients, enhanced air purification and real-time air quality monitoring for the wellness of occupants, call center software designed to boost sales and customer service agent performance, and an AI-based video analytics tool for enhancing customer experience, crowd control, safety and security. We also use a 3-dimensional BIM software for our assets which helps us to detect clashes and design flaws. As a result of our clash detection abilities, we are able to detect design flaws earlier and improve scheduling of construction material thereby helping us save time, and costs resulting in better project execution capabilities.

**Intellectual Property**

Our Company uses the “Max” trademark and logo pursuant to a license agreement entered into with the Max India Limited.

**Competition**

We operate in an intensely competitive and highly fragmented industry with low entry barriers. We face significant competition in our business from a large number of Indian real estate development companies who also operate in the same regional markets as us. The extent of the competition we face in a potential property market depends on a number of factors, such as the size and type of property development, contract value and potential margins, the complexity and location of the property development, facilities and supporting infrastructure services, the reputation of our competitors, and the risks relating to revenue generation.

For further information, see “*Risk Factors - The real estate industry in India is intensely competitive and our inability to compete effectively may adversely affect our business, financial condition and the results of operations.*” on page 68.

**Environment, Health and Safety**

Our operations lay special emphasis on sustainability. Environment, social and governance (“**ESG**”) elements such as reduction of carbon emissions, use of sustainable materials, energy efficiency and wellness enhancements are a key focus for our real estate development activities. With our first Sustainability Report in 2021, we have embarked towards our commitment to sustainability and we expect this to be a key differentiator for us in the real estate market. In 2022, we participated in the Global Real Estate Sustainability Benchmark, and received a rating of 69/100 for our Completed Projects and 75/100 for our Ongoing Projects. Following the announcement of the ratings, we undertook a detailed analysis to improve our score, and in 2023 results, we improved our score from 69 to 83 for Completed Projects and 75 to 93 for Ongoing Projects, which enabled our Company to achieve 4 star rating. In addition, all of our projects adhere to the National Building Code 2016 for safety standards. In addition, Max House is Leadership in Energy and Environmental Design Gold (“**LEED**”) certified for green building strategies and Indian Green Building Mentioning (“**IGBC**”) Gold certified for health and well-being aspects. Max Square is also rated IGBC Green Platinum. Having assets LEED/ IGBC certified endorses the commitment towards environmental sustainability and providing a greener and safer work environment for the occupants.

Our responsibility towards people's safety, health, and well-being starts at the onset of construction and continues till the lifetime of our assets. It transitions from workers to customers and tenants and changes in type and form. We have crafted a specific approach for addressing the risks and needs for safety, health and well-being at each phase and each set of stakeholders in our assets’ lifecycle.

At our construction sites, we conduct safety training for our employees as well as contract workers which includes induction training on general safety awareness; first aid; emergency procedures; and use of personal protective equipment; refresher training; specific training to employees and contract workers involved in operations that require specific skills or safety precautions.

Further, we carry out weekly site safety inspections and prepare adequate report based on such inspection. In the event, during inspection, any deficiency are identified or unsafe practices discovered, we aim to undertake remedial action to rectify such issues.

We are also committed to promote safety awareness amongst our workforce and have implemented safety promotional schemes. As part of safety awareness, the following media is displayed in the worksite to depict safety and industrial health-related issues:

- Poster Campaigns;
- Billboards;
- Banners; and
- Glow signs.

We have a site safety committee to promote and monitor safety and health on our project site. The committee reviews the safety inspection reports, accident and incident reports, review emergency and rescue procedures, and promote safety and industrial health on site. The site safety officer conducts in-depth investigations into all fatal accidents, major injury accidents, incidents involving a member of the public and dangerous occurrences.

Further, we have signed up with British Safety Council ("**BSC**") to upgrade the safety framework of all our assets starting with Max Towers. We have initiated steps to follow BSC's Five Star Occupational Health and Safety framework which involves an in-depth examination of the organization's entire health and safety management system(s) and associated arrangements. The framework is reflective of the recognized PLAN – DO – CHECK – ACT management cycle.

**Corporate Social Responsibility**

As part of contributing back to society, we collaborate with Max Foundation to improve communities by engaging with local groups. In collaboration with Max Foundation, we have partnered with various NGOs to support education of students, teachers and fellows.

**Insurance**

Our real estate operations are subject to hazards inherent to the construction industry, such as work accidents, fires, earthquakes, floods, and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage.

Our insurance policies include:

- Fidelity Insurance - a business insurance product that protects against business losses caused due to employee dishonesty, theft, or fraud;
- Money Insurance - cash insurance is a cover which indemnifies the insured against loss of money; and
- Electronic Equipment Insurance – insurance on any if losses your electronic equipment suffers any kind of damage.

For our operational projects, we have taken Business Guard Commercial Insurance policy which provides insurance cover for physical loss, theft, damage to, or destruction of, insured property relating to our business including damages from fire, and other special perils

In addition for our Under-Construction Projects, our insurance policy includes contractor all risk insurance which provides a comprehensive protection against loss or damage in respect of contract works, construction plant and equipment and/ or construction machinery, as well as third party claims in respect of property damage or bodily injury arising in connection with the execution of a civil engineering project.

**Human Resources**

As of June 30, 2024, we had 165 permanent employees. In addition, we also engage with third party contracts for various aspects of our operations. As of June 30, 2024, we had 31 contract workers.

The table below provides a break-up of our permanent employees as of June 30, 2024:

| Department | Number of Employees |
|---|---|
| Administration | 4 |
| BD & P&L | 7 |
| Billing | 1 |
| Central Project Fit-out | 3 |
| CRM | 6 |

| Department | Number of Employees |
|---|---|
| Design | 6 |
| Digital & IT | 7 |
| External Affairs | 2 |
| Finance & Accounts | 14 |
| Human Capital | 7 |
| Leasing | 4 |
| Legal | 3 |
| Management Office | 1 |
| Marketing | 8 |
| Operations | 12 |
| Planning & Costing | 5 |
| Procurement | 5 |
| Projects | 47 |
| Sales | 17 |
| Secretarial | 4 |
| Strategy | 2 |
| **Total** | **165** |

**Properties**

A significant number of our offices, including our corporate office, are located on leased premises, and we do not own any of these premises. The table below provides details of properties that have been leased by us as of June 30, 2024:

| Address of Property | Purpose | Validity | Leased from related parties |
|---|---|---|---|
| Max Towers, Level 15, Plot No. C-001/A/1, Sector 16B, Gautam Buddha Nagar, Uttar Pradesh - PIN-201301 | Sub-leasing | June 14, 2031 | Yes. Leased from Max Life Insurance Company Limited |
| Max Towers, Level 12, Plot No. C-001/A/1, Sector 16B, Gautam Buddha Nagar, Uttar Pradesh - PIN-201301 | Sub-leasing | September 24, 2031 | Yes. Leased from Max Life Insurance Company Limited |
| 1 Rajesh Pilot Lane (South End), New Delhi - 110011 | Official purpose | August 31, 2025 | Yes, SKA Diagnostic Private Limited |
| 2 Rajesh Pilot Lane (South End), New Delhi - 110011 | Official purpose | August 31, 2025 | Yes, Delhi Guest House Private Limited |
| Max Towers, Level 15, Plot No. C-001/A/1, Sector 16B, Gautam Buddha Nagar, Uttar Pradesh - PIN-201301 | Official purpose | December 31, 2026 | For use as office premises for the Company and its subsidiaries |
| Max Towers, Level 15, Plot No. C-001/A/1, Sector 16B, Gautam Buddha Nagar, Uttar Pradesh - PIN-201301 | Official purpose | December 31, 2026 | For use as office premises for the Company and its subsidiaries |

For further details, see "*Risk Factors - A significant number of our Company's offices, including our registered and corporate office, are not registered in our name and are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.*" on page 78.

## BOARD OF DIRECTORS AND SENIOR MANAGEMENT

### Board of Directors

The composition of our Board of Directors is governed by the provisions of the Companies Act, 2013, the SEBI Listing Regulations and the Articles of Association of our Company. The Articles of Association of our Company provide that our Company is required to have not less than three Directors and not more than 15 Directors.

As on the date of this Preliminary Placement Document, our Company has eight Directors, which include one Non-Executive Chairman, one Vice-Chairman and Managing Director, two Non-Executive Non-Independent Directors, and four Independent Directors (including two women Independent Directors).

The following table sets forth details regarding the Board as on the date of this Preliminary Placement Document:

| Sr. No. | Name, designation, date of birth, address, occupation, current term, period of directorship and DIN | Age (years) | Designation |
|---|---|---|---|
| 1. | **Analjit Singh**<br><br>***Date of Birth***: January 11, 1954<br><br>***Address*****:** 15, Dr. A P J Abdul Kalam Road, Sunehari Bagh Lane, Nirman Bhawan, Central Delhi, New Delhi - 110 011<br><br>***Occupation*****:** Industrialist<br><br>***Current term***: Liable to retire by rotation<br><br>***Period of Directorship***: Since July 31, 2023<br><br>***Nationality***: Indian<br><br>***DIN***: 00029641 | 70 | Chairman, Non-Executive Director |
| 2. | **Sahil Vachani**<br><br>***Date of Birth***: April 30, 1983<br><br>***Address*****:** S-43, Panchsheel Park, Malviya Nagar, SO South Delhi, New Delhi – 110 017<br><br>***Occupation*****:** Entrepreneur<br><br>***Current term***: For a period of five years from August 1, 2023<br><br>***Period of Directorship***: Since July 31, 2023<br><br>***Nationality***: Indian<br><br>***DIN***: 00761695 | 41 | Vice-Chairman and Managing Director |
| 3. | **Gauri Padmanabhan**<br><br>***Date of Birth***: October 11, 1952<br><br>***Address*****:** Flat No. 14B, Tower H, Belgravia Appartment, Central Park – II, Near Subhash Chowk, Sector 48, South City – II, Gurugram, - 122018, Haryana<br><br>***Occupation*****:** Professional | 71 | Non-Executive Independent Director |

| Sr. No. | Name, designation, date of birth, address, occupation, current term, period of directorship and DIN | Age (years) | Designation |
|---|---|---|---|
| | ***Current term:*** For a period of five years from July 31, 2023<br><br>***Period of Directorship***: Since July 31, 2023<br><br>***Nationality***: Indian<br><br>***DIN***: 01550668 | | |
| 4. | **Dinesh Kumar Mittal**<br><br>***Date of Birth***: January 25, 1953<br><br>***Address*****:** B-71, Sector 44, Noida, Gautam Buddha Nagar, Uttar Pradesh - 201301<br><br>***Occupation*****:** Former Indian Administrative Service Officer<br><br>***Current term***: For a period of five years from July 31, 2023<br><br>***Period of Directorship***: Since July 31, 2023<br><br>***Nationality***: Indian<br><br>***DIN***: 00040000 | 71 | Non-Executive Independent Director |
| 5. | **Niten Malhan**<br><br>***Date of Birth***: August 2, 1971<br><br>***Address*****:** 2705, The Imperial, B.B. Nakashe Marg, Behind RTO Taredo, Tulsiwadi, Mumbai – 400 034<br><br>***Occupation*****:** Business<br><br>***Current term***: For a period of five years from July 31, 2023<br><br>***Period of Directorship***: Since July 31, 2023<br><br>***Nationality***: Indian<br><br>***DIN***: 00614624 | 53 | Non-Executive Independent Director |
| 6. | **Atul Behari Lall**<br><br>***Date of Birth***: January 5, 1962<br><br>***Address*****:** 405, Nilgiri Apartments, Alaknanda, Aali, South Delhi, Ali, Delhi, 110019<br><br>***Occupation*****:** Service<br><br>***Current term***: Liable to retire by rotation<br><br>***Period of Directorship***: Since March 27, 2024<br><br>***Nationality***: Indian<br><br>***DIN***: 00781436 | 62 | Non-Executive, Non-Independent Director |

| Sr. No. | Name, designation, date of birth, address, occupation, current term, period of directorship and DIN | Age (years) | Designation |
|---|---|---|---|
| 7. | **Anthony Ramsey Malloy*** <br> ***Date of Birth***: September 12, 1963 <br> ***Address*****:** 329, Beechwood Rd, Ridgewood Village, New Jersey, United States 07450-2306 <br> ***Occupation*****:** Professional <br> ***Current term***: Liable to retire by rotation <br> ***Period of Directorship***: Since March 27, 2024 <br> ***Nationality***: United States of America <br> ***DIN***: 10545256 | 60 | Non-Executive, Non-Independent Director |
| 8. | **Malini Thadani** <br> ***Date of Birth***: July 29, 1957 <br> ***Address*****:** 551 A Magnolia Apartments, Road No 6, Kalyani Nagar, Pune - 411006 <br> ***Occupation*****:** Independent Director, Trustee, Adviser, Visiting Faculty <br> ***Current term***: For a period of five years from May 22, 2024 <br> ***Period of Directorship***: Since May 22, 2024 <br> ***Nationality***: Indian <br> ***DIN***: 01516555 | 67 | Non-Executive, Independent Director |

* *Jillian Leigh Moo-Young has been appointed as an alternate director to Anthony Ramsey Malloy (DIN: 10545256) with effect from March 27, 2024 pursuant to the resolution dated March 27, 2024, passed by our Board.*

**Brief profiles of our Directors**

**Analjit Singh** is the Chairman, Non-Executive Director of our Company. He has been associated with MVIL since January 15, 2016 and subsequent to the scheme of arrangement, he has been part of our Company since July 31, 2023. He is the founder and chairman emeritus of the Max Group. He holds a master's degree in business administration from Boston University and was conferred upon a doctor of philosophy (*honoris causa*) by Amity University, Uttar Pradesh. He has received the Outstanding Lifetime Achievement Award from Indian American Centre for Political Awareness in 2003 and Golden Peacock Award for Business Leadership in 2012 and was also awarded the Padma Bhushan in 2011. Prior to joining our Company, he was associated with the Indian Public School Society, Sofina and Indian Institute of Technology, Roorkee.

**Sahil Vachani** is the Vice-Chairman and Managing Director of our Company. He has been associated with MVIL since January 15, 2016 and subsequent to the scheme of arrangement, he has been part of our Company since July 31, 2023. He holds a bachelor's degree in science from University of Warwick. Prior to joining our Company, he was associated with Dixon Appliances Pvt. Ltd.

**Gauri Padmanabhan** is a Non-Executive, Independent Director on the Board of our Company. She has been associated with our Company since July 31, 2023.

**Dinesh Kumar Mittal** is a Non-Executive, Independent Director on the Board of our Company. He has been associated with our Company since July 31, 2023. He holds a master's degree in science from University of Allahabad. Prior to joining our Company, he was an officer in the Indian Administrative Services and is on the board of various companies including Indus Tower Ltd., Lohia Corp Limited and Niva Bupa Health Insurance Company Limited.

**Niten Malhan** is a Non-Executive, Independent Director on the Board of our Company. He has been associated with our Company since July 31, 2023. He holds a bachelor's degree in technology (computer science & engineering) from Indian Institute of Technology, Delhi and a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He is currently a partner at New Mark Advisors LLP which is the investment manager for New Mark Capital II, New Mark Capital AIF and New Mark Capital India. Prior to joining our Company, he was previously associated with Warburg Pincus Singapore LLC and Warburg Pincus India Private Limited.

**Atul Behari Lall** is a Non-Executive, Non-Independent Director on the Board of our Company. He has been associated with our Company since March 27, 2024. He holds a master's degree in management studies from the Birla Institute of Technology & Science. Prior to joining our Company, he was associated with the Ministry of Communication & Information Technology, Government of India, Elcina Electronic Industries Association of India and Weston Electroniks Limited.

**Anthony Ramsey Malloy** is a Non-Executive, Non-Independent Director on the Board of our Company. He has been associated with our Company since March 27, 2024. He holds a master's degree in business administration from New York University. He is currently associated with the New York Life Insurance Company.

**Malini Thadani** is the Non-Executive, Independent Director of our Company. She has been associated with our Company since May 22, 2024. She holds a bachelor's degree in arts (honours) from University of Delhi, master's degree in arts from University of Delhi and master's degree in art (political science with specialization in public administration) from Ohio University. She has also completed Cycle Special Etranger from Ecole Nationale D'Administration (ENA). France, She has also received the Financial Times Non-Executive Director Diploma and certificate of participation from the INSEAD Social Entrepreneurship Programme. Prior to joining our Company, she was an officer in the Indian Revenue Service and was previously associated with the Hongkong and Shanghai Banking Corporation Limited in Mumbai and Hong Kong.

**Terms of appointment of our Executive Director**:

**Sahil Vachani** was appointed as the Vice Chairman and Managing Director of our Company pursuant to a resolution passed by our Board on July 31, 2023 and a special resolution passed by our Shareholders on December 22, 2023, for a period of five years with effect from August 1, 2023. The details of the remuneration that he is presently entitled to, and the other terms of his employment are enumerated below:

| | |
|---|---|
| **Salary** | Up to ₹ 7,00,00,000 per annum |
| **Other allowances, benefits and perquisites** | Provident Fund, Gratuity, leave travel allowances, car lease rentals, fuel reimbursements, vehicle maintenance, driving services, variable pay / bonus (0-65% of the annual fixed pay), long term incentive plan, encashment of leaves, Company leased accommodation and related expenses, housing loan as per company policy, personal accident insurance policy, health insurance (hospitalization) policy, travel insurance, Group Term Life insurance, two club memberships and any other perquisites as per the policy/ rules of the Company in force |

**Terms of appointment of our Chairman and Non-Executive Director**:

**Analjit Singh** was appointed as the Chairman and Non-Executive Director of our Company pursuant to a resolution passed by our Board on July 31, 2023 and a special resolution passed by our Shareholders on December 22, 2023. Pursuant to a special resolution passed by our Shareholders through postal ballot on March 22, 2024, he is entitled to annual gross compensation of ₹ 3,00,00,000 for Fiscal 2025 (other than sitting fees and reimbursement of expenses payable for attending meetings of the Company).

**Terms of appointment and payments or benefits to Non-Executive Directors by our Company:**

The Board of Directors at their Meeting held on July 31, 2023 approved the payment of the sitting fees to Non-Executive Directors for attending Board meetings and meetings of the committees of our Board in the following manner:

| Sr. No. | Board/Committee | Sitting Fee (in ₹) |
|---|---|---|
| 1. | Board | ₹ 1,00,000 per meeting |

| Sr. No. | Board/Committee | Sitting Fee (in ₹) |
|---|---|---|
| 2. | All the Committees of the Board | ₹ 1,00,000 per meeting |

Except as disclosed below, our Company has not paid any compensation or granted any benefit to any of our Independent Directors in all capacities in Fiscal 2024:

| Sr. No. | Name of the Director | Sitting fees paid (in ₹ lakhs) | Commission Paid (in ₹ lakhs) | Total (in ₹ lakhs) |
|---|---|---|---|---|
| 1. | Dinesh Kumar Mittal | 24.00 | - | 24.00 |
| 2. | Niten Malhan | 22.00 | - | 22.00 |
| 3. | Gauri Padmanabhan | 16.00 | - | 16.00 |

*Note: Avani Vishal Davda, who was an Independent Director on our Board from February 9, 2024 till May 2, 2024 was paid ₹ 2,00,000 as sitting fees.*

**Remuneration of Directors**

**Executive Director:**

The table below sets forth the details of the remuneration paid to our Executive Director from April 1, 2024 till August 29, 2024 and the last three Fiscals:

(*in ₹ lakhs*)

| Name | From April 1, 2024 till August 29, 2024 | Fiscal 2024 | Fiscal 2023* | Fiscal 2022 |
|---|---|---|---|---|
| Sahil Vachani | 112.13** | 412.91*** | 160.97*** | NA |

**combined figures for Max Estates Limited and erstwhile holding company – Max Ventures and Industries Limited.*
***Excludes gratuity*
**** Includes gratuity*

**Independent Directors and Non-Executive Directors:**

The table below sets forth the details of remuneration-short term employment benefits and post employment benefits paid to paid to our Independent Directors and Non-Executive Directors from April 1, 2024 till August 29, 2024 and the last three Fiscals:

(*in ₹ lakhs*)

| Name | From April 1, 2024 till August 29, 2024 | Fiscal 2024* | Fiscal 2023** | Fiscal 2022 |
|---|---|---|---|---|
| Analjit Singh | 79.00 | 311.00 | 231.00 | NA |
| Gauri Padmanabhan | 6.00 | 16.00 | 14.00 | NA |
| Dinesh Kumar Mittal | 7.00 | 24.00 | 19.00 | NA |
| Niten Malhan | NA | 22.00 | 17.00 | NA |
| Atul Behari Lall | 4.00 | 1.00 | NA | NA |
| Anthony Ramsey Malloy | NA | NA | NA | NA |
| Malini Thadani | 2.00 | NA | NA | NA |

**Combined figures for Max Estates Limited and erstwhile holding company – Max Ventures and Industries Limited, except for Atul Behari Lall who was appointed as a Non-Executive, Non-Independent Director on our Board from March 27, 2024.*
***Combined figures for Max Estates Limited and erstwhile holding company – Max Ventures and Industries Limited.*
*Note: Avani Vishal Davda, who was an Independent Director on our Board from February 9, 2024 till May 2, 2024 was paid ₹ 2,00,000 as sitting fees in Fiscal 2024 and K.N. Murthy who was an independent director on our Board from January 15, 2016 to August 8, 2022 was paid ₹11.00 lakhs in Fiscal 2023.*
*^No commission is paid to the Independent Directors*

**Shareholding of Directors**

Our Articles of Association do not require our Directors to hold qualification shares. The table below sets forth details of Equity Shares held by the Directors as on date of this Preliminary Placement Document:

| Name of Director | Number of Equity Shares held | Percentage of paid-up Equity Share capital (in %) |
|---|---|---|
| Analjit Singh | 39,71,481 | 2.69 |
| Atul Behari Lall | 25,77,384 | 1.75 |
| Dinesh Kumar Mittal | 5,865 | Negligible |

**Borrowing powers of the Board**

Pursuant to our Articles of Association and applicable provisions of the Companies Act, 2013 and pursuant to a special resolution passed by our Shareholders at their meeting held on December 22, 2023, our Board has been authorised for borrowing of funds from Banks, bodies corporate, financial institutions, and creation of charges or mortgages and hypothecation of movable and immovable properties of our Company subject to such limits as may be approved by the Shareholders of our Company, from time to time, in one or more tranches in terms of the Companies Act, 2013, for a limit not exceed the sum of ₹1,10,000 lakhs plus the paid-up capital, free reserves and securities premium of the Company.

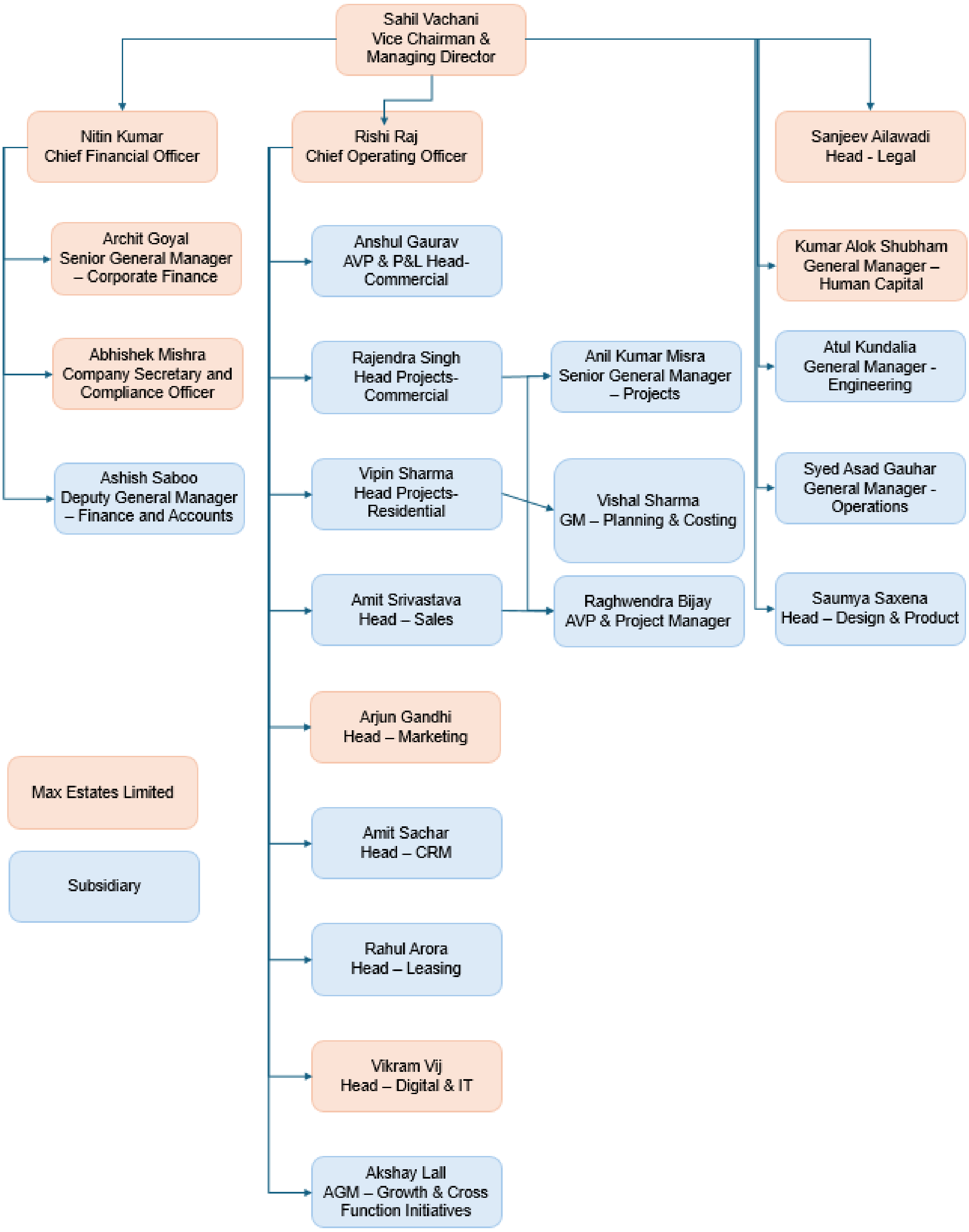
**Interest of Directors**

All our Directors may be deemed to be interested to the extent of remuneration and reimbursement of expenses, if any, payable to them, as well as the sitting fees and commission, if any, payable to them for attending meetings of our Board and/or committees thereof as approved by our Board and Shareholders.

Certain of our Directors may also be interested to the extent of their shareholding in our Company, if any, already held by them or their relatives in our Company and to the extent of any dividend payable to them and other distributions in respect of such shareholding and to the extent of Equity Shares if any, that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested in as promoters, directors, partners, proprietors, members or trustees, pursuant to the Offer.

Except as provided in "*Related Party Transactions*" on page 61, we have not entered into any contract, agreement or arrangement during the three Fiscals immediately preceding the date of this Preliminary Placement Document in which any of our Directors are interested, directly or indirectly, and no payments have been made to them in respect of any such contracts, agreements, arrangements which are proposed to be made with them. For further details relating to contracts, agreements or arrangements entered into by our Company during the last three Fiscals, in which the Directors are interested directly or indirectly and for payments made to them in respect of such contracts, agreements or arrangements and for other interest of Directors in respect to the related party transactions, during the last three Fiscals, see "*Related Party Transactions*" on page 61.

## Organisation chart



**Corporate Governance**

The Board of Directors presently consists of eight Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board of Directors consists of one Non- Executive Chairman, one Vice-Chairman and Managing Director, two Non-Executive Non-Independent Directors, and four Independent Directors (including two women Independent Directors). Our Board also has one Alternate Director. Our Company is currently in compliance with the corporate governance requirements including the constitution of Board and committees thereof, as prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

**Committees of Board of Directors**

The Board of Directors have constituted committees, which function in accordance with the relevant provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The following table sets forth the members of the aforesaid committees as of the date of this Preliminary Placement Document:

| Committee | Members |
|---|---|
| **Audit Committee** | Dinesh Kumar Mittal (*Chairman*), Niten Malhan (*Member*) and Sahil Vachani (*Member*). |
| **Nomination and Remuneration Committee** | Gauri Padmanabhan (*Chairperson*), Dinesh Kumar Mittal (*Member*), and Analjit Singh (*Member*). |
| **Stakeholders Relationship Committee** | Dinesh Kumar Mittal (*Chairman*), Gauri Padmanabhan (*Member*) and Sahil Vachani (*Member*). |
| **Risk Management and Sustainability Committee** | Niten Malhan (*Chairman*), Gauri Padmanabhan (*Member*), Sahil Vachani (*Member*), Nitin Kumar (*Member*) and Rishi Raj (*Member*) |

**Key Managerial Personnel**

In addition to Sahil Vachani, our Vice-Chairman and Managing Director, whose details are set out in "- *Brief profiles of our Directors*" on page 225, the details of our other Key Managerial Personnel are given below:

**Nitin Kumar**, aged 48 years, is the Chief Financial Officer of our Company. He has been designated as the Chief Financial Officer of our Company with effect from February 8, 2019. He has been a member of the Institute of Chartered Accountants of India since April 2001 as an associate. Prior to joining our Company, he was associated with MVIL, Emaar MGF Land Ltd., Jaypee Hotels Limited, The Park Hotels and Piveta Estates Pvt. Ltd.

**Abhishek Mishra**, aged 39 years, is the Company Secretary and Compliance Officer of our Company. He has been designated as Company Secretary of our Company with effect from June 28, 2023 and as the Compliance Officer with effect from July 31, 2023. He holds a bachelor's degree in science from Hemawati Nandan Bahuguna Garhwal University. He is also a fellow member of the Institute of Company Secretaries of India. Prior to joining our Company, he was associated with MVIL, Jubilant Agri and Consumer Products Limited.

**Members of Senior Management**

In addition to Nitin Kumar, our Chief Financial Officer and Abhishek Mishra, our Company Secretary and Compliance Officer, whose details are set out in "- *Key Managerial Personnel*" on page 230, the details of other members of Senior Management are given below:

**Rishi Raj**, aged 47 years, is the Chief Operating Officer of our Company. He has been associated with our Company since July 31, 2023. He holds a bachelor's degree in arts (honours course) from University of Delhi and has completed a post graduate programme in management from International Management Institute. Prior to joining our Company, he was associated with MVIL, Max India Limited and McKinsey & Company.

**Kumar Alok Shubham**, aged 36 years, is the General Manager – Human Capital of our Company. He has been associated with our Company since July 30, 2020 and has been appointed as General Manager – Human Capital since April 1, 2023. He holds a bachelor's degree in engineering (electrical and electronics engineering) from University Institute of Engineering & Technology, Panjab University, Chandigarh and has completed post graduate programme in human resource management from Xavier School of Management (XLRI - Jamshedpur). Prior to joining our Company, he was associated with Tata Consultancy Service and Yes Bank Limited.

**Vikram Vij**, aged 49 years, is the Head – Digital & IT of our Company. He has been associated with our Company since November 7, 2022. He holds a bachelor's degree in business administration from Annamalai University and has completed a postgraduate diploma in marketing management from Lal Bahadur Shastri Institute of Management & Development Studies, Lucknow and a post graduate diploma in computer applications from Indira Gandhi National Open University. Prior to joining our Company, he was associated with BearingPoint Inc., Deloitte Consulting India Pvt. Ltd., Smartworld Developers Pvt. Ltd., STLCorp Consulting India Pvt. Ltd., and NEC HCL System Technologies Ltd.

**Arjun Gandhi**, aged 38 years, is the Head – Marketing of our Company. He has been associated with our Company since April 5, 2023 and has been appointed as Head – Marketing since October 5, 2023. He holds a bachelor's degree in business administration from Guru Jambheshwar University of Science and Technology has obtained a certificate in planning and entrepreneurship from the Indian Institute of Planning & Management. Prior to joining our Company, he was associated with NGC Network India Pvt. Ltd. (National Geographic Channel), Mohalla Tech Private Limited, Trell Experiences Pvt. Ltd. and Viacom 18 Media Private Limited.

**Other Management**

The details of other members of our management are given below:

**Archit Goyal**, aged 35 years, is the Senior General Manager – Corporate Finance of our Company. He has been associated with our Company since July 31, 2023. He holds a bachelor's degree in commerce (honours) from University of Delhi and has completed the certificate course of master in business finance from the Institute of Chartered Accountants of India. He is also an associate member of the Institute of Chartered Accountants of India. Prior to joining our Company, he was associated with MVIL, BMR Advisors, S R Batliboi & Co. LLP and Healthfore Technologies Limited.

**Sanjeev Ailawadi**, aged 52 years, is the Head - Legal of our Company. He has been associated with our Company since April 21, 2023. He holds a bachelor's degree in law and master's degree in law from Chaudhary Charan Singh University. Prior to joining our Company, he was associated with Hotel Excelsior Limited (Eros Group) and was included in the panel of advocates (District Courts) by North Delhi Municipal Corporation, Law Department.

**Rajendra Singh**, aged 53 years, is the Head Projects - Commercial at Acreage Builders Private Limited, one of our Subsidiaries. He has been associated with Acreage Builders Private Limited since May 1, 2023. He has cleared the examinations for the civil engineering branch from the Institution of Engineers (India) and has obtained a post graduate diploma in business management from Fore School of Management. Prior to joining Acreage Builders Private Limited, he was associated with our Company, North Delhi Metro Mall Pvt. Ltd., M3M India Private Limited, Unitech Limited, BPTP Limited, DLF Limited and Aashray Consultants.

**Vipin Mohan Sharma**, aged 45 years, is the Head Projects – Residential at Max Estates Gurgaon Limited, one of our Subsidiaries. He has been associated with Max Estates Gurgaon Limited since May 1, 2023. He holds a bachelor's degree in engineering from Nagpur University and has obtained a post graduate diploma in business administration from Symbiosis Centre for Distance Learning. Prior to joining Max Estates Gurgaon Limited, he was associated with Godrej Properties Limited, Mahindra Lifespace Developers Ltd. and Bharti Realty.

**Anshul Gaurav**, aged 37 years, is the AVP & P&L Head - Commercial at Acreage Builders Private Limited, one of our Subsidiaries. He has been associated with Acreage Builders Private Limited since May 1, 2023. He holds a bachelor's degree in technology (electrical engineering) from Indian Institute of Technology, Delhi and has completed a post graduate programme in management from the Indian School of Business. Prior to joining Acreage Builders Private Limited, he was associated with our Company, Lodha Developers, Futures First Info Services Pvt. Ltd. and Knowlarity Communications Pvt. Ltd.

**Amit Srivastava**, aged 51 years, is the Head - Sales at Max Estates 128 Private Limited, one of our Subsidiaries. He has been associated with Max Estates 128 Private Limited since February 1, 2023. He holds a bachelor's degree in science from Gorakhpur University, Gorakhpur and has obtained a post graduate diploma in business management from Institute of Management Studies & Productivity Research. Prior to joining Max Estates 128 Private Limited, he was associated with our Company, DLF Limited, Godrej – GE Appliances Ltd., Bharti Infotel Limited and SBI Cards & Payment Services Pvt Ltd.

**Anil Kumar Misra**, aged 52 years, is the Senior General Manager – Projects at Max Square Limited, one of our Subsidiaries. He has been associated with Max Square Limited since April 1, 2020. He holds a bachelor's degree in technology (electrical engineering) from Harcourt Butler Technological Institute, Kanpur University. Prior to joining Max Square Limited, he was associated with our Company, Max Towers Private Limited (erstwhile Wise

Zone Builders Private Limited), Four Seasons Foundation, DSCL Sugar – Hariawan, Malwa Industries Ltd., Pasupati Acrylon Ltd., Siva Realty Ventures Private Limited, and Tecumseh Products India Private Limited.

**Ashish Saboo**, aged 34 years, is the Deputy General Manager – Finance and Accounts at Max Estates Gurgaon Limited, one of our Subsidiaries. He has been associated with Max Estates Gurgaon Limited since October 16, 2023. He holds a bachelor's degree in commerce (honours) from University of Delhi. He is an associate member of the Institute of Chartered Accountants of India. Prior to joining Max Estates Gurgaon Limited, he was associated with Bata India Limited, Ray & Ray Chartered Accountants and Saksham Ventures Private Limited.

**Atul Kundalia**, aged 35 years, is the General Manager - Engineering at Max Asset Services Limited, one of our Subsidiaries. He has been associated with Max Asset Services Limited since August 14, 2023. He holds a bachelor's degree in technology from National Institute of Technology, Durgapur. Prior to joining Max Asset Services Limited, he was associated with CapitaLand Services (India) Private Limited and Bharti Care (a division of Bharti Realty Holdings Limited).

**Amit Sachar**, aged 43 years, is the Head - CRM at Max Estates 128 Private Limited, one of our Subsidiaries. He has been associated with Max Estates 128 Private Limited since April 1, 2023 and has been appointed as the Head - CRM from October 1, 2023. He holds a bachelor's degree in arts (honours) in English from University of Delhi and has obtained a post graduate diploma in management from Indian Institute of Modern Management. Prior to joining Max Estates 128 Private Limited, he was associated with our Company, Audi India, Unitech Limited T&T Motors Pvt. Ltd. (Dealer of Mercedes-Benz) and Toyota.

**Akshay Lall**, aged 27 years, is the Assistant General Manager – Growth & Cross Function Initiatives at Max Estates 128 Private Limited, one of our Subsidiaries. He has been associated with Max Estates 128 Private Limited since April 1, 2023. He holds a bachelor's degree in arts from New York University. Prior to joining Max Estates 128 Private Limited, he was associated with MVIL.

**Raghwendra Bijay**, aged 45 years, is the AVP & Project Manager at Max Estates 128 Private Limited, one of our Subsidiaries. He has been associated with Max Estates 128 Private Limited since January 16, 2023. He holds a bachelor's degree in technology (civil engineering) from Maulana Azad National Institute of Technology, Bhopal and master's degree in business administration from Maharshi Dayanand University, Rothak. Prior to joining Max Estates 128 Private Limited, he was associated with Mahindra Happiest Developers Limited, DLF Limited, Godrej Properties Limited, Unitech Limited and Emaar MGF Land Limited.

**Rahul Arora**, aged 36 years, is the Head - Leasing at Max Square Limited, one of our Subsidiaries. He has been associated with Max Square Limited since May 12, 2023. He holds a bachelor's degree in science (honours course) from University of Delhi and master's degree in business administration from the ICFAI Foundation for Higher Education. Prior to joining Max Square Limited, he was associated with Regus Eversun Business Centre Private Limited and CBRE South Asia Pvt. Ltd.

**Saumya Saxena**, aged 35 years, is the Head – Design & Products at Max Estates Gurgaon Limited, one of our Subsidiaries. She has been associated with Max Estates Gurgaon Limited since May 1, 2023. She holds a bachelor's degree in architecture from Guru Gobind Singh Indraprastha University, master's degree in landscape architecture from School of Planning and Architecture, New Delhi and a master's degree in business administration from Indian School of Business, Hyderabad. Prior to joining Max Estates Gurgaon Limited, she was associated with our Company, Mahalunge Township Developers LLP (part of Godrej group), Kanvinde Rai & Chowdhury, NEEV Architects Interiors and Urban Design Consultants Pvt. Ltd. and Sharda University.

**Syed Asad Gauhar**, aged 40 years, is the General Manager - Operations at Max Asset Services Limited, one of our Subsidiaries. He has been associated with Max Asset Services Limited since July 10, 2023. He holds a bachelor's degree in science (hospitality and hotel administration) from Indira Gandhi National Open University and has obtained a post graduate diploma in business administration from Symbiosis Centre for Distance Learning. Prior to joining Max Asset Services Limited, he was associated with The Leela Palaces, Hotels and Resorts, Sheraton Hyderabad Hotel, DLF Homes Services Private Limited, Ananda, Devyani Internation Limited and The Oberoi.

**Vishal Sharma**, aged 38 years, is the General Manager – Planning & Costing at Max Square Limited, one of our Subsidiaries. He has been associated with Max Square Limited since April 1, 2023 and has been appointed as General Manager – Planning & Costing since October 1, 2023.He holds a bachelor's degree in engineering (civil) from Shivaji University, Kolhapur. Prior to joining Max Square Limited, he was associated with our Company, Adel Landmark Limited, Vadehra Builders Private Limited, Unity Infraprojects Ltd. and Siva Realty Ventures Pvt. Ltd.

**Relationship between Directors, Key Managerial Personnel, and members of Senior Management**

Except for Sahil Vachani, who is the son-in-law of Analjit Singh, none of the Directors, Key Managerial Personnel and members of Senior Management of our Company are related to each other.

**Bonus or profit-sharing plan of the Key Managerial Personnel and members of Senior Management**

Except for the long term incentive plan pursuant to which Sahil Vachani, our Vice Chairman and Managing Director, is entitled to incentive amount on such terms and conditions as approved by the Nomination and Remuneration Committee/ our Board, as applicable, our Company does not have any bonus or profit-sharing plan with the Key Management Personnel or members of our Senior Management.

**Interest of Key Managerial Personnel and Senior Management**

Other than as disclosed in "*Related Party Transactions*" and "*-Interest of Directors*" on page 61 and 228, respectively, and the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service our Key Managerial Personnel or members of our Senior Management do not have any other interest in the Company.

Other than as disclosed in "*Related Party Transactions*", on page 61 of this Preliminary Placement Document, our Key Managerial Personnel or members of our Senior Management are not interested in any contract, agreement or arrangement entered into by the Company and no payments have been made in respect of these contracts, agreements or arrangements or are proposed to be made.

No loans have been availed by our Key Management Personnel or members of our Senior Management from the Company as on date of this Preliminary Placement Document.

**Shareholding of our Key Managerial Personnel, members of our Senior Management and members of Other Management**

Except as stated below, and at *"- Shareholding of the Directors in our Company"* none of our Key Managerial Personnel, members of our Senior Management or members of Other Management holds any Equity Shares as on date of this Preliminary Placement Document.

| S.No. | Name of Key Managerial Personnel, member of Senior Management or member of Other Management | Shareholding | Percentage (%) |
|---|---|---|---|
| 1. | Nitin Kumar | 1,55,236 | Negligible |
| 2. | Kumar Alok Shubham | 14,276 | Negligible |
| 3. | Rishi Raj | 1,09,681 | Negligible |
| 4. | Vipin Sharma | 1 | Negligible |
| 5. | Anshul Gaurav | 47,400 | Negligible |
| 6. | Akshay Lall | 18,398 | Negligible |
| 7. | Amit Sachar | 3,621 | Negligible |
| 8. | Anil Kumar Misra | 5,482 | Negligible |
| 9. | Archit Goyal | 32,946 | Negligible |
| 10. | Rajendra Singh | 24,724 | Negligible |
| 11. | Saumya Saxena | 3,753 | Negligible |
| 12. | Vishal Sharma | 19,117 | Negligible |

**Other confirmations**

1. Except as otherwise stated above in *"– Interest of our Directors*" and *"– Interest of Key Managerial Personnel, and Senior Management",* none of the Directors, Promoters, Key Managerial Personnel, or members of Senior Management of our Company has any financial or other material interest in the Issue.

2. Our Promoters, Directors and Key Managerial Personnel, or members of Senior Management will not participate in the Issue.

3. Neither our Company, nor any of our Directors or Promoters have been declared as a Wilful Defaulter.

4. None of our Directors or Promoters have been declared as a 'fraudulent borrower' by lending banks or financial institutions or consortiums.

5. Neither our Company, nor our Directors or Promoter are debarred from accessing capital markets under any order or direction made by SEBI.

6. None of our Directors or Promoters have been declared as a Fugitive Economic Offender.

7. No change in control in our Company will occur consequent to the Issue.

8. No loans have been availed or extended by our Directors, from, or to, our Company or the Subsidiaries

9. Except as disclosed below, as on the date of this Preliminary Placement Document, there are no outstanding employee stock options held by our Directors, Key Managerial Personnel, members of Senior Management or members of our Other Management under the Max Estates Employee Stock Option Plan 2023:

| Sr. No. | Name | Number of options held | Number of options exercised but not allotted |
|---|---|---|---|
| 1. | Nitin Kumar | 97,604 | - |
| 2. | Abhishek Mishra | 2,740 | - |
| 3. | Kumar Alok Shubham | 18,952 | 9,142 |
| 4. | Rishi Raj | 1,52,411 | 50,678 |
| 5. | Vikram Vij | 8,860 | - |
| 6. | Arjun Gandhi | 7,576 | - |
| 7. | Akshay Lall | 13,941 | - |
| 8. | Amit Sachar | 17,684 | - |
| 9. | Amit Srivastava | 10,196 | - |
| 10. | Anil Kumar Misra | 8,124 | 4,062 |
| 11. | Anshul Gaurav | 35,227 | - |
| 12. | Archit Goyal | 23,157 | 5,000 |
| 13. | Ashish Saboo | 4,896 | - |
| 14. | Atul Kundalia | 5,024 | - |
| 15. | Rajendra Singh | 23,773 | 16,165 |
| 16. | Raghwendra Bijay | 5,592 | - |
| 17. | Rahul Arora | 8,012 | - |
| 18. | Saumya Saxena | 17,833 | - |
| 19. | Syed Asad Gauhar | 6,628 | - |
| 20. | Vishal Sharma | 8,504 | 7,879 |
| 21. | Vipin Sharma | 11,330 | 3,776 |

For details of our Company's ESOP Scheme, see "*Capital Structure – Employee Stock Option Scheme*" on page 106.

**Policy on disclosures and internal procedure for prevention of insider trading**

SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to formulate and implement a code of internal practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons. Our Company is in compliance with the same and has implemented an insider trading code of conduct namely, '*Code of Conduct to Regulate, Monitor and Report Trading by Insiders'***,** in terms of which, Abhishek Mishra, acts as the Compliance Officer of our Company under the aforesaid code of conduct for the prevention of insider trading.

## SHAREHOLDING PATTERN OF OUR COMPANY

The following tables present information regarding the ownership of Equity Shares by the Shareholders as of June 30, 2024:

Table I - Summary statement holding of specified securities:

| Category (I) | Category of shareholder (II) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | Sub-categorization of shares: Shareholding (No. of shares) under | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV)Rights: Class eg: X | No of Voting (XIV)Rights: Class eg:y | No of Voting (XIV)Rights: Total | Total as a % of (A+B+C) | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| **(A)** | **Promoter & Promoter Group** | 7 | 7,28,53,679 | - | - | 7,28,53,679 | 49.42 | 7,28,53,679 | - | 7,28,53,679 | 49.42 | - | - | - | 49.42 | - | - | - | - | 7,28,53,679 | - | - | - |

| Category (I) | Category of shareholder (II) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV)Rights | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No. of shares) under | | |
| | | | | | | | | Class eg: X | Class eg:y | Total | | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| (B) | Public | 26,298 | 7,45,55,233 | - | - | 7,45,55,233 | 50.58 | 7,45,55,233 | - | 7,45,55,233 | 50.58 | - | - | - | 50.58 | - | - | NA | NA | 7,45,55,233 | 3,33,60,210 | - | - |
| (C) | Non Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (C1) | Shares | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category of shareholder (II) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) – No of Voting (XIV)Rights – Class eg: X | Number of Voting Rights held in each class of securities (IX) – No of Voting (XIV)Rights – Class eg:y | Number of Voting Rights held in each class of securities (IX) – No of Voting (XIV)Rights – Total | Number of Voting Rights held in each class of securities (IX) – Total as a % of (A+B+C) | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) – No. (a) | Number of Locked in shares (XII) – As a % of total Shares held (b) | Number of Shares pledged or otherwise encumbered (XIII) – No. (a) | Number of Shares pledged or otherwise encumbered (XIII) – As a % of total Shares held (b) | Number of equity shares held in dematerialized form (XIV) | Sub-categorization of shares – Shareholding (No. of shares) under – Sub-category (i) | Sub-categorization of shares – Shareholding (No. of shares) under – Sub-category (ii) | Sub-categorization of shares – Shareholding (No. of shares) under – Sub-category (iii) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | underlying DRs | | | | | | | | | | | | | | | | | | | | | | |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category of shareholder (II) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV)Rights | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No. of shares) under | | |
| | | | | | | | | Class eg: X | Class eg:y | Total | | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| | Total | 26,305 | 1,47,40,8912 | - | - | 1,47,40,8912 | 100 | 14,74,08,912 | - | 14,74,08,912 | 100.00 | - | - | - | 100 | - | - | - | - | 14,74,08,912 | 3,33,60,210 | - | - |

Table II - Statement showing shareholding pattern of our Promoters and Promoter Group:

| Category (I) | Category & Name of the Shareholders (II) | Nos. of Shareholder (III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) No of Voting (XIV) Rights | | | No of Shares Underlying outstanding convertible securities (X) Total as a % of (A+B+C) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants (XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | Number of shares pledged or otherwise encumbered (XIII) | Number of equity shares held in dematerialized form (XIV) | Category (I) | Category & Name of the Shareholders (II) | Nos. of Shareholder (III) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class eg: x | Class eg: y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | |
| (1) | **Indian** | | | | | | | | | | | | | | | | | | | |
| **(a)** | **Individuals (HUF)** | 5 | 41,92,367 | - | - | 41,92,367 | 2.84 | 41,92,367 | - | 41,92,367 | 2.84 | - | - | - | 2.84 | - | - | - | - | 41,92,367 |
| | **Ravi Vachani** | | 73,477 | - | - | 73477 | 0.05 | 73,477 | - | 73,477 | 0.05 | - | - | - | 0.05 | - | - | - | - | 73,477 |
| | **Neelu Analjit Singh** | | 47,501 | - | - | 47,501 | 0.03 | 47,501 | - | 47,501 | 0.03 | - | - | - | 0.03 | - | - | - | - | 47,501 |
| | **Analjit Singh** | | 39,71,481 | - | - | 39,71,481 | 2.69 | 39,71,481 | - | 39,71,481 | 2.69 | - | - | - | 2.69 | - | - | - | - | 39,71,481 |

| Category (I) | Category & Name of the Shareholders (II) | Nos. of Shareholder (III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) No of Voting (XIV) Rights | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants (XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | Number of shares pledged or otherwise encumbered (XIII) | Number of equity shares held in dematerialized form (XIV) | Category (I) | Category & Name of the Shareholders (II) | Nos. of Shareholder (III) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class eg: x | Class eg: y | Total | Total as a % of (A+B+C) | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | |
| | Piya Singh | | 52,407 | - | - | 52,407 | 0.04 | 52,407 | - | 52,407 | 0.04 | - | - | - | 0.04 | - | - | - | - | 52,407 |
| | Tara Singh Vachani | | 47,501 | - | - | 47,501 | 0.03 | 47,501 | NIL | 47,501 | 0.03 | - | - | - | 0.03 | - | - | - | - | 47,501 |
| | Veer Singh | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (b) | Central Gov/State Gov | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (c) | Financial Inst. Banks | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category & Name of the Shareholders (II) | Nos. of Shareholder (III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) No of Voting (XIV) Rights | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants (XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | Number of shares pledged or otherwise encumbered (XIII) | Number of equity shares held in dematerialized form (XIV) | Category (I) | Category & Name of the Shareholders (II) | Nos. of Shareholder (III) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class eg: x | Class eg: y | Total | Total as a % of (A+B+C) | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | |
| (d) | **Any Other (Specify) Bodies Corporate** | 2 | 6,86,61,312 | - | - | 6,86,61,312 | 46.58 | 6,86,61,312 | - | 6,86,61,312 | 46.58 | - | - | - | 46.58 | - | - | - | - | 6,86,61,312 |
| | **Max Ventures Investment Holdings (P) Ltd.** | | 3,46,69,346 | - | - | 3,46,69,346 | 23.52 | 3,46,69,346 | - | 3,46,69,346 | 23.52 | - | - | - | 23.52 | - | - | - | - | 3,46,69,346 |

| Category (I) | Category & Name of the Shareholders (II) | Nos. of Shareholder (III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) No of Voting (XIV) Rights | | | No of Shares Underlying outstanding convertible securities (X) Total as a % of (A+B+C) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants (XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | Number of shares pledged or otherwise encumbered (XIII) | Number of equity shares held in dematerialized form (XIV) | Category (I) | Category & Name of the Shareholders (II) | Nos. of Shareholder (III) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class eg: x | Class eg: y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | |
| | **Siva Enterprises Private Limited** | | 3,39,91,966 | - | - | 3,39,91,966 | 23.06 | 3,39,91,966 | - | 3,39,91,966 | 23.06 | - | - | - | 23.06 | - | - | - | - | 3,39,91,966 |
| **Any Other Total (A)(1)** | | 2 | 6,86,61,312 | - | - | 6,86,61,312 | 46.58 | 6,86,61,312 | - | 6,86,61,312 | 46.58 | - | - | - | 46.58 | - | - | - | - | 6,86,61,312 |
| **Sub-Total(A)(1)** | | **7** | **7,28,53,679** | - | - | **7,28,53,679** | **49.42** | **7,28,53,679** | - | **7,28,53,679** | **49.42** | - | - | - | **49.42** | - | - | - | - | **7,28,53,679** |

| Category (I) | Category & Name of the Shareholders (II) | Nos. of Shareholder (III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) No of Voting (XIV) Rights | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants (XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | Number of shares pledged or otherwise encumbered (XIII) | Number of equity shares held in dematerialized form (XIV) | Category (I) | Category & Name of the Shareholders (II) | Nos. of Shareholder (III) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class eg: x | Class eg: y | Total | Total as a % of (A+B+C) | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | |
| | | | | | | | | | | | | | | | | | | | | |
| **(2)** | Foreign | | | | | | | | | | | | | | | | | | | |
| **(a)** | **Individuals NRI/Foreign Individuals** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(b)** | **Government** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(c)** | **Institutions** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(d)** | **Foreign Portfolio Investor** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category & Name of the Shareholders (II) | Nos. of Shareholder (III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) No of Voting (XIV) Rights | | | No of Shares Underlying outstanding convertible securities (X) Total as a % of (A+B+C) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants (XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | Number of shares pledged or otherwise encumbered (XIII) | Number of equity shares held in dematerialized form (XIV) | Category (I) | Category & Name of the Shareholders (II) | Nos. of Shareholder (III) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class eg: x | Class eg: y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | |
| **(e)** | **Any Other (specify)** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Sub-Total(A)(2)** | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Total Share Holding of Promotor and Promoter Group (A)=(A)(1)+(A)(2)** | | **7** | **7,28,53,679** | **-** | **-** | **7,28,53,679** | **49.42** | **7,28,53,679** | **-** | **7,28,53,679** | **49.42** | **-** | **-** | **-** | **49.42** | **-** | **-** | **-** | **-** | **7,28,53,679** |

Table III - Statement showing shareholding pattern of the Public shareholders:

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held(V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg: y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| (1) | **Institutions** | | | | | | | | | | | | | | | | | | | | | | |
| **(a)** | **Mutual Funds** | 2 | 848 | - | - | 848 | - | 848 | - | 848 | - | - | - | - | - | - | - | N.A. | N.A. | 848 | - | - | - |
| **(b)** | **Venture Capital Funds** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| **(c)** | **Alternate Investment Funds** | 1 | 44,740 | - | - | 44,740 | - | 44,740 | - | 44,740 | - | - | - | - | - | - | - | N.A. | N.A. | 44,740 | - | - | - |
| **(d)** | **Banks** | 1 | 150 | - | - | 150 | - | 150 | - | 150 | - | - | - | - | - | - | - | N.A. | N.A. | 150 | - | - | - |
| **(e)** | **Insurance Companies** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(f)** | **Provident/Pensions** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Share holders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+ (VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg: y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| | Funds | | | | | | | | | | | | | | | | | | | | | | |
| (g) | Asset Reconstruction Companies | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (h) | Sovereign Wealth Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underlying depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no.(a) | As a % of total shares held(b) | no.(a) | As a % of total shares held(b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| **(i)** | **NBFC Registered With Rbi** | 3 | 13,920 | 0.01 | - | 13,920 | - | 13,920 | - | 13,920 | 0.01 | - | - | - | - | - | - | N.A. | N.A. | 13,920 | - | - | - |
| **(j)** | **Other Financial Institutions** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(k)** | **Any Other (Specify)** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **Sub-Total(B)(1)** | | **7** | **59,658** | **-** | **-** | **59,658** | **-** | **59,658** | **-** | **59,658** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **N.A** | **N.A.** | **59,658** | **-** | **-** | **-** |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| | | | | | | | | | | | | | | | | | | . | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| | **Institutions (Foreign)** | | | | | | | | | | | | | | | | | | | | | | |
| **(a)** | **Foreign Direct Investment** | 1 | 3,12,82,950 | - | - | 3,12,82,950 | 21.22 | 3,12,82,950 | - | 3,12,82,950 | 21.22 | - | - | - | 21.22 | - | - | N.A. | N.A. | 3,12,82,950 | 3,12,82,950 | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Share holders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underlying depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+ (VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)= (VII) +(X) As a % of (A+B +C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| | **New York Life International Holdings Ltd** | | 3,12,82,950 | - | - | 3,12,82,950 | 21.22 | 3,12,82,950 | - | 3,12,82,950 | 21.22 | - | - | - | 21.22 | - | - | N.A. | N.A. | 3,12,82,950 | 3,12,82,950 | - | - |
| **(b)** | **Foreign Venture Capital Investors** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(c)** | **Sovereign Wealth Funds** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underlying depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| **(d)** | **Foreign Portfolio Investors (Cat-1)** | 28 | 93,11,884 | - | - | 93,11,884 | 6.32 | 93,11,884 | - | 93,11,884 | 6.32 | - | - | - | 6.32 | - | - | N.A. | N.A. | 93,11,884 | 2077260 | - | - |
| | **India Insight Value Fund** | | 30,01,648 | - | - | 30,01,648 | 2.04 | 30,01,648 | - | 30,01,648 | 2.04 | - | - | - | 2.04 | - | - | N.A. | N.A. | 30,01,648 | - | - | - |
| | **New York Life Insurance Company** | | 20,77,260 | - | - | 20,77,260 | 1.41 | 20,77,260 | - | 20,77,260 | 1.41 | - | - | - | 1.41 | - | - | N.A. | N.A. | 20,77,260 | 2077260 | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+ (VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| (e) | Foreign Portfolio Investors (Cat-2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (f) | Overseas Depositories holding Drs (Balancing Figure) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (g) | Any Others (Specify) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+ (VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| Sub-Total(B)(2) | | 29 | 4,05,94,834 | - | - | 4,05,94,834 | 27.54 | 4,05,94,834 | - | 4,05,94,834 | 27.54 | - | - | - | 27.54 | - | - | N.A. | N.A. | 3,33,60,210 | - | - | - |
| | | | | | | | | | | | | | | | | | | | | | | | |
| | | State Government(s) | | | | | | | | | | | | | | | | | | | | | |
| (a) | **Central Government /President of India** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+ (VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)= (VII) +(X) As a % of (A+B +C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| (b) | State Government /Governor | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underlying depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no.(a) | As a % of total shares held (b) | no.(a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| (c) | Shareholding By Companies or Bodies Corporate Where central / State Government is promoter | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-Total(B)(3) | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | | | | | | | |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+ (VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| | | Non-Institutions | | | | | | | | | | | | | | | | | | | | | |
| **(a)** | **Associate Companies /Subsidiaries** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| **(b)** | **Directors And Their Relatives (Excluding Independent Director(s) And Nominee Directors(s)** | 2 | 25,95,782 | - | - | 25,95,782 | 1.76 | 25,95,782 | - | 25,95,782 | 1.76 | - | - | - | 1.76 | - | - | N.A. | N.A. | 25,95,782 | 25,77,384 | - | - |
| | **Atul Behari Lall** | | 25,77,384 | - | - | 25,77,384 | 1.75 | 25,77,384 | - | 25,77,384 | 1.75 | - | - | - | 1.75 | - | - | N.A. | N.A. | 25,77,384 | 25,77,384 | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VIII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| **(c)** | **Key Managerial Personnel** | 1 | 1,55,236 | - | - | 1,55,236 | 0.11 | 1,55,236 | - | 1,55,236 | 0.11 | - | - | - | 0.11 | - | - | N.A. | N.A. | 1,55,236 | - | - | - |

| | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **(d)** | **Relatives Of Promoters Other than Immediate Relatives of Promoters Disclosed under promoter And Promoter Group** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(e)** | **Trusts Where Any Person belonging to 'Promoter and promoter Group Category is Trustee, Beneficiary or author Of The Trust** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(f)** | **Investor Education and protection Fund (IEPF)** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(g)** | **Resident Individuals Holding Nominal Share Capital up to Rs. 2 Lakhs** | 25,119 | 98,15,244 | - | - | 98,15,244 | 6.66 | 98,15,244 | - | 98,15,244 | 6.66 | - | - | - | 6.66 | - | - | N.A. | N.A. | 98,15,244 | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Share holders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+ (VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form( XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| **(h)** | **Resident Individuals Holding Nominal Share Capital in Excess Of Rs. 2 Lakhs** | 144 | 1,30,59,608 | - | - | 1,30,59,608 | 8.86 | 1,30,59,608 | - | 1,30,59,608 | 8.86 | - | - | - | 8.86 | | | N.A. | N.A. | 1,30,59,608 | - | - | - |
| **(i)** | **Non-Resident Indians (NRIs) Repat** | 695 | 34,73,990 | - | - | 34,73,990 | 2.36 | 34,73,990 | - | 34,73,990 | 2.36 | - | - | - | 2.36 | - | - | N.A. | N.A. | 34,73,990 | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| **(i)** | **Employee** | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **(j)** | **Foreign Nationals** | 1 | 104 | - | - | 104 | 0.00 | 104 | - | 104 | 0.00 | - | - | - | 0.00 | - | - | N.A. | N.A. | 104 | - | - | - |
| **(k)** | **Foreign Companies** | 1 | 240 | - | - | 240 | 0.00 | 240 | - | 240 | 0.00 | - | - | - | 0.00 | - | - | N.A. | N.A. | 240 | - | - | - |
| **(l)** | **Bodies Corporate** | 278 | 31,69,331 | - | - | 31,69,331 | 2.15 | 31,69,331 | - | 31,69,331 | 2.15 | - | - | - | 2.15 | - | - | N.A. | N.A. | 31,69,331 | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Share holders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underlining depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+ (VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no.(a) | As a % of total shares held (b) | no.(a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| **(m)** | **Any Other (Specify)** | 21 | 16,31,206 | - | - | 16,31,206 | 1.11 | 16,31,206 | - | 16,31,206 | 1.11 | - | - | - | 1.11 | - | - | N.A. | N.A. | 16,31,206 | - | - | - |
| | **FE Securities Pvt** | | 15,40,002 | - | - | 15,40,002 | 1.04 | 15,40,002 | - | 15,40,002 | 1.04 | - | - | - | 1.04 | - | - | N.A. | N.A. | 15,40,002 | - | - | - |
| | **Trusts** | 2 | 401 | - | - | 401 | 0.00 | 401 | - | 401 | 0.00 | - | - | - | 0.00 | - | - | N.A. | N.A. | 401 | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Shareholders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+ (VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants(XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no. (a) | As a % of total shares held (b) | no. (a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| | **Clearing Members** | 18 | 90,803 | - | - | 90,803 | 0.06 | 90,803 | - | 90,803 | 0.06 | - | - | - | 0.06 | - | - | N.A. | N.A. | 90,803 | - | - | - |
| **Sub-Total(B)(4)** | | **26,262** | **3,39,00,741** | - | - | **3,39,00,741** | **23.00** | **3,39,00,741** | - | **3,39,00,741** | **23.00** | - | - | - | **23.00** | - | - | **N.A.** | **N.A.** | **3,39,00,741** | - | - | - |

| Category (I) | Category & Name of the Shareholders(II) | Nos. of Share holders(III) | No of Fully Paid up Equity Shares held (IV) | No of Partly Paid up equity shares held (V) | No of Shares underline depository receipts (VI) | Total nos. shares held (VII)=(IV)+(V)+(VI) | Shareholding as a % of total no of shares (calculated as per SCRR 1957) (VII) AS A % OF (A+B+C2) | Number of voting rights held in each class of securities (IX) | | | | No of Shares Underlying outstanding convertible securities (X) | No of Shares Underlying outstanding Warrants (XI) | No of Shares Underlying outstanding convertible securities and no of warrants (XI)(a) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) (XI)=(VII)+(X) As a % of (A+B+C2) | Number of Locked in Shares (XII) | | Number of shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form(XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) RIGHTS | | | Total as a % of (A+B+C) | | | | | | | | | | Shareholding (No.of Shares) Under | | |
| | | | | | | | | class eg:x | class eg:y | Total | | | | | | no.(a) | As a % of total shares held (b) | no.(a) | As a % of total shares held (b) | | Sub-Category (i) | Sub-Category (ii) | Sub-Category (iii) |
| **Total Share Holding f public Shareholder** | **(B)=(B)(1)+(B)(2)+(B)(3)+(B)(4)** | 26,298 | 7,45,55,233 | - | - | 7,45,55,233 | 50.58 | 7,45,55,233 | - | 7,45,55,233 | 50.58 | - | - | - | 50.58 | - | - | N.A. | N.A. | 7,45,55,233 | - | - | - |

Table IV - Statement showing shareholding pattern of the Non – Promoter – Non-Public Shareholders:

| Sr. | Category & Name of the Shareholders (I) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) Rights | | | Total as a % of Total Voting rights | | | | | | | | | | Shareholding (No. of shares) under | | |
| | | | | | | | | Class eg: X | Class eg:y | Total | | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| ( 1 ) | Custodian/DR Hold | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | - | | | - |

| Sr. | Category & Name of the Shareholders (I) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) Rights | | | Total as a % of Total Voting rights | | | | | | | | | | Shareholding (No. of shares) under | | |
| | | | | | | | | Class eg: X | Class eg:y | Total | | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| | er - Name of DR Holders (If | | | | | | | | | | | | | | | | | | | | | | |

| Sr. | Category & Name of the Shareholders (I) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) Rights | | | Total as a % of Total Voting rights | | | | | | | | | | Shareholding (No. of shares) under | | |
| | | | | | | | | Class eg: X | Class eg:y | Total | | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| | Available) | | | | | | | | | | | | | | | | | | | | | | |
| **( 2 )** | Employee Benefit Trust | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | | - | | | |

| Sr. | Category & Name of the Shareholders (I) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) Rights | | | Total as a % of Total Voting rights | | | | | | | | | | Shareholding (No. of shares) under | | |
| | | | | | | | | Class eg: X | Class eg:y | Total | | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| | / Employee Welfare Trust under SEBI | | | | | | | | | | | | | | | | | | | | | | |

| Sr. | Category & Name of the Shareholders (I) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) Rights | | | Total as a % of Total Voting rights | | | | | | | | | | Shareholding (No. of shares) under | | |
| | | | | | | | | Class eg: X | Class eg:y | Total | | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| | (Share Based Employee Benefits | | | | | | | | | | | | | | | | | | | | | | |

| Sr. | Category & Name of the Shareholders (I) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) Rights | | | Total as a % of Total Voting rights | | | | | | | | | | Shareholding (No. of shares) under | | |
| | | | | | | | | Class eg: X | Class eg:y | Total | | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| | and Sweat Equity) Regulation | | | | | | | | | | | | | | | | | | | | | | |

| Sr. | Category & Name of the Shareholders (I) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+ (VI) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) — No of Voting (XIV) Rights — Class eg: X | Class eg:y | Total | Total as a % of Total Voting rights | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI) = (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) — No. (a) | As a % of total Shares held (b) | Number of Shares pledged or otherwise encumbered (XIII) — No. (a) | As a % of total Shares held (b) | Number of equity shares held in dematerialized form (XIV) | Sub-categorization of shares — Shareholding (No. of shares) under — Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | s, 2021 | | | | | | | | | | | | | | | | | | | | | | |

| Sr. | Category & Name of the Shareholders (I) | Nos. Of shareholders (III) | No. of fully paid up equity shares held (IV) | No. Of Partly paid-up equity shares held (V) | No. Of shares underlying Depository Receipts (VI) | Total nos. shares held (VII) = (IV)+(V)+(VI) | Shareholding as a % of total no. of shares (calculate d as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | | No. Of Shares Underlying Outstanding convertible securities (X) | No. of Shares Underlying Outstanding Warrants (Xi) | No. Of Shares Underlying Outstanding convertible securities and No. Of Warrants (Xi) (a) | Shareholding , as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of Locked in shares (XII) | | Number of Shares pledged or otherwise encumbered (XIII) | | Number of equity shares held in dematerialized form (XIV) | Sub-categorization of shares | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting (XIV) Rights | | | Total as a % of Total Voting rights | | | | | | | | | | Shareholding (No. of shares) under | | |
| | | | | | | | | Class eg: X | Class eg:y | Total | | | | | | No. (a) | As a % of total Shares held (b) | No. (a) | As a % of total Shares held (b) | | Sub-category (i) | Sub-category (ii) | Sub-category (iii) |
| Total NonPromoter- Non Public Shareholding (C)= (C)(1)+(C)(2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | | - | - | - | | |

| Details of Shares which remain unclaimed for Public | | | | |
|---|---|---|---|---|
| **Serial No.** | **Number of shareholders** | **Outstanding shares held in demat or unclaimed suspense account** | **voting rights which are frozen** | **Disclosure of notes on shares which remain unclaimed for public shareholders** |
| 1 | 5,483 | 2,79,083 | - | - |

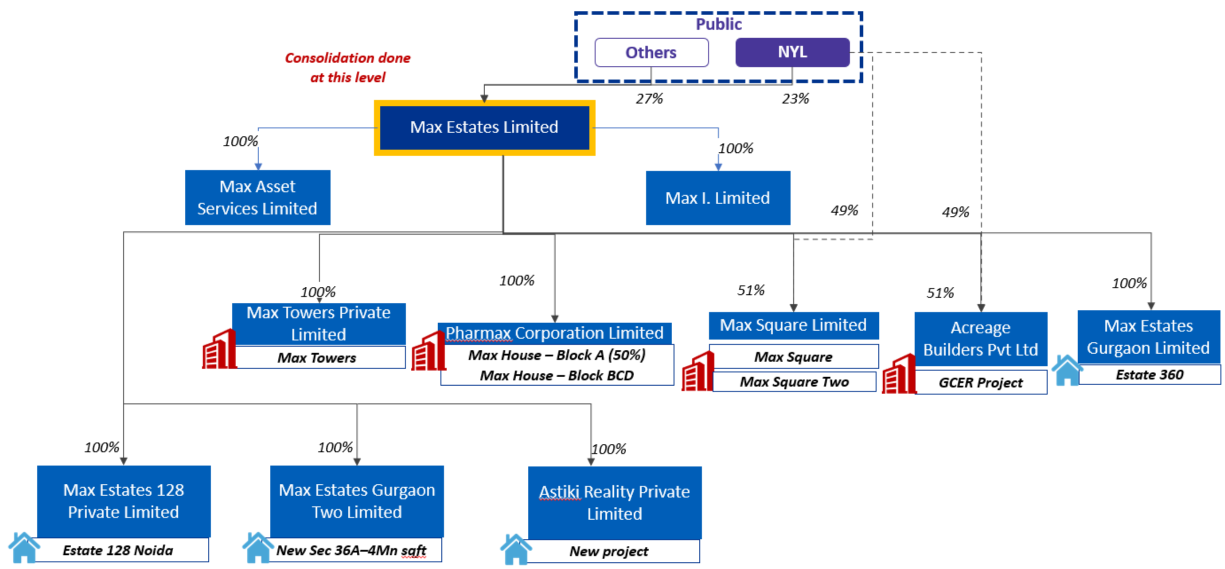
## ORGANISATIONAL STRUCTURE

### Corporate History

Our Company was incorporated as public limited company pursuant to a certificate of incorporation dated March 22, 2016 issued by the Registrar of Companies, Chandigarh, under the provisions of the Companies Act, 2013. The CIN of the Company is L70200PB2016PLC040200.

The Registered Office of our Company is situated at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. S.B.S. Nagar (Nawanshahar), Punjab – 144 533. The Regional Director, Northern Region, New Delhi by way of an order dated August 13, 2024 has approved the application for shifting of our registered office of our Company from the state of Punjab to the National Capital Territory of Delhi, at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020.

The organisational structure of our Company as on the date of this Preliminary Placement Document is as follows:




### Our Subsidiaries

As on the date of this Preliminary Placement Document, our Company has 10 Subsidiaries as below:

1. Acreage Builders Private Limited;
2. Max Asset Services Limited;
3. Max Estates 128 Private Limited;
4. Max Estates Gurgaon Limited;
5. Max Square Limited;
6. Max Estates Gurgaon Two Limited;
7. Max Towers Private Limited;
8. Pharmax Corporation Limited;
9. Max I. Limited; and
10. Astiki Realty Private Limited.

### i. Acreage Builders Private Limited

Acreage Builders Private Limited was incorporated in India under the Companies Act, 1956, pursuant to a certificate of incorporation dated June 18, 2010. Its CIN is U70101HR2010PTC047012 and its registered office is situated at 10th Floor, Tower-B Unitech Cyber Park, Sector 39, Gurgaon, Haryana- 122001, India.

**ii. Max Asset Services Limited**

Max Asset Services Limited was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated August 23, 2016. Its CIN is U74999PB2016PLC045648 and its registered office is situated at 419, Bhai Mohan Singh Nagar Village Railmajra, Tehsil Balachaur, Nawan Shehar, Punjab, India, 144533.

**iii. Max Estates 128 Private Limited**

Max Estates 128 Private Limited was incorporated in India under the Companies Act, 1956, pursuant to a certificate of incorporation dated July 29, 2006. Its CIN is U55101DL2006PTC151422 and its registered office is situated at Max House, 1, Dr. Jha Marg Okhla, New Delhi- 110020, India.

**iv. Max Estates Gurgaon Limited**

Max Estates Gurgaon Limited was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated September 5, 2022. Its CIN is U70109UP2022PLC170197 and its registered office is situated at Max Towers, C-001/A/1, Sector - 16B, Gautam Buddha Nagar, Noida, Uttar Pradesh, India, 201301.

**v. Max Square Limited**

Max Square Limited was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated June 24, 2019. Its CIN is U70200UP2019PLC118369 and its registered office is situated at L-20, Max Towers, C-001/A/1, Sector- 16B, Noida, Gautam Buddha Nagar, Uttar Pradesh- 201301, India.

**vi. Max Estates Gurgaon Two Limited**

Max Estates Gurgaon Two Limited was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated January 3, 2024. Its CIN is U68100DL2024PLC424818 and its registered office is situated at Max House, Kh No 335/2, 355/18,337, and 1511/339, Okhla Industrial Estate, New Delhi, India, 110020.

**vii. Max Towers Private Limited**

Max Towers Private Limited was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated October 27, 2016. Its CIN is U70109UP2016PTC087374 and its registered office is situated at L-20, Max Towers, C- 001/A/1, Sector- 16B, Noida, Gautam Buddha Nagar, Uttar Pradesh, India, 201301.

**viii. Pharmax Corporation Limited**

Pharmax Corporation Limited was incorporated in India under the Companies Act, 1956, pursuant to a certificate of incorporation dated September 27, 1989. Its CIN is U24232PB1989PLC009741 and its registered office is situated at Bhai Mohan Singh Nagar, Railmajra Tehsil Balachaur, District Nawanshahr, Punjab- 144533, India.

**ix. Max I. Limited**

Max I. Limited was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated June 23, 2016. Its CIN is U74999PB2016PLC045450 and its registered office is situated at 419, Bhai Mohan Singh Nagar Village Railmajra, Tehsil Balachaur, Nawan Shehar, Punjab, India, 144533.

**x. Astiki Realty Private Limited**

Astiki Realty Private Limited was incorporated in India under the Companies Act, 2013, pursuant to a certificate of incorporation dated June 30, 2023. Its CIN is U68200DL2023PTC416407 and its registered office is situated at D-

20/1,3rd Floor, Phase II, Chhatarpur Enclave, Sanjay Colony Bhati Mines, Delhi, India, 110074.

**Associates and Joint Ventures**

Our Company does not have any associate companies or joint ventures as on the date of this Preliminary Placement Document.

## ISSUE PROCEDURE

*The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Bid Amount, Allocation and Allotment of the Equity Shares. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from our Company or the BRLMs. Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Issue will be required to confirm and will be deemed to have represented to our Company, the BRLMs and their respective directors, officers, agents, employees, counsels, shareholders, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages* 297 *and* 305*, respectively.*

*Our Company, the BRLMs and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Bidders are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Bidders are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.*

*Our Company and the BRLMs and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares in this Issue.*

### Qualified Institutions Placement

**THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.**

This Preliminary Placement Document and the Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 and 62 and other applicable provisions of the Companies Act, 2013 and rules made thereunder, through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, and other applicable provisions of the Companies Act, 2013 a listed company in India may issue eligible securities to Eligible QIBs on a private placement basis provided that certain conditions are met by our Company. Some of these conditions are set out below:

- the Shareholders of the issuer have passed a special resolution approving such QIP. Such special resolution must *inter alia* specify that, (a) the allotment of securities is proposed to be made pursuant to the QIP; and (b) the relevant date for the QIP;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the Issue including the date of passing the board resolution, the kind of securities being offered and the price at which they are offered, amount which the company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of offer, the contribution made by the Promoters or Directors either as part of the offer or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the offer or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of such issuer, which are proposed to be allotted through the QIP, are listed on a recognised stock exchange in India having nation-wide trading terminals for a period of at least one year prior to the date of issuance of notice to its Shareholders for convening the meeting to seek approval of the Shareholders for the above-mentioned special resolution;

- In accordance with SEBI ICDR Regulations, issuance and allotment of Equity Shares shall be done in dematerialised form only to the allottee;

- invitation to apply in the QIP must be made through a private placement offer-cum-application form serially numbered and addressed specifically to the Eligible QIBs to whom the QIP is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- the issuer shall have completed allotments with respect to any earlier offer or invitation made by the issuer or shall have withdrawn or abandoned such invitation or offer made by the issuer, however, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be permitted under applicable law;

- the issuer shall not make any subsequent QIP until the expiry of two weeks from the date of the previous QIP;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application (i.e., this Preliminary Placement Document and Application Form), the issuer shall prepare and record a list of Eligible QIBs to whom the Issue will be made. The QIP must be made only to such Eligible QIBs whose names are recorded by the issuer prior to the invitation to subscribe;

- the Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the QIP is prohibited;

- the Promoters and Directors of the issuer are not Fugitive Economic Offenders under Section 12 of the Fugitive Economic Offenders Act, 2018;

- the Promoter or Directors are not declared as wilful defaulters; and

- the Directors are not declared as 'Fraudulent Borrower' by the lending Banks or financial institutions or consortium, in terms of RBI master circular dated July 1, 2016.

Please note that as per the requirement under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the Stock Exchanges, for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to adopt the above-mentioned special resolution. Provided further that, for our Company, being a transferee company in a scheme of compromise, arrangement and amalgamation sanctioned by a High Court or approved by a tribunal or the Central Government under sections 230 to 234 of the Companies Act, 2013, whichever is applicable, the period for which the equity shares of the same class of the transferor company were listed on a stock exchange having nation-wide trading terminals, shall also be considered for the purpose of computation of the period of one year.

At least 10% of the Equity Shares issued pursuant to this QIP to Eligible QIBs shall be available for Allocation to Mutual Funds, provided that, if this portion, or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders are not allowed to withdraw or revise downwards their Bids after the Bid/ Issue Closing Date.

Bidders were required to make certain representations, warranties and undertakings in order to participate in the Issue. Bidders are deemed to have represented to us and the BRLMs in order to participate in the Issue that they are outside the United States and purchasing the Equity Shares in an "*offshore transaction*" as defined and in reliance on

Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For details, see sections entitled '*Representations by Investors*', '*Selling Restrictions*' and '*Purchaser Representations and Transfer Restrictions*' beginning on pages 5, 297 and 305, respectively of this Preliminary Placement Document.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under the QIP shall not be less than the average of the weekly high and low of the closing prices of the issuer's Equity Shares of the same class quoted on the stock exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations. However, a discount of not more than 5% of the Floor Price is permitted in accordance with the provisions of the SEBI ICDR Regulations. Our Board through its resolution dated July 15, 2024 and our Shareholders through a special resolution on August 23, 2024, have authorised our Board to decide the quantum of discount of not more than 5% of the Floor Price at the time of determination of the Issue Price. The Issue Price shall be subject to appropriate adjustments, if our Company makes any alteration to its share capital as per the provisions under Regulation 176(4) of the SEBI ICDR Regulations.

The "Relevant Date" mentioned above in case of allotment of Equity Shares, refers to the date of the meeting in which the board of directors or the committee of directors duly authorised by the board of the issuer decides to open the proposed issue and "stock exchange" means any of the recognised stock exchanges in India on which the Equity Shares of the issuer of the same class are listed and on which the highest trading volume in such shares has been recorded during the two weeks immediately preceding the relevant date.

The Equity Shares will be allotted within 365 days from the date of the shareholders' resolution approving the QIP and also within 60 days from the date of receipt of subscription money from the relevant Eligible QIBs failing which our Company shall refund the Bid Amount in accordance with applicable laws. For details of refund of Bid Amount, see "*-Pricing and Allocation"* on page 290.

The Equity Shares issued pursuant to the Issue must be issued on the basis of this Preliminary Placement Document and the Placement Document that shall contain all material information including the information specified in Schedule VII of the SEBI ICDR Regulations and the requirements prescribed under PAS Rules and Form PAS-4. This Preliminary Placement Document and the Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned Stock Exchanges and of our Company with a disclaimer to the effect that it is in connection with the Issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or Placement Document uploaded on the website of the Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

The Issue was authorized and approved by the Board of Directors on July 15, 2024. Subsequently, our Shareholders through a special resolution approved the Issue on August 23, 2024.

The minimum number of Allottees for each QIP shall not be less than:

- two, where the issue size is less than or equal to ₹ 25,000 lakhs; and
- five, where the issue size is greater than ₹ 25,000 lakhs.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see " - *Bid Process - Application Form*" on page 286.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We have applied for and received the in-principle approval from BSE and NSE dated August 29, 2024, respectively, under Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We have filed a copy of this Preliminary Placement Document and will file a copy of the Placement Document with the Stock Exchanges.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules.

**Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. VCFs and AIFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.**

**The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdictions where such offers and sales are made. For a description of the restriction applicable to the offer and sale of Equity Shares in the Issue in certain other jurisdictions, see "*Selling Restrictions*" on page 297 and "*Purchaser Representations and Transfer Restrictions*" on page 305 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.**

**The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Issue Procedure**

1. On and from the Issue Opening Date, our Company in consultation with the BRLMs shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form to identified Eligible QIBs and the Application Form will be specifically addressed to each such Eligible QIBs. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of the Eligible QIBs in the form and manner as prescribed under the PAS Rules, to whom this Preliminary Placement Document and the serially numbered Application Form will be dispatched or circulated, as the case may be. Our Company will make the requisite filings with RoC within the stipulated time periods as required under the Companies Act, 2013 and PAS Rules.

2. **The list of Eligible QIBs to whom the Application Form and serially numbered Preliminary Placement Document is delivered shall be determined by our Company in consultation with the BRLMs. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account wherein the Bid Amount is to be deposited, is addressed to a particular Eligible QIB, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Bid/Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this**

**Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.**

3. Eligible QIBs may submit an Application Form, including any revisions thereof, along with the Bid Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter and/or any other documents mentioned in the Application Form, during the Bid/ Issue Period to the BRLMs. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the Bid Amount is paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and the Application Form is unsigned, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

4. Bidders will be required to indicate the following in the Application Form:

   - full official name of the Bidder to whom Equity Shares are to be Allotted, complete address, e-mail id, PAN details (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they are agreeable to subscribe to the Equity Shares and the aggregate Bid Amount for the number of Equity Shares Bid for;

   - it has agreed to all the representations, warranties, acknowledgements and agreements set forth in or incorporated by reference in the Application Form, which will include, but will not be limited to, the representations, warranties, acknowledgements and agreements set forth in the "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 1, 5, 278, 297, and 305, respectively, which will be incorporated by reference; details of the beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - Equity Shares held by the Bidder in our Company prior to the Issue;

   - representations that (a) it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on under Regulation S and in accordance with the applicable laws of the jurisdiction where those offers and sales are made, and (b) it has agreed to certain other representatives set forth in the sections entitled "*Representation by Investors*" and "*Purchaser Representations and Transfer Restrictions*" beginning on page 5 and 305 and certain other representations made in the Application Form.

***NOTE*: *Eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form. The Bids made by the asset management companies or custodian of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made. Application by various schemes or funds of a Mutual Fund will be treated as one application from the Mutual Fund. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.***

5. Each Bidder shall be required to make the entire payment of the application amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of *"Max Estates Limited – QIP Escrow Account* " with the Escrow Bank, within the Bid/Issue Period as specified

in the Application Form sent to the respective Bidders. No payment shall be made by Bidders in cash. Please note that any payment of application amount for the Equity Shares shall be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. application amount payable on Equity Shares to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from the Stock Exchanges, whichever is later, application amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event among others, a Bidder is not allocated Equity Shares in the Issue, or the number of Equity Shares Allotted to the Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which application amount has been paid by such Bidder, or the Bid Amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Bid Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 292.

6. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the application amount is paid along with submission of the Application Form within the Issue Period. Once a duly completed Application Form is submitted by a Bidder, whether signed or not and the application amount is transferred to the Escrow Account, such application constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. In case of an upward revision before the Issue Closing Date, an additional amount shall be required to be deposited towards the Bid Amount in the Escrow Account along with the submission of such revised Bid. In case of Bids being made on behalf of the Eligible QIB where the Application Form was unsigned, it was assumed that the person submitting the Application Form and providing necessary instructions for transfer of the application amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible QIBs shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Bidder acknowledges that in accordance with the requirement of the Companies Act, 2013, upon Allocation, our Company is required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in the Placement Document and consents to such disclosure, if any Equity Shares are Allocated to it.

8. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

9. Upon receipt of the duly completed Application Form and the application amount in the Escrow Account, on or after the Bid/ Issue Closing Date, our Company shall, in consultation with BRLMs determine the final terms, including the (i) Issue Price; (ii) the number of Equity Shares to be Allocated to each Successful Bidder; (iii) the Successful Bidder; and (iv) the Successful Bidders to whom such Equity Shares shall be Allocated. Upon such determination, the BRLMs, on behalf of our Company, will send the serially numbered CAN and the Placement Document to the Successful Bidders who have been Allocated the Equity Shares. The dispatch of a CAN, and the Placement Document (when dispatched) to a Successful Bidder shall be deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated and Refund Amount (if any) due to such Successful Bidders. The CAN shall contain details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. **Please note that the Allocation will be at the absolute discretion of our Company and shall be in consultation with the BRLMs.**

10. Upon determination of the Issue Price and issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the BRLMs, shall, on our behalf, send a serially numbered Placement Document either in

electronic form or through physical delivery to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

11. Upon dispatch of the serially numbered Placement Document, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. Our Company will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution passed by the Board or its committee approving the Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue.

13. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

14. Our Company will then apply for the final trading approvals from the Stock Exchanges.

15. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final listing and trading approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the BRLMs shall not be responsible for any delay or non-receipt of the communication of the final listing and trading permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

**Eligible QIBs**

17. Only Eligible QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, and not otherwise restricted from participating in the Issue under the applicable law, will be considered as Eligible QIBs. However, with respect to FPIs, only Eligible FPIs applying under Schedule II of the FEMA Rules will be considered as Eligible QIBs. FVCIs are not permitted to participate in the Issue. Currently, QIBs, who are eligible to participate in the Issue and also as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

    - FPIs other than individual, corporate bodies and family offices;
    - insurance companies registered with the Insurance Regulatory and Development Authority of India;
    - insurance funds set up and managed by army, navy or air force of the Union of India;
    - insurance funds set up and managed by the Department of Posts, India.
    - multilateral and bilateral development financial institutions eligible to invest in India;
    - Mutual Funds, VCFs, AIFs registered with SEBI;
    - pension funds with minimum corpus of ₹ 2,500 lakhs registered with the Pension Fund Regulatory and Development Authority established under sub-section (1) of section 3 of the Pension Fund Regulatory and Development Authority Act, 2013;
    - provident funds with minimum corpus of ₹ 2,500 lakhs;
    - public financial institutions as defined in Section 4 A of the Companies Act, 1956 (Section 2(72) of the Companies Act 2013);
    - scheduled commercial banks;
    - state industrial development corporations;
    - systemically important non-banking financial companies;
    - the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;

- venture capital funds registered with SEBI; and
- subject to such QIB not being excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations.

**ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND CONDITIONS AND RESTRICTIONS WHICH MAY BE SPECIFIED BY THE GOVERNMENT FROM TIME TO TIME, AND SUCH THAT THE SHAREHOLDING OF THE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. FVCI'S ARE NOT PERMITTED TO PARTICIPATE IN THIS ISSUE.**

Other eligible non-resident QIBs shall participate in the Issue under Schedule I of the FEMA Rules.

Please note that participation by non-residents in this Issue is restricted to participation by Eligible FPIs under Schedule II of the FEMA Rules, subject to the limits prescribed under the SEBI FPI Regulations and the FEMA Rules. Further, AIFs or VCFs whose sponsor and manager are not Indian owned and controlled in terms of the FEMA Rules or FVCIs, multilateral or bilateral development financial institutions are not permitted to participate in this Issue.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single Eligible FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) should not exceed 10% of post-Issue Equity Share capital of our Company. Further, in terms of the FEMA Rules, the total holding of each FPI or its investor group shall be below 10% of the total post issue paid-up Equity Share capital of our Company on a fully diluted basis. With effect from April 1, 2020, the aggregate limit for FPI investments is the sectoral cap applicable to our Company i.e. 100.00% on a fully diluted basis. Hence, Eligible FPIs may invest in such number of Equity Shares in the Issue such that the individual investment of the FPI in our Company does not exceed 24% of the post -Issue paid-up capital of our Company on a fully diluted basis.

In case the holding of an FPI including its investor group increases to 10% or more of the total post-Issue paid-up equity capital, on a fully diluted basis, the FPI including its investor group is required to divest the excess holding within five trading days from the date of settlement of the trades resulting in the breach. In the event that such divestment of excess holding is not done within the above prescribed time, the total investment made by such FPI together with its investor group will be re-classified as FDI as per procedure specified by SEBI and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. However, in accordance with Regulation 22(4) of the SEBI FPI Regulations, the FPIs who are: (i) appropriately regulated public retail funds; (b) public retail funds where the majority is owned by appropriately regulated public retail fund on look through basis; or (c) public retail funds and investment managers of such foreign portfolio investors are appropriately regulated, the aggregation of the investment limits of such FPIs having common control, shall not be applicable. Further, the aggregate permissible limit of all FPIs investments, with effect from April 1, 2020, is the sectoral cap applicable to the sector in which our Company operates.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of P- Notes. Two or more subscribers of P-Notes having a common beneficial owner shall be considered together as a single subscriber of the P-Note. In the event an investor has investments as an FPI and as a subscriber of P-Notes, these investment restrictions shall apply on the aggregate of the FPI and P-Note investments held in the underlying company.

Pursuant to the SEBI Circular dated April 5, 2018 (Circular No: IMD/FPIC/CIR/P/2018/61), our Company has appointed National Securities Depository Limited as the designated depository to monitor the level of FPI / NRI shareholding in our Company on a daily basis and once the aggregate foreign investment of a company reaches a cut-off point, which is 3% below the overall limit a red flag shall be activated. SEBI however, pursuant to its Circular dated May 17, 2018 (Circular No: SEBI/HO/IMD/FPIC/CIR/P/2018/81), directed that this system of monitoring foreign investment limits in Indian listed companies be made operational with effect from June 1, 2018. The depository is then required to inform the Stock Exchanges about the activation of the red flag. The stock exchanges are then required to issue the necessary circulars/ public notifications on their respective websites. Once a red flag is activated, the FPIs must trade cautiously, because in the event that there is a breach of the sectoral cap, the FPIs will be under an obligation to disinvest the excess holding within five trading days from the date of settlement of the trades.

Eligible FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. For a description of the restrictions applicable to the offer and sale of the Equity Shares in the Issue in certain jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 297 and 305, respectively.

***Restriction on Allotment***

Pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being a Promoter, or any person related to, the Promoters. QIBs, which have all or any of the following rights, shall be deemed to be persons related to the Promoters:

- rights under a shareholders' agreement or voting agreement entered into with the promoters or members of the promoter group;
- veto rights; or
- a right to appoint any nominee director on the board of the issuer.

Provided, however, that an Eligible QIB which does not hold any Equity Shares in our Company and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the promoters.

**Our Company, the BRLMs and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates shall not be liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Eligible QIBs are required to satisfy themselves that any requisite compliance pursuant to this Allotment such as public disclosures under applicable laws is complied with. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.**

**A minimum of 10% of the Equity Shares offered in the Issue shall be Allotted to Mutual Funds. In case of undersubscription in such portion, such portion or part thereof may be Allotted to other Eligible QIBs.**

***Note:*** *Affiliates or associates of the BRLMs who are Eligible QIBs may participate in the Issue in compliance with applicable laws.*

**Bid Process**

***Application Form***

Bidders shall only use the serially numbered Application Forms (which are addressed to them) supplied by our Company and/or the BRLMs in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document and the Placement Document. The Application Form may be signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB may submit an unsigned copy of the Application Form, as long as the application amount is paid along with submission of the Application Form within the Issue Period, and in such case, it shall be assumed that the person submitting the Application Form and providing necessary instructions for transfer of the application amount to the Escrow Account, on behalf of the Eligible QIB is authorised to do so.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Bidder will be deemed to have made all the following representations and warranties and the representations, warranties and agreements made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" *and "Purchaser Representations and Transfer Restrictions"* on pages 1, 5, 297 and 305, respectively:

1. Each Bidder confirms that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India (as applicable) and is eligible to participate in this Issue;

2. Each Bidder confirms that it is not a Promoter and is not a person related to the Promoter(s), either directly or indirectly and its Application Form does not directly or indirectly represent the Promoter(s) or members of the Promoter Group or persons related to the Promoter(s);

3. Each Bidder confirms that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights or right to appoint any nominee director on the Board other than those acquired in the capacity of a lender not holding any Equity Shares which shall not be deemed to be a person related to the Promoter(s);

4. Each Bidder confirms that, and consents to, its name and percentage of post- Issue shareholding (assuming full subscription in this Issue) being included as a "proposed Allottee" in this Issue in the Placement Document. However, each Bidder further acknowledges and agrees, disclosure of such details in relation to the proposed Allotees in the Placement Document will not guarantee Allotment to them, as Allotment shall continue to be at the sole discretion of our Company, in consultation with the BRLMs.

5. Each Bidder confirms that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

6. Each Bidder acknowledges that it has no right to withdraw or revise its Bid downwards after the Bid / Issue Closing Date;

7. Each Bidder confirms that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than the floor of a recognised Stock Exchange;

8. Each Bidder confirms that the Bidder is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. Each Bidder further confirms that the holding of the Bidder, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Bidder;

9. Each Bidder confirms that its Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations;

10. The Bidder agrees that it will make payment of its Bid Amount along with submission of the Application Form within the Issue Period. Each Bidder agrees that once a duly filled Application Form is submitted by a Bidder, whether signed or not, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date;

11. The Bidder agrees that although the Bid Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013 our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the

BRLMs. The Bidder further acknowledges and agrees that the payment of Bid Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

12. The Bidder acknowledges that in terms of the requirements of the Companies Act, 2013 upon Allocation, our Company will be required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding (assuming that the Equity Shares are Allotted to them pursuant to the Issue) of the proposed Allottees in the Placement Document and such QIB consents of such disclosure, if any Equity Shares are Allocated to it. However, the Bidder further acknowledges and agrees that, disclosure of such details as "proposed Allottees" in the Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the BRLMs;

13. The Bidder confirms that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    (a) QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Bidder, its subsidiary(ies) or holding company and any other Bidder; and

    (b) 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

14. The Bidders confirms that:

    a) it will make payment of its application amount along with submission of the Application Form before the Issue Closing Date.

15. Each Bidder confirms that:

    a) it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdiction where those offers and sales are made; and
    b) it has agreed to certain other representations set forth in the sections entitled "*Representation by Investors" and "Purchaser Representations and Transfer Restrictions*" beginning on pages 5 and 305.

16. Each Bidder confirms that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges;

17. Each Eligible FPI, confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up equity capital of our Company on a fully diluted basis. The Bidder confirms that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations; and

18. A representation that it is outside the United States, is acquiring the Equity Shares in an "offshore transaction" as defined in and in reliance on Regulation S and is not an affiliate of the Company or a person acting on behalf of such an affiliate and it has agreed to certain other representations set forth in the Application Form.

You are eligible to invest and hold the Equity Shares of our Company in accordance with press note no. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, wherein if the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules. You confirm that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

**BIDDERS MUST PROVIDE THEIR NAME, COMPLETE ADDRESS, PHONE NUMBER, EMAIL ID, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBs MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT IS HELD.**

**IF SO REQUIRED BY THE BRLMS, THE ELIGIBLE QIBs SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE BRLMS TO EVIDENCE THEIR STATUS AS A "QIB" AS DEFINED HEREINABOVE.**

**IF SO REQUIRED BY THE BRLMS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER BID/ISSUE CLOSING DATE, THE ELIGIBLE QIBs SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.**

Demographic details such as address and bank account will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Bid Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Bid Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Bid Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder and becomes a binding contract on a Successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by our Company (by itself or through the BRLMs) in favour of the Successful Bidder.

***Submission of Application Form***

All Application Forms must be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (as applicable). The Bid Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the BRLMs either through electronic form or through physical delivery at the following address:

| Name | Address | Contact Person | Website and e-mail | Phone (Telephone) |
|---|---|---|---|---|
| IIFL Securities Limited | 24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (West), Mumbai – 400013 Maharashtra, India | Yogesh Malpani / Pawan Kumar Jain | Website: https://www.iiflcap.com E-mail: project.zenith@iiflcap.com | **Phone No.:** +91 22 4646 4728 |
| Ambit Private Limited | Ambit House, 449 Senapati Bapat Marg Lower Parel Mumbai – 400 013 Maharashtra, India | Praveen Sangal / Miraj Sampat | Website: https://www.ambit.co E-mail: maxestates.qip@ambit.co | +91 22 6623 3030 |

The BRLMs shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Bid Amount.

All Application Forms shall be duly completed and Bidders Bidding in the Issue shall pay the entire Bid Amount along with the submission of the Application Form, within the Issue Period.

**Bank account for Payment of Bid Amount**

Our Company has opened the Escrow Account in the name of **"**Max Estates Limited – QIP Escrow Account**"** with the Escrow Bank, in terms of the Escrow Agreement. Each Bidder will be required to deposit the Bid Amount payable for the Equity Shares Bid by it along with the submission of the Application Form and during the Bidding Period. Bidders can make payment of the Bid Amount only through electronic transfer of funds from their own bank account.

**Note: Payments are to be made only through electronic fund transfer from the Bidder's own bank account. Payments made through cash, demand draft or cheques are liable to be rejected. Further, if the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Application Form is liable to be rejected.**

Pending Allotment, our Company undertakes to utilise the amount deposited in "Max Estates Limited – QIP Escrow Account" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Bid Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder is not allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, is lower than the number of Equity Shares applied for through the Application Form and towards which application amount has been paid by such Bidder, or the application amount was in excess of the amount equivalent to the product of the Equity Shares that have been Allocated to the Bidder and the Issue Price, or the application amount has been arrived at using an indicative price higher than the Issue Price, or any Bidder lowers or withdraws their Bid after submission of the Application Form but prior to the Issue Closing Date, the excess application amount will be refunded to the same bank account from which application amount was remitted, in the form and manner set out in "– *Refunds*" on page 292.

***Pricing and Allocation***

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the Stock Exchanges during the two weeks preceding the Relevant Date. However, our Company may offer a discount of not more than 5% of the Floor Price in accordance with the approval of our Shareholders by way of a special resolution dated August 23, 2024 in terms of Regulation 176(1) of the SEBI ICDR Regulations.

Our Company, in consultation with the BRLMs, shall determine the Issue Price, which shall be at or above the Floor Price.

The "Relevant Date" referred to above will be the date of the meeting in which the Board (or a duly constituted committee thereof) decides to open the Issue and "stock exchange" means any of the recognized stock exchanges in India on which the Equity Shares are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. After finalisation of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the Placement Document with the Stock Exchanges.

***Build-up of the Book***

The Bidders shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the BRLMs. Such Bids cannot be withdrawn or revised downwards after the Bid/ Issue Closing Date. The book shall be maintained by the BRLMs.

***Method of Allocation***

Our Company shall determine the Allocation in consultation with the BRLMs on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.

Application Forms received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size shall be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with BRLMs has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

**THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE BRLMS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE QIBs. ELIGIBLE QIBs MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY IN CONSULTATION WITH THE BRLMS AND ELIGIBLE QIBs MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE BID AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE BRLMS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.**

**CAN**

Based on receipt of the serially numbered Application Forms and Bid Amount, our Company, in consultation with the BRLMs, in their sole and absolute discretion, shall decide the Successful Bidders. Our Company will dispatch a serially numbered CAN to all the Bidders pursuant to which the details of the Equity Shares Allocated to them (if any), the Issue Price and the Bid Amount for the Equity Shares Allocated to them shall be notified to such Successful Bidders. The CAN shall also include details of amount to be refunded, if any, to such Bidders. Additionally, the CAN will include the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would also be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible QIBs shall be deemed a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board / its committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the BRLMs.

**Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue.**

By submitting the Application Form, an Eligible QIB would have deemed to have made the representations and warranties as specified in section "*Notice to Investors*" on page 1 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges.

***Designated Date and Allotment of Equity Shares***

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, transfer of

securities of listed companies in physical form is not permitted pursuant to Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the credit of Equity Shares into the Successful Bidders' beneficiary accounts with the Depository Participants, our Company will apply for the final listing and trading approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act, 2013.

7. After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file it with the Stock Exchanges as the Placement Document, which will include names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company. Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, namely, names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees, and the percentage of their post-Issue shareholding in our Company is required to be disclosed in the Placement Document.

The Escrow Bank shall release the monies lying to the credit of the Escrow Account to our Company upon receipt of notice from the BRLMs of the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue, and after filing return of Allotment under Form PAS-3 with the RoC.

After finalization of the Issue Price, our Company shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

**Refunds**

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Bid Amount has been paid by such Bidder, or the Bidder has deposited the Bid Amount arrived at using a price higher than the Issue Price or Equity Shares are not Allocated to a Bidder for any reasons or the Issue is cancelled prior to Allocation, or a Bidder lowers or withdraws the Bid prior to the Bid/ Issue Closing Date, any excess Bid Amount paid by such Bidder will be refunded to the same bank account from which Bid Amount was remitted as set out in the Application Form. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN in the manner set out in the refund intimation which will be dispatched to the Bidder.

In the event that we are unable to issue and Allot the Equity Shares offered in the Issue or if the Issue is cancelled within 60 days from the date of receipt of application monies, our Company shall repay the application monies within 15 days from the expiry of 60 days, failing which our Company shall repay that monies with interest at the rate prescribed under the Companies Act, 2013. from expiry of the sixtieth day. The application monies to be refunded by us shall be refunded to the same bank account from which application monies was remitted by the Bidders, as mentioned in the Application Form.

We, at our sole discretion, reserve the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment and credit of Equity Shares into the Eligible QIBs' Depository Participant accounts, we will apply for final listing and trading approvals from the Stock Exchanges. In the event of any delay in the Allotment or credit of Equity Shares, or receipt of trading or listing approvals or cancellation of the Issue, no interest or penalty would be payable by us.

**Release of Funds to our Company**

The monies lying to the credit of the Escrow Account shall not be released until receipt of notice from the BRLMs, the final listing and trading approvals of the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC, whichever is later.

**Other Instructions**

***Submission of Documents***

A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted with the Company/BRLMs as soon as practicable.

***Permanent Account Number or PAN***

Each Bidder should mention its PAN (except Bids from any category of Bidders, which may be exempted from specifying their PAN for transacting in the securities market) allotted under the IT Act. A copy of PAN card is required to be submitted with the Application Form. Further, the Application Forms without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that applicants should not submit the GIR number instead of the PAN as the Application Form is liable to be rejected on this ground.

***Bank account details***

Each Bidder shall mention the details of the bank account from which the payment of Bid Amount has been made along with confirmation that such payment has been made from such account.

***Right to Reject Applications***

Our Company, in consultation with the BRLMs, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the BRLMs in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected by our Company, the Bid Amount paid by the Bidder shall be refunded to the same bank account from which the Bid Amount was remitted by such Bidder as set out in the Application Form. For details, see "- *Bid Process*" and "- *Refunds*" on pages 286 and 292 respectively.

***Equity Shares in dematerialised form with NSDL or CDSL***

The Allotment of the Equity Shares in this Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible QIB applying for Equity Shares to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges have electronic connectivity with NSDL and CDSL.

The trading of the Equity Shares to be issued pursuant to the Issue would be in dematerialised form only for all QIBs in the demat segment of the respective Stock Exchanges.

Our Company and the BRLMs shall not be responsible or liable for the delay in the credit of Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on the part of the Bidders.

# PLACEMENT

## Placement Agreement

The BRLMs have entered into the Placement Agreement dated August 29, 2024 with our Company, pursuant to which the BRLMs have agreed, subject to certain conditions, to manage this Issue and to act as the placement agent in connection with the proposed Issue and procure subscription for the Equity Shares to be issued pursuant to the Issue on a reasonable efforts basis.

The Equity Shares will be placed with the QIBs pursuant to this Issue under Chapter VI of the SEBI ICDR Regulations and Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. The Placement Agreement contains customary representations and warranties, as well as indemnities from our Company and is subject to satisfaction of certain conditions and termination in accordance with the terms contained therein.

Applications shall be made to list the Equity Shares issued pursuant to this Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

This Preliminary Placement Document and the Placement Document have not been, and will not be, registered as a prospectus with the RoC, and no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdictions where such offers and sales are made.

## Relationship with the Book Running Lead Managers

In connection with the Issue, the BRLMs or their affiliates may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and subscription or sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the BRLMs may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the BRLMs may purchase or subscribe to the Equity Shares or be Allotted Equity Shares for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see the section "*Offshore Derivative Instruments*" on page 12.

From time to time, the Book Running Lead Managers, and their respective affiliates and associates may have engaged in or may in the future engage in transactions with and perform services including but not limited to investment banking, advisory, commercial banking, trading services for our Company, our Subsidiaries, group companies, affiliates and the Shareholders, as well as to their respective associates and affiliates, pursuant to which fees and commissions have been paid or will be paid to the Book Running Lead Managers and their affiliates and associates.

## Lock up

Our Company undertakes that it will not for a period of 60 days from the date of Allotment under the Placement, without the prior written consent of the BRLMs, directly or indirectly, (i) offer, issue, contract to issue, issue or offer any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise approve the transfer or dispose of, any Equity Shares or any securities convertible into, or exercisable for Equity Shares (including, without limitation, securities convertible into, or exercisable or exchangeable for Equity Shares), or file any registration statement under the U.S. Securities Act with respect to any of the foregoing, or (ii) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, any of the economic consequences associated with the ownership of any of the Equity Shares or any securities convertible into, or exercisable or exchangeable for Equity Shares (regardless of whether any of the transactions described in clause (i) or (ii) is to be settled by the delivery of Equity Shares or such other securities, in cash or otherwise), or (iii) deposit Equity Shares with any other depositary in connection with a depositary receipt facility, or (iv) publicly announce any intention to enter into any transaction falling within (i) to (iii) above or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (i) to (iii) above. However, the foregoing restriction shall not be applicable to the (i) the issuance of the Issue Shares pursuant to the Issue; (ii) issuance of Equity Shares pursuant to conversion of ESOPs; (iii) any transaction required by an order of a court of law or a statutory authority; and (iv) the preferential issue, if any, proposed to be considered and approved by the Board in its meeting dated August 31, 2024 as intimated by the Company to the Stock Exchanges by way of the letter dated August 28, 2024.

**Lock-up by Promoters and Promoter Group**

The Company acknowledges that the Promoters and each member of the Promoter Group has undertaken (except Neelu Analjit Singh) that it will not for a period of 90 days from the date of Allotment under the Issue, without the prior written consent of the Book Running Lead Managers, directly or indirectly: (a) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or publicly announce an intention with respect to any of the foregoing; (b) enter into any swap or other agreement that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (c) sell, lend, contract to sell, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares or interest in an entity which holds any Equity Shares; or (d) publicly announce any intention to enter into any transaction whether any such transaction described in (a), (b) or (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, or enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue or offer or deposit of Equity Shares in any depositary receipt facility or publicly announce any intention to enter into any transaction falling within (a) to (c) above. Provided, however, that the foregoing restrictions shall not apply to (i) any bona fide pledge or non-disposal undertaking existing on the date of this Letter of any of the Promoters and Promoter Group Shares held by the undersigned as collateral for loans on normal commercial terms entered in the ordinary course of business of the undersigned, the Company or transfer of any of the Promoters and Promoter Group Shares to any third party pursuant to the invocation of such pledge in relation to the Promoters and Promoter Group Shares; (ii) any inter group transfer made to any member of Promoter Group, subject to compliance with applicable laws and subject to observance by the transferee Promoter Group Entities of the foregoing restrictions on transfer of Promoters' Shares subject to prior written notice to the BRLMs until the expiry of the Lock-up Period; (iii) the issue of Equity Shares pursuant to offer made in terms of any employee stock option/ purchase scheme of our Company; (iv) any transaction required by law or an order of a court of law or a statutory authority(as defined in the Agreement); and (v) the preferential issue, if any, proposed to be considered and approved by the Board in its meeting dated August 31, 2024 as intimated by our Company to the Stock Exchanges by way of the letter dated August 28, 2024.

## SELLING RESTRICTIONS

*The distribution of this Preliminary Placement Document or any offering material and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Preliminary Placement Document or any offering material are advised to* consult with their own *legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which jurisdiction such offer or invitation is not authorised.*

*This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act, 2013 and rules made thereunder. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors", "Representations by Investors" and "Purchaser Representations and Transfer Restrictions" on pages 1, 5 and 305, respectively.*

### General

The Issue is being made only to Eligible QIBs. The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares offered in the Issue is restricted by law in certain jurisdictions. No action has been taken or will be taken that would permit the offer and sale of the Equity Shares offered in the Issue to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to the Issue in any jurisdiction where action for such purpose is required, except in India. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. Therefore, persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions.

Each purchaser of the Equity Shares in this Issue will be deemed to have made the representations, warranties, acknowledgments and agreements as described in this section and under "*Notice to Investors*", "*Representations by Investors*" and "*Purchaser Representations and Transfer Restrictions*" beginning on pages 1, 5 and 305, respectively.

Additionally, in accordance with the FDI Policy, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules, wherein if the beneficial owner of the Securities is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules. Further, the Bidders need to confirm that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

### Republic of India

This Preliminary Placement Document may not be distributed, directly or indirectly, in India or to residents of India and any Equity Shares may not be offered or sold, directly or indirectly, in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Preliminary Placement Document is neither a public issue nor a prospectus under the Companies Act, 2013 or an advertisement and should not be circulated to any person other than to whom the offer is made.

### Australia

This Preliminary Placement Document is not a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) ("**Corporations Act**") and has not been lodged with the Australian Securities and

Investments Commission and it does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act.

No offer will be made under this Preliminary Placement Document to investors to whom disclosure is required to be made under Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to represent and warrant that it is either a "sophisticated investor" or a "professional investor" and that not it is not a "retail client" within the meaning of those terms in the Corporations Act.

The Equity Shares acquired in the Issue in Australia must not be offered for sale in Australia in the period of 12 months after the date of the Allotment, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act. Each purchaser of the Equity Shares offered in the Issue in Australia shall be deemed to undertake to our Company that it will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those Equity Shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where or where the offer is pursuant to a disclosure document that complies with Chapter 6D of the Corporations Act.

No financial product advice is provided in this Preliminary Placement Document and nothing in this Preliminary Placement Document should be taken to constitute a recommendation or statement of opinion that is intended to influence a person or persons in making a decision to invest in the Equity Shares offered in the Issue.

This Preliminary Placement Document does not take into account the objectives, financial situation or needs of any particular person. Before acting on the information contained in this Preliminary Placement Document, or making a decision to invest in the Equity Shares offered in the Issue, prospective investors should seek professional advice as to whether investing in the Equity Shares is appropriate in light of their own circumstances.

None of the Book Running Lead Managers or any of their respective affiliates is the holder of an Australian Financial Services Licence.

**Bahrain**

All marketing and offering of the Equity Shares in the Issue has been made and will be made outside the Kingdom of Bahrain. This Preliminary Placement Document and the Equity Shares offered in the Issue have not been registered, filed, approved or licensed by the Central Bank of Bahrain ("**CBB**"), the Bahrain Bourse, the Ministry of Industry, Commerce and Tourism ("**MOICT**") or any other relevant licensing authorities in the Kingdom of Bahrain.

The CBB, the Bahrain Bourse and the MOICT of the Kingdom of Bahrain takes no responsibility for the accuracy of the statements and information contained in this Preliminary Placement Document, nor shall they have any liability to any person, investor or otherwise for any loss or damage resulting from reliance on any statements or information contained herein. This Preliminary Placement Document is only intended for Accredited Investors as defined by the CBB and the Equity Shares offered by way of private placement may only be offered in minimum subscriptions of USD 100,000 (or equivalent in other currencies). No invitation to the public in the Kingdom of Bahrain to subscribe to the Equity Shares is being made and this Preliminary Placement Document will not be issued to, passed to, or made available to the public generally in the Kingdom of Bahrain. The CBB has not reviewed, nor has it approved this Preliminary Placement Document and any related offering documents or the marketing thereof in the Kingdom of Bahrain. The CBB is not and will not be responsible for the performance of the Equity Shares.

**European Economic Area**

In relation to each Member State of the European Economic Area (each a "Relevant State"), an offer to the public of any Equity Shares in the Issue may not be made in that Relevant State, except if the Equity Shares are offered to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation (EU) 2017/1129 (and any amendment thereto) (the "Prospectus Regulation"):

- to any legal entity that is a qualified investor, as defined in the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the Book Running Lead Managers for any such offer;
- or in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for the publication by the Company or the Book Running Lead Managers of a prospectus pursuant to Article 3 of the Prospectus Regulation.

For the purposes of this section, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant State means a communication to persons in any form and by any means presenting sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares.

Each person in a Relevant State who acquires Equity Shares in the Issue or to whom any offer is made shall be deemed to have represented that it is a "qualified investor" as defined in the Prospectus Regulation.

In the case of any Equity Shares being offered to a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Equity Shares subscribed for or acquired by it in the Issue have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to persons in circumstances which may give rise to an offer of any Equity Shares to the public other than their offer or resale in a Relevant State to qualified investors (as so defined) or in circumstances in which the prior consent of the Book Running Lead Managers has been obtained to each such proposed offer or resale.

Our Company, the Book Running Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements.

**Hong Kong**

The Equity Shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Any offer of the Equity Shares will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of the Preliminary Placement Document may issue, circulate or distribute the Preliminary Placement Document in Hong Kong or make or give a copy of the Preliminary Placement Document to any other person. No person allotted Equity Shares may sell, or offer to sell, such Shares to the public in Hong Kong within six months following the date of issue of such Equity Shares.

**Japan**

The Equity Shares offered hereby have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). The Preliminary Placement Document is not an offer of shares for sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used in the Preliminary Placement Document means any person resident in Japan, including any corporation or entity organized under the laws of Japan) or to others for reoffer or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

**Kuwait**

This Preliminary Placement Document is not for general circulation to the public in Kuwait. The Equity Shares have not been licenced for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Equity Shares in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Equity Shares is being made in Kuwait, and no agreement relating to the sale of the Equity Shares will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Equity Shares in Kuwait.

**Mauritius**

The public of the republic of Mauritius is not invited to subscribe for the interests offered hereby. This memorandum relates to a private placement and does not constitute an offer to the public in Mauritius to subscribe for the interests offered hereby. the interests are only being offered to a limited number of sophisticated investors meeting the eligibility criteria. no regulatory approval has been sought for the offer in Mauritius and it must be distinctly understood that the Mauritius financial services commission does not accept any responsibility for the financial soundness of or any representations made in connection with the issue. The memorandum is for the use only of the named addressee and should not be given or shown to any other person.

**New Zealand**

This Preliminary Placement Document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "**FMA Act**"). The Equity Shares offered in the Issue may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who: (a) is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act; (b) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act; (c) is large within the meaning of clause 39 of Schedule 1 of the FMC Act; (d) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or (e) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

**Qatar (excluding the Qatar Financial Centre)**

This Preliminary Placement Document did not, and was not intended to, constitute an invitation or an offer of securities in the State of Qatar (including the Qatar Financial Centre) and accordingly should not be construed as such. The Equity Shares have not been, and shall not be, offered, sold or delivered at any time, directly or indirectly, in the State of Qatar. Any offering of the Equity Shares shall not constitute a public offer of securities in the State of Qatar.

By receiving this document, the person or entity to whom it has been provided to understands, acknowledges and agrees that: (a) neither this Preliminary Placement Document nor the Equity Shares have been registered, considered, authorised or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority or any other authority or agency in the State of Qatar; (b) neither the Company nor the Book Running Lead Managers are authorised or licensed by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Financial Centre Regulatory Authority, or any other authority or agency in the State of Qatar, to market or sell the Equity Shares within the State of Qatar; (c) this Preliminary Placement Document may not be provided to any person other than the original recipient and is not for general circulation in the State of Qatar; and (d) no agreement relating to the sale of the Equity Shares shall be consummated within the State of Qatar.

No marketing of the Equity Shares has been or will be made from within the State of Qatar and no subscription to the Equity Shares may or will be consummated within the State of Qatar. Any applications to invest in the Equity Shares shall be received from outside of Qatar. This Preliminary Placement Document shall not form the basis of, or be relied on in connection with, any contract in Qatar. The persons representing the Book Running Lead Managers are, by distributing this document, not advising individuals resident in the State of Qatar as to the appropriateness of investing in or purchasing or selling securities or other financial products. Nothing contained in this Preliminary Placement

Document is intended to constitute investment, legal, tax, accounting or other professional advice in, or in respect of, the State of Qatar.

**Qatar and Qatar Financial Centre**

Nothing in this Preliminary Placement Document is intended to constitute, shall be treated as constituting or shall be deemed to constitute, any offer or sale of securities in the State of Qatar or in the Qatar Financial Centre or the inward marketing of securities or an attempt to do business, as a bank, an investment company or otherwise in the State of Qatar or in the Qatar Financial Centre other than in compliance with any laws applicable in the State of Qatar or in the Qatar Financial Centre governing the issue, offering and sale of securities under the laws of the State of Qatar and the Qatar Financial Centre.

This Preliminary Placement Document and any underlying instruments or securities have not been and will not be filed with, reviewed or approved by the Qatar Central Bank, the Qatar Financial Markets Authority, the Qatar Exchange or any other relevant Qatar governmental body or securities exchange. The Company has not been authorised or licenced by any Qatari governmental body or regulator to market, offer or sell the Equity Shares in the State of Qatar or in the Qatar Financial Centre.

This Preliminary Placement Document is strictly private and confidential. This Preliminary Placement Document is provided on an exclusive basis to the specifically intended recipient of such document, upon that person's request and initiative, and for the recipient's personal use only. It is being distributed to a limited number of qualified investors and must not be provided to any person other than the original recipient. It is not for general circulation in the State of Qatar or the Qatar Financial Centre and may not be reproduced or used for any other purpose. Any distribution of this document by the recipient to third parties in the State of Qatar or the Qatar Financial Centre is not authorised and shall be at the liability of such recipient.

Recourse against the Company and/or its affiliates may be limited or difficult and may have to be pursued in a jurisdiction outside the State of Qatar and/or the Qatar Financial Centre.

**Saudi Arabia**

This Preliminary Placement Document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority ("**CMA**"). The CMA does not make any representation as to the accuracy or completeness of this Preliminary Placement Document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Preliminary Placement Document. Prospective investors of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Preliminary Placement Document, you should consult an authorised financial adviser.

**Singapore**

This Preliminary Placement Document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Preliminary Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Equity Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

i. a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

ii. a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Equity Shares pursuant to an offer made under Section 275 of the SFA except:

(a) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(b) where no consideration is or will be given for the transfer;

(c) where the transfer is by operation of law;

(d) as specified in Section 276(7) of the SFA; or

(e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

**Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: We have determined, and hereby notify all relevant persons (as defined in Section 309A of the SFA) that the Equity Shares are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment: Notice on Recommendations on Investment Products).**

**Sultanate of Oman**

The information contained in this Preliminary Placement Document does not constitute a public offer of securities in Oman as contemplated by the Oman Commercial Companies Law (Sultani Decree 18/2019, as amended) or Article 3 of the Capital Market Authority Law (Sultani Decree 80/98, as amended). This Preliminary Placement Document will only be made available to investors in Oman in accordance with the provisions of Article 139 of the Executive Regulations of the Capital Markets Law (Capital Markets Law Decision No. 1/2009, as amended) (the "**Executive Regulations**") by an entity duly licenced by the Capital Market Authority of Oman to market non-Omani securities in Oman.

This Preliminary Placement Document is strictly private and confidential. It is being provided to a limited number of sophisticated investors solely to enable them to decide whether or not to invest in the Equity Shares outside of Oman, upon the terms and subject to the restrictions set out herein and may not be reproduced or used for any other purpose or provided to any person other than the original recipient. Additionally, this Preliminary Placement Document is not intended to lead to the making of any contract within the territory or under the laws of Oman.

This Preliminary Placement Document has not been (and will not be) filed with the Capital Market Authority of Oman (except in accordance with Article 139 of the Executive Regulations) or any other regulatory authority in Oman and the Capital Market Authority of Oman neither assumes responsibility for the accuracy and adequacy of the statements and information contained in this Preliminary Placement Document nor shall have any liability to any person for damage or loss resulting from reliance on any statements or information contained herein.

**Switzerland**

The Equity Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Equity Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares constitutes a prospectus pursuant to the FinSA, and neither this Preliminary Placement Document nor any other offering or marketing material relating to the Equity Shares may be publicly distributed or otherwise made publicly available in Switzerland.

The Equity Shares may, however, be offered in Switzerland to professional clients within the meaning of the FinSA, without any public offer and only to investors who do not purchase the Equity Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This Preliminary Placement Document may only be used by those investors to whom it has been handed out in connection with the Issue described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent.

**United Arab Emirates (excluding the Dubai International Financial Centre)**

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the UAE. No offering, marketing, promotion, advertising or distribution (together, "Promotion") of this document or the Equity Shares may be made to the general public in the United Arab Emirates (the "**UAE**") unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to "Qualified Investors" (excluding "**High Net Worth Individuals**") (as such terms are defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

**United Kingdom**

The Equity Shares have not been offered or will not be offered pursuant to the Issue to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc. (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the UK Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Company or the Book Running Lead Managers to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

**United States of America**

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The Equity Shares are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see "*Purchaser Representations and Transfer Restrictions*" on page 305.

**Other Jurisdictions**

The distribution of this Preliminary Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

## PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

*Due to the following restrictions, Bidders are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.*

Pursuant to Chapter VI of the SEBI ICDR Regulations, any resale of Equity Shares, except on a recognized stock exchange, is not permitted for a period of one year from the date of Allotment. Investors are advised to consult legal counsels prior to making any resale, pledge or transfer of our Equity Shares. In addition to the above, allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 297.

Additionally, in accordance with the FDI Policy, read along with the press note no. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India and the related amendments to the FEMA Rules, wherein if the beneficial owner of the Securities is situated in or is a citizen of a country which shares land border with India, foreign direct investments can only be made through the Government approval route, as prescribed in the FEMA Rules. Further, the Bidders need to confirm that no government approval is required under the FEMA Rules, as mandated under the Companies (Share Capital and Debentures) Rules, 2014 and the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

Additional transfer restrictions applicable to the Securities are listed below:

### Purchaser Representations and Transfer Restrictions

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions" as defined in and in reliance on Regulation S and in accordance with the applicable laws of the jurisdictions where such offers and sales are made.

By accepting delivery of this Preliminary Placement Document, submitting a bid to purchase the Equity Shares and/or accepting delivery of Equity Shares, you will be deemed to have represented and agreed as follows:

- It is authorised to consummate the purchase of the Equity Shares in compliance with all applicable laws and regulations and will comply with all laws, regulations and restrictions (including the selling restrictions contained in this Preliminary Placement Document) which may be applicable in its jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Equity Shares, and it acknowledges and agrees that none of our Company or the BRLMs and their respective affiliates shall have any responsibility in this regard.

- It acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that the Equity Shares are being issued in "offshore transactions" as defined in, and in reliance on, Regulation S, and such Equity Shares have not been and will not be registered under the U.S. Securities Act.

- It certifies that either (A) it is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares and is located outside the United States (within the meaning of Regulation S), and it has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States, or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Equity Shares are purchased will be, the beneficial owner of the Equity Shares, (ii) such customer is located outside the United States (within the meaning of Regulation S), and (iii) such customer has not purchased the Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Equity Shares or an economic interest therein to any person in the United States.

- It is aware of the restrictions of the offer, sale and resale of the Equity Shares pursuant to Regulation S.

- It agrees (or it is a broker-deal acting on behalf of a customer that has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, will make any “directed selling efforts” as defined in Regulation S. It acknowledges and agrees that it is not purchasing any Equity Shares as a result of any “directed selling efforts” as defined in Regulation S

- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Equity Shares are being offered in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act, that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and that if in the future it decides to offer, resell, pledge or otherwise transfer any of the Equity Shares, such Equity Shares may be offered, resold, pledged or otherwise transferred in compliance with the U.S. Securities Act and other applicable securities laws only outside the United States in a transaction complying with the provisions of Rule 903 or Rule 904 of Regulation S or in a transaction otherwise exempt from the registration requirements of the U.S. Securities Act and, in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdictions in which such offers or sales are made.

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Equity Shares. It is experienced in investing in private placement transactions of securities of companies in a similar stage of development and in similar jurisdictions. It and any accounts for which it is subscribing to the Equity Shares (i) are each able to bear the economic risk of the investment in the Equity Shares, (ii) will not look to our Company or the BRLMs for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) is seeking to subscribe to the Equity Shares in this Issue for investment purposes and not with a view to resell or distribute them and it has no reason to anticipate any change in its circumstances, financial or otherwise, which may cause or require any sale or distribution by it of all or any part of the Equity Shares, (v) have no need for liquidity with respect to the investment in the Equity Shares, and (vi) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Equity Shares. It acknowledges that an investment in the Equity Shares involves a high degree of risk and that the Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Equity Shares in this Issue for its own investment and not with a view to distribution.

- It has been provided access to this Preliminary Placement Document and will be provided access to the Placement Document which it has read in its entirety.

- It agrees to indemnify and hold our Company and the BRLMs harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of these representations and warranties. It will not hold our Company or the BRLMs liable with respect to its investment in the Equity Shares. It agrees that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares.

- Where it is subscribing to the Equity Shares for one or more managed accounts, it represents and warrants that it is authorised in writing, by each such managed account to subscribe to the Equity Shares for each managed account and to make (and it hereby makes) the acknowledgements and agreements herein for and on behalf of each such account, reading the reference to “it” to include such accounts.

- It agrees that any resale or other transfer, or attempted resale or other transfer, of the Equity Shares made other than in compliance with the above-stated restrictions shall not be recognised by our Company.

It acknowledges that our Company and the BRLMs and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements is no longer accurate, it will promptly notify our Company and the BRLMs. It agrees that the terms and provisions of the foregoing acknowledgements, representations and agreements shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by our Company, its successors and its permitted assigns, and the terms and provisions hereof shall be binding on its permitted successors in title, permitted assigns and permitted transferees. It understands that these acknowledgments, representations and undertakings are required in connection with United States securities laws and irrevocably authorizes our Company to produce these acknowledgments, representations and undertakings (or any document incorporating them) to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters covered herein.

# THE SECURITIES MARKET OF INDIA

*The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the BRLMs or any of their respective affiliates or advisors.*

## The Indian Securities Market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE are the significant stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

## Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net-worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

## Listing and Delisting of Securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by the SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the listing agreements. The SCRA and SCRR empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and bye-laws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Further the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 govern the voluntary and compulsory delisting of equity shares from the stock exchanges. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

## Minimum Level of Public Shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. In this regard, SEBI has provided several mechanisms to comply with this requirement. Where the public shareholding in a listed company falls below 25% (except exempted public sector undertakings) at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such public shareholding having fallen below the 25% threshold. However, every listed public sector company whose public shareholding falls below 25% at any time on or after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of three years from the date of such fall, respectively, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

**Index-Based Market-Wide Circuit Breaker System**

In order to restrict abnormal price volatility in any particular stock, the SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. These circuit breakers, when triggered, bring about a co-ordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of the BSE or the CNX NIFTY of the NSE, whichever is breached earlier. If any of these circuit breaker thresholds are reached, trading in all equity and equity derivatives markets nationwide is halted. The markets are required to re-open, after a circuit breaker threshold is hit, with a pre-open call auction session. The timing of the halt and the pre-open call auction session varies depending on the time of day and the circuit breaker breached.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise circuit breakers. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

**BSE**

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of the SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

**NSE**

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognized as a stock exchange under the SCRA in April 1993.

**Internet-based Securities Trading and Services**

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the “equities” as well as the “derivatives” segments of the NSE.

**Trading Hours**

Trading on both, the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m.). The BSE and the NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

**Trading Procedure**

In order to facilitate smooth transactions, the BSE replaced its open outcry system with the BSE On-line Trading ("**BOLT**") facility in 1995. This totally automated screen-based trading in securities was put into practice nation-wide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back office work. In the year 2014, BSE introduced its new generation trading platform, BOLT + through which all trades on the equity cash, equity derivatives and currency segments of the exchange are executed.

The NSE has introduced a fully automated trading system called National Exchange for Automated Trading ("**NEAT**"), which operates on strict time/ price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

**Disclosures under the SEBI Listing Regulations**

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

**SEBI Takeover Regulations**

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the SEBI Takeover Regulations, which provides for specific regulations in relation to substantial acquisition of shares and takeover. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/ voting rights/ control. The SEBI Takeover Regulations prescribe certain thresholds or trigger points in the shareholding a person or entity has in the listed Indian company, which give rise to certain obligations on part of the acquirer. Acquisitions up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions crossing particular thresholds may result in the acquirer having to make an open offer of the shares of the target company. The SEBI Takeover Regulations also provides for the possibility of indirect acquisitions, imposing specific obligations on the acquirer in case of such indirect acquisition. The SEBI Takeover Regulations also provides certain general exemptions which exempt certain acquisitions from the obligation to make an open offer.

**Prohibition of Insider Trading Regulations**

The SEBI Insider Trading Regulations have been notified to prohibit and penalise insider trading in India. An insider is, among other things, prohibited from dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The SEBI Insider Trading Regulations were notified on January 15, 2015, and came into effect on May 15, 2015, which repealed the erstwhile regulations of 1992. The SEBI Insider Trading Regulations, inter alia, impose certain restrictions on the communication of information by listed companies. Under the SEBI Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations make it compulsory for listed companies and certain other entities that are required to handle UPSI in the course of business operations to establish an internal code of practices and procedures for fair disclosure of UPSI and to regulate, monitor and report trading by insiders. To this end, the SEBI Insider Trading Regulations provide principles of fair disclosure for purposes of code of practices and procedures for fair disclosure of UPSI and minimum standards for code of conduct to regulate, monitor and report trading by insiders. There are also initial and continuing shareholding disclosure obligations under the SEBI Insider Trading Regulations.

The SEBI Insider Trading Regulations also provides for disclosure obligations for Promoters, members of the Promoter group, designated person and director in case value of trade exceed monetary threshold of ₹10 lakh or such other value as may be specified over a calendar quarter, within two trading days of reaching such threshold. The board of directors of all listed companies are required to formulate and publish on the company's website a code of procedure for fair disclosure of UPSI along with a code of conduct for its employees for compliances with the SEBI Insider Trading Regulations. Further, on July 17, 2020, SEBI amended the SEBI Insider Trading Regulations to prescribe that, the board of directors or head(s) of the listed entities. shall ensure that a structured digital database be maintained, containing the nature of unpublished price sensitive information, the names and details of persons who have shared the information and the names and details person with whom information is shared.

**Depositories**

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI has framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

**Derivatives (Futures and Options)**

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

## DESCRIPTION OF THE EQUITY SHARES

*The following information relates to the share capital of our Company, including a brief summary of the Memorandum of Association and Articles of Association and certain provisions of the Companies Act, 2013 and certain related legislations of India, all as currently in effect. Bidders are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares. Capitalised terms used and not defined herein, shall have the same meaning as ascribed to such words in the Memorandum and Articles of Association.*

***Share capital***

The authorized share capital of our Company is ₹ 228,00,00,000 divided into 22,80,00,000 Equity Shares of ₹ 10 each. For further details, see "*Capital Structure*" on page 101.

***Dividends***

Under Indian law, a company pays dividends upon a recommendation by its board of directors and subject to approval by a majority of the shareholders at the AGM held each fiscal year. Under the Companies Act, 2013 unless the board of directors of a company recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act, 2013 no dividend can be declared or paid by a company for any fiscal year except out of the profits of the company for that year, calculated in accordance with the provisions of the Companies Act, 2013 or out of the profits of the company for any previous fiscal year(s) arrived at as laid down by the Companies Act, 2013. According to the Articles of Association, the Board shall be at liberty to recommend payment of dividend to equity shareholders either on pro-rata basis or at a flat rate and amounts paid-up in advance of calls on equity shares, whilst carrying interest, shall not be entitled to dividend or a right to participate in profits.

Further, as per the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014, in the absence of profits in any year, a company may declare dividend out of surplus, provided: (a) the rate of dividend declared shall not exceed the average of the rates at which dividend was declared by it in the three years immediately preceding that year; provided, this rule shall not apply to a company, which has not declared any dividend in each of the three preceding financial years; (b) the total amount to be drawn from such accumulated profits shall not exceed one-tenth of the sum of the paid up share capital of the company and free reserves as per the most recent audited financial statement; (c) the amount so drawn shall be first utilised to set off the losses incurred by the company in the financial year in which the dividend is declared before any dividend in respect of equity shares is declared; and (d) the balance of reserves of the company after such withdrawal shall not fall below 15% of the company's paid up share capital as per the most recent audited financial statement of the company.

According to the Articles of Association, subject to Section 123 of the Companies Act, 2013, the Company, in an AGM, may declare a dividend to be paid to the Shareholders according to their respective rights and interest in the profit of the Company. The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company and no dividends shall exceed the amount recommended by the Board, but the Company may declare a smaller dividend in an AGM. All dividends shall be paid, or the warrants in respect thereof shall be posted, within 30 days from the date of the declaration by the shareholders entitled to the payment of the dividend.

The Equity Shares issued pursuant to this Preliminary Placement Document shall rank *pari passu* with the existing Equity Shares in all respects including entitlements to any dividends that may be declared by our Company.

***Capitalisation of profits and issue of bonus shares***

In addition to permitting dividends to be paid out of current or retained earnings as described above, the Companies Act, 2013 permits the board of directors, if so approved by the shareholders in a general meeting, to distribute an amount transferred in the free reserves, the securities premium account or the capital redemption reserve account to its shareholders, in the form of fully paid up bonus shares, which are similar to stock dividend. These bonus shares must be distributed to shareholders in proportion to the number of shares owned by them as recommended by the board of directors. No issue of bonus shares may be made by capitalizing reserves created by revaluation of assets. Further, any issue of bonus shares would be subject to SEBI ICDR Regulations and the Companies Act, 2013.

As per the Articles of Association, the Company may, upon the Board's recommendation, resolve to:

a. Capitalize undivided profits, reserves, or share premium accounts for distribution amongst shareholders as capital.
b. Apply the capitalized fund to pay up unissued shares or uncalled liabilities on issued shares.
c. Distribute surplus money representing capital profits from the realization of capital assets, provided the company retains sufficient assets to cover liabilities and paid-up share capital.

Further, as per the Articles of Association, the Board may:

a. Resolve any difficulties arising from distribution.
b. Issue fractional certificates.
c. Determine the value of specific assets for distribution.
d. Make cash payments to members based on the fixed value.
e. Vest cash or capitalized funds as needed to adjust rights.
f. Appoint a person to sign contracts on behalf of entitled persons.

***Alteration of share capital***

Subject to applicable provisions of the Companies Act, 2013, our Company may, from time to time, by ordinary resolution, alter conditions of our Memorandum of Association to increase share capital by creation of new shares of such amount and class as may be specified in the resolution.

Subject to any special rights for the time being attached to any share in the capital of our Company then issued and to the provisions of Section 62 of the Companies Act, 2013 the new shares may be issued upon such terms and conditions, and with such rights attached thereto as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential right to dividends and in distribution of assets of our Company.

***General meetings of shareholders***

There are two types of general meetings of the shareholders, namely, AGM and EGM. As per the provisions of Companies Act, 2013 and Articles of Association, AGM of the Company shall be held within such intervals as are specified in Section 96 read with Section 129 of the Companies Act, 2013 at such times and places as may be determined by the Board. All other meetings of our Company, shall except in the case of an annual general meeting, be called extra-ordinary general meetings.

Our Company shall comply with the provisions of Section 111 of the Act as to giving notice of resolutions and circulating statements on the requisition of members. Further, notice of every meeting of our Company shall be given to such persons and in such manner as provided by Section 101 of the Act.

Further, any act or resolution which, under the provisions of the Articles or of the Companies Act, 2013 is permitted or required to be done or passed by the Company in general meeting be sufficiently so done or passed if effected by an ordinary resolution, unless either the Act or the Articles specifically require such act to be done or resolution passed as special resolution.

***Voting rights***

Subject to the provisions of the Companies Act, 2013 and our Articles of Association:

(i) Upon a show of hands of every member holding equity shares and entitled to vote and shall present in person (including an attorney or a representative of a body corporate) shall have one vote;
(ii) Upon poll the voting right of every member holding equity shares and entitled to vote and present in person (including a corporation or company present as aforesaid) or by attorney or by proxy shall be in the same proportion as the capital paid on the equity shares or shares (whether fully paid or partly paid) held by him bears to the total paid up equity capital of our Company; and
(iii) Upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions, limitations and restrictions laid down in Section 47 of the Act.

Where a company or body corporate is a member of our Company, a person duly appointed by resolution in accordance with the provisions of Section 113 of the Act to represent such member company at meeting of our Company, shall not by reason of such appointment, be deemed to be a proxy, and lodging with our Company at the Office or production at the meeting of a copy of such resolution duly signed by one Director of such member Company and certified by him as being a true copy of such resolution shall, on production at the meeting, be accepted by our Company as sufficient evidence of the validity of his appointment.

On a poll, votes may be given either personally or by proxy, or in the case of a body corporate by a representative duly authorized.

Further, no member shall be entitled to exercise any voting right either personally or by proxy at any meeting of our Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which our Company has exercised any right of lien.

***Registration of transfers and register of members***

Our Company is required to maintain a register of members wherein the particulars of the members of our Company are entered. We recognize as shareholders only those persons whose names appear on the register of shareholders and cannot recognize any person holding any share or part of it upon any express, implied or constructive trust, except as permitted by law. In respect of electronic transfers, the depository transfers shares by entering the name of the purchaser in its books as the beneficial owner of the shares. In turn, the name of the depository is entered into our records as the registered owner of the shares. The beneficial owner is entitled to all the rights and benefits as well as the liabilities with respect to the shares held by a depository.

For the purpose of determining the shareholders, entitled to corporate benefits declared by our Company, the register may be closed for such period not exceeding 45 days in any one year or 30 days at any one time at such times, as the Board of Directors may deem expedient in accordance with the provisions of the Companies Act, 2013. Under the SEBI Listing Regulations of the stock exchanges on which our Company's outstanding Equity Shares are listed, our Company may, upon at least seven working days' or such lesser period as may be prescribed for certain situations (excluding the date of intimation and the record date) advance notice to such stock exchanges, set a record date and/or close the register of shareholders in order to ascertain the identity of shareholders. The trading of Equity Shares and the delivery of certificates in respect thereof may continue while the register of shareholders is closed.

***Transfer of shares***

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These provisions provide the regime for the functioning of the depositories and the participants and set out in the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. We have entered into an agreement for such depository services with NSDL and CDSL. SEBI requires that our shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act, 2013 and the other applicable laws, our Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of shares, requests for effecting transfer of shares shall not be processed unless the shares are held in the dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

***Directors***

The Articles provide that the number of Directors shall not be less than three and not be more than fifteen excluding any debenture holder director or alternate director, provided that any increase in the number of Directors in office is beyond 15 would require the approval of the shareholders of our Company in a general meeting by way of special resolution under Section 149 of the Act.

Further, our Company in a general meeting may, from time to time, increase or reduce the number of directors within the limits, as mentioned above.

***Winding Up***

In the event of our winding up:

a. Preference Shareholders will be repaid first from the surplus assets, upto the amount paid up on their shares and any arrears of dividend.
b. If the surplus is insufficient, losses will be borne by preference shareholders proportional to their capital and arrears.
c. After preference shareholders are paid, if assets remain insufficient to repay ordinary shareholders' capital, losses will be borne by them proportionally.
d. If assets exceed the paid-up capital, the surplus will be distributed among the ordinary shareholders proportionally to their capital.

***Buy back***

Our Company may buy back its own Equity Shares or securities, subject to such limits, terms and conditions and approvals, permissions, consents as may be permitted by the law.

# TAXATION

## STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND TO SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors of Max Estates Limited
Level 20, Max Towers, C-001/A/1,
Sector-16B, Noida
Gautam Buddha Nagar,
Uttar Pradesh 201301, India

Dear Sirs,

**Statement of possible tax benefits available to Max Estates Limited and to shareholders of the Company under the Indian tax laws**

1. We hereby confirm that the enclosed Annexure, prepared by Max Estates Limited (‘**the Company**’) provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income Tax-Act 1961, (‘**the Act**’) as amended by the Finance Act (No. 2), 2024 read with the Income-tax Rules, 1962, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India (referred to as the ***“Direct Tax Laws”).*** Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company or Company’s shareholders may or may not choose to fulfil in the future.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Direct Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed offering of equity shares of face value Rs. 10 each by the Company in a Qualified Institutions Placement in accordance with the provisions of Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**Proposed Offering**"). We are neither suggesting nor advising the investors to invest in the Offering relying on this statement.

3. We do not express any opinion or provide any assurance as to whether:

   - the Company or its shareholders will obtain/ continue to obtain these benefits in future;
   - the conditions prescribed for availing the benefits have been / would be met with; or
   - the revenue authorities/courts will concur with the views expressed herein.

4. We assume no obligation to update the statement on any events subsequent to this date, which may have a material effect on the discussions herein.

5. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

6. This statement is issued solely for inclusion in the Preliminary Placement Document ("PPD") and the Placement Document ("PD") in connection with the Proposed Offering, to be filed by the Company with the National Stock Exchange of India Limited and BSE Limited and is not to be used, referred to or distributed for any other purpose.

**For S.R. BATLIBOI & Co. LLP**
Chartered Accountants
**ICAI Firm registration number**: 301003E/E300005

**per Pravin Tulsyan**
Partner
Membership No.: 108044

UDIN: 24108044BKFLZH5733

Place: Pokhara, Nepal
Date: August 29, 2024

**ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND SHAREHOLDERS OF THE COMPANY UNDER THE APPLICABLE TAX LAWS IN INDIA**

The information provided below sets out the possible tax benefits available to the Company and Shareholders of the Company under the Act presently in force in India as amended by the Finance Act,(No 2), 2024 . It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

You should consult your own tax advisors concerning the Indian tax implications and consequences of purchasing, owning and disposing of equity shares in your particular situation.

## 1. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY UNDER THE ACT

The following benefits are available to the Company after fulfilling conditions as per the applicable provisions of the Act:

1.1 Benefit of lower rate of tax under Section 115BAA of the Act and corresponding exemption from applicability of Minimum Alternate tax ('MAT') provisions under section 115JB of the Act. As per The Taxation Law (Amendment) Act, 2019 No.46 of 2019, a new section 115BAA has been introduced in the Act which provides for an option to domestic companies to opt for reduced rate of corporate taxes subject to certain conditions specified therein. The said section provides that, with effect from financial year 2019-20, all domestic companies shall have an option to pay income tax at the rate of 22% (plus 10% surcharge and 4% cess), subject to the condition that they will not avail specified tax exemptions or incentives as specified in sub-clause 2(i) of section 115BAA of the Act. Proviso to section 115BAA(4) provides that once the Company opts for paying pay tax as per section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other previous year. The Company has opted for the beneficial tax rate under section 115BAA of the Act.

### 1.2 Benefits on distributed income

#### 1.2.1 Section 10(34A) of the Act – Income from buy back of shares

The provisions of section 115QA mandate domestic companies to pay an additional tax at the rate of 20% (plus applicable surcharge and cess) on buy-back of shares. Correspondingly, income arising from buy-back of shares shall not be taxable as per section 10(34A) of the Act in the hands of the Company, being a shareholder.

However, Section 2 (22)(f), has been inserted vide Finance Act(No.2), 2024 pertaining to any payment by a company on purchase of its own shares from a shareholder in accordance with the provisions of Section 68 of the Companies Act, 2013.Therefore the whole of the amount received on account of buyback of shares shall be taxable as dividend without deduction of any expenditure including cost in the hands of the shareholder. Further the full value of the consideration of shares bought back for the purposes of computation of capital loss shall be considered as nil. Accordingly, entire Cost of Acquisition of the shares bought would result in a capital loss. The said amendment will be applicable w.e.f. 01 October 2024.

### 1.3 Benefits while computing Profits and Gains of Business or Profession

#### 1.3.1 Section 35DD – Amortisation of expenditure in case of amalgamation or demerger

The Company will be entitled to amortise expenditure incurred for the purpose of amalgamation or demerger. The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the amalgamation takes place.

#### 1.3.2 Section 36(1)(vii) – Allowance of Bad Debts Written off

Under Section 36(1)(vii), any bad debt or part thereof which has been written off as irrecoverable in the books of accounts is allowable as a deduction for computing the income under the head "Profits and gains of business or profession", subject to the fulfilment of the conditions as specified in section 36(2) read with Section 36(1)(vii) of the Act.

### 1.3.3 Section 32 – Depreciation

As per section 32(1) of the Act, the Company can claim depreciation allowance at the prescribed rates in respect of its tangible and intangible assets.

The Company shall not be entitled for the additional depreciation under section 32(1)(iia)
as it has opted for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para above.

The Finance Act, 2021 amended the definition of block of assets provided under section 2(11) of the Act, section 32(1)(ii) of the Act and Explanation 3 to Section 32 of the Act to specifically exclude goodwill of business or profession from being eligible for depreciation. Further, the said amendments are made applicable from AY 2021-22 and thus, taxpayers would not be eligible to claim depreciation on goodwill from FY 2020-21 onwards.

### 1.3.4 Eligibility for other deductions

As per Finance Act, 2020 the provision of section 115BAA no longer allows deduction under any provision of Chapter VI-A other than section 80JJAA or Section 80M, in case of domestic companies opting for taxation under this section with effect from AY 2021-22. Accordingly, the company shall no longer be eligible to claim deductions specified under Chapter VI-A of the Act.

**Section 80JJAA: Deduction in respect of employment of new employees**

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

The deduction u/s 80JJAA of the Act shall be applicable even if the Company avails the benefits of the special rate u/s 115BAA of the Act.

**Section 80M of the Act: Deduction in respect of inter-corporate dividends**

A new Section 80M had been inserted by the Finance Act, 2020 w.e.f. FY 2020-21 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the company receives any such dividend during a FY and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said FY, it shall be entitled to the deduction under Section 80M of the Act. The deduction u/s 80M of the Act shall be applicable for the company availing the benefits of the special rate u/s 115BAA of the Act.

## 1.4 Capital gains

### 1.4.1 Taxability of long-term capital gains under section 112A of the Act

As per section 2(42A) of the Act, a security (other than a unit) listed on a recognized stock exchange in India or a unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond will be considered short term capital asset, if the period of holding of such share, unit or security is twelve (12) months or less. If such security is held for a period of more than 12 months, the same will be considered as long-term capital asset.

However, Finance Act (No 2) 2024, w.e.f 23 July 2024, has amended the definition of short term capital asset and accordingly any security listed on a recognized stock exchange in India or a unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond will be considered as short term capital asset, if the period of holding of such share, unit or security is twelve (12) months or less. If such security is held for a period of more than 12 months, the same will be considered as long-term capital asset. Further any other capital asset shall be considered as short term capital asset if the same has been held for a period of not more than twenty four months instead of thirty six months earlier. The said amendment is applicable w.e.f. 23 July 2024.

Section 112A of the Act provides for taxability of long term capital gains (exceeding INR 1,00,000) from equity shares, equity oriented mutual fund units and units of a business trust, if Securities Transaction Tax ('STT') has been paid on both acquisition and transfer in case of equity shares and STT has been paid on transfer in case of units of equity-oriented mutual funds or units of business trust .

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

(a) share acquisitions undertaken prior to October 1, 2004
(b) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

To arrive at the amount of Capital Gains, section 48 of the Act provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of the aforesaid capital assets referred to in section 112A, from the sale consideration. For the purpose of computing the long-term capital gains taxable under section 112A, the Company shall not be entitled for benefit of indexation under the second proviso to section 48 of the Act.

Separately, section 55(2)(ac) provides that cost of acquisition of the specified capital asset (referred to in the aforesaid section 112A of the Act) acquired prior to 1 February 2018, shall be higher of –

(a) Cost of acquisition of asset; and
(b) Lower of –
    a. the fair market value of the asset (as defined in Explanation to section 55(2)(ac)); and
    b. the full value of consideration received or accruing as a result of the transfer of the capital asset.

For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on 31 January 2018.

The long-term capital gains computed as above under section 112A, shall be taxable at the concessional rate of 10% (plus applicable surcharge and cess) with the exemption of gains up to Rs 1,00,000. However, Finance Act (No. 2),2024 has amended the long term capital gains computed under Section 112A which shall be taxable at the concessional rate of 12.5% (plus applicable surcharge and cess) with the exemption of gains up to Rs 1,25,000. The said amendment is applicable w.e.f. 23 July 2024.

**1.4.2 Taxability of short-term capital gains under section 111A of the Act**

As per the provisions of section 111A of the Act, any income arising from transfer of a short term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of an eligible business trust, transacted through a recognized stock exchange and subject to STT, shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any) .

As per Finance Act (No 2), 2024, the rate is amended to 20% for transfers taking place on or post 23 July 2024. The said amendment is applicable w.e.f. 23 July 2024.

The requirement of chargeability of STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

**1.4.3 Taxability of capital gains (other than the gains covered above in para 2.4.1 and 2.4.2)**

Shares of a company (other than those listed on a recognized stock exchange) and immovable property being land or building or both will be considered short term capital assets, if the period of holding of such shares, land or building or both is twenty-four months or less. While, as already mentioned in above paras, listed securities, zero coupon bonds, unit of Unit Trust of India and equity oriented mutual funds shall qualify as short-term capital asset if the period of holding is not more than twelve months.

In respect of all other capital assets, the same shall be considered as short-term capital asset if they are held for a period of thirty-six months or less.

In case the capital assets are held for more than the respective periods specified above, the same will be considered as long-term capital asset.

Further, Finance Act 2023 introduced a new Section 50AA, w.e.f. 1st April 2023, whereby capital gains arising from transfer/redemption/maturity of units of a Specified Mutual fund acquired on or after 1st April 2023 or Market Linked Debentures (MLDs) shall be deemed to be gains arising from transfer of a short-term capital asset irrespective of the period for which they are held by the taxpayer.

Section 48 of the Act provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration, to arrive at the amount of Capital Gains. However, in respect of long-term capital gains, section 48 provides for substitution of cost of acquisition/ improvement with indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time. Such indexation benefit would not be available on bonds and debentures.

As per the provisions of section 112(1)(b) of the Act, gains arising on the transfer of long-term capital assets shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, the tax on long term capital gains resulting on transfer of listed securities (other than those covered under section 112A) and Zero-Coupon Bonds shall be the lower of the following:

(a) 20% (plus applicable surcharge and cess) with indexation benefit; or
(b) 10% (plus applicable surcharge and cess) without indexation benefit.

The short-term capital gains are chargeable to tax at a normal tax rate (plus applicable surcharge and cess).

However, Finance Act ( No 2) 2024 has introduced an amendment in the Section 2(42A) of the Act whereby if the capital asset has been held for a period not more than 24 months, the same shall be considered as short – term capital asset and if held for a period exceeding 24 months, the capital asset shall qualify as long- term capital asset. However listed securities, zero coupon bonds, unit of Unit Trust of India, equity oriented mutual funds and listed units of business trust shall qualify as long- term capital asset if the period of holding is greater than twelve months. Furthermore, capital gains arising on or after 23 July 2024 from transfer/ redemption/maturity of unlisted bonds and debentures shall be deemed to be gains arising from transfer of a short-term capital asset irrespective of the period for which they are held by the taxpayer. Accordingly, the scope of Section 50AA has been enhanced to cover unlisted debentures and unlisted bonds. The said amendment is applicable w.e.f. 23 July 2024

Further the benefit of indexation shall not be available on computation of capital gains with respect to long term capital assets transferred on or after 23 July 2024. (As introduced by Finance Act (No. 2) 2024). The benefit of indexation however shall be available as option for the limited purpose of computing long term capital gains tax liability on sale of immovable property acquired before 23 July 2024 by resident individual or Hindu Undivided Family (HUF). The said amendment is applicable w.e.f. 23 July 2024.

Furthermore, the rate of tax has been reduced to 12.5% in case of transfer of long term capital assets as per the provisions of Section 112. (As amended by Finance Act (No. 2) 2024)

1.5 **Set-off of capital loss**

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

As per section 70 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

As per Section 71 of the Act, short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year

1.6 **Section 115-O of the Act – Tax on distributed profits of domestic companies**

Finance Act 2020, with effect from AY 2021-22 has abolished dividend distribution tax under section 115-O of the Act on distribution of dividend. Such dividend is taxable in the hands of the shareholders.

## 2. GENERAL TAX BENEFITS AVAILABLE TO SHAREHOLDERS OF THE COMPANY

The following tax benefits are generally available to the shareholders of all companies subject to the fulfilment of the conditions specified in the Act:

### 2.1.1 For resident shareholders:

**Taxability of dividend income from shares of the Company**

With effect from 1 April 2020, dividend income is taxable in the hands of shareholders as 'income from other sources' at the applicable rates. The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

However, Finance Act (No.2), 2024, has introduced an amendment whereby the deduction of interest expense shall not be available against the dividend received u/s 2(22)(f).

(Note: Section 2 (22)(f), inserted vide Finance Act (No.2),2024 pertains to any payment by a company on purchase of its own shares from a shareholder in accordance with the provisions of Section 68 of the Companies Act, 2013. Further, the whole of the amount received on account of buyback of shares shall be taxable as dividend without deduction of any expenditure including cost in the hands of the shareholder. Further the full value of the consideration of shares bought back for the purposes of computation of capital loss shall be considered as nil. Accordingly, entire Cost of Acquisition of the shares bought would result in a capital loss.) The said amendment will be applicable w.e.f. 01 October 2024

Further, in case of a shareholder being a company, deduction in respect of dividends received from the Company shall be available under section 80M of the Act, to the extent such dividend is distributed by it on or before the due date of filing return of income for such year.

**Taxability of gain/ loss arising from sale of shares of the Company**

Income arising from transfer of listed shares of the company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) from equity shares, if STT has been paid on both acquisition and transfer in case of equity shares. However, w.e.f. 23 July 2024, the long term capital gains computed under Section 112A, shall be taxable at the concessional rate of 12.5% (plus applicable surcharge and cess) with the exemption of gains up to Rs 1,25,000 for transfers taking place on or post 23 July,2024. (As amended by Finance Act (No 2), 2024..)

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

(a) share acquisitions undertaken prior to October 1, 2004
(b) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 55(2)(ac) of the Act, cost of acquisition of equity shares (referred in aforesaid section 112A of the Act) acquired prior to 1 February 2018, shall be higher of –

(a) Cost of acquisition of asset; and
(b) Lower of –
    a. the fair market value of the asset (as defined in Explanation to section 55(2)(ac)); and
    b. the full value of consideration received or accruing as a result of the transfer of the capital asset.

For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognisedstock exchange on 31 January 2018.

As per section 112 of the Act, the long-term capital gains arising to the shareholders of the Company from the transfer of listed shares of the Company held as investments, not covered under point 3.1.1 above, shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess) of the capital gains computed after indexing the cost of acquisition/ improvement or at the rate of 10% (plus applicable surcharge and cess) of the capital gains computed before indexing the cost of acquisition/ improvement, whichever is lower. However, above specified rates shall be applicable for transfers taking place before 23 July 2024 as vide Finance Act (No 2),2024, the rate of tax is amended to 12.5% on long term capital gains (computed without the benefit of indexation) arising on transfers of capital assets on or post 23 July 2024. The said amendment is applicable w.e.f. 23 July 2024

In case of a resident individual or Hindu Undivided Family (HUF), where the total taxable income as reduced by long-term capital gains is below the basic exemption limit, such long-term capital gains will be reduced to the extent of the shortfall and only the balance long term capital gains will be subjected to such tax in accordance

with the proviso to section 112A(1) and proviso section 112(1) of the Act. As per the provisions of section 111 A of the Act, short term capital gain arising from transfer of equity shares in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any_. However vide Finance Act (No 2), 2024, the rate of tax is amended to 20% and will be applicable w.e.f 23 July 2024.
The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre and where the consideration for such transactions is payable in foreign currency.

As per the provisions of section 111A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any). However, vide Finance Act (No 2), 2024, the rate of tax is amended to 20% w.e.f 23 July 2024. The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre and where the consideration for such transactions is payable in foreign currency.
The short-term capital gains (other than those covered under Section 111A) are chargeable to tax at a normal tax rate (plus applicable surcharge and cess).

In case of a resident individual or HUF, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the Act.

In accordance with, and subject to the conditions including ownership of not more than one residential house on the date of transfer (other than the new residential house referred hereinafter) and to the extent specified in section 54F of the Act, long term capital gains arising on transfer of the shares of the company shall be exempt from capital gains under section 54F, if the net sale consideration is utilised, within a period of one year before, or two years after the date of transfer, for the purchase of a new residential house, or is utilised for construction of a residential house within three years. If the whole of the net sale consideration is not so utilised, the exemption shall be allowed on a pro rata basis.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains (short term capital gains or long term capital gains) arising during subsequent eight assessment years.

As per section 70 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

As per Section 71 of the Act, short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year.

Where the gains arising on the transfer of shares of the Company are included in the business income of an assessee assessable under the head "Profits and Gains from Business or Profession" and which are subject to securities transaction tax, such securities transaction tax shall be a deductible expense from the business income as per the provisions of section 36(1)(xv) of the Act. The characterization of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the shareholder and various other factors.

**2.1.2 For non-resident shareholders including Foreign Portfolio Investors ('FPIs')/ Foreign Institutional Investors ('FIIs')**

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of tax residence of the non-resident or the provisions of the Act, to the extent they are more beneficial to the non-resident.

**Taxability of dividend income from shares of the Company**

With effect from 1 April 2020, dividend income is taxable in the hands of shareholders as 'income from other sources' at the applicable rates. The shareholder is eligible to claim deduction of interest expense wholly and exclusively incurred for earning of such dividend income under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

However, vide Finance Act(No.2), 2024, it has been introduced that the deduction of interest expense shall not be available against the dividend received u/s 2(22)(f).

(Note: Section 2 (22)(f), inserted vide Finance Act (No.2),2024 pertains to any payment by a company on purchase of its own shares from a shareholder in accordance with the provisions of Section 68 of the Companies Act, 2013. Further the whole of the amount received on account of buyback of shares shall be taxable as dividend without deduction of any expenditure including cost in the hands of the shareholder. Further the full value of the consideration of shares bought back for the purposes of computation of capital loss shall be considered as nil. Accordingly, entire Cost of Acquisition of the shares bought would result in a capital loss. The said amendment is applicable w.e.f. 01 October 2024.)

**Taxability of gain/ loss arising from sale of shares of the Company**

Income arising from transfer of listed shares of the company held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. The shares which are not considered as long-term capital assets shall be considered as short-term capital assets.

Section 112A of the Act provides for concessional rate of 10% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,00,000) from of equity shares, if STT has been paid on both acquisition and transfer in case of equity shares. However, w.e.f. 23 July 2024 (as per the amendment by Finance Act (No.2),2024), the long term capital gains computed under Section 112A, shall be taxable at the concessional rate of 12.5% (plus applicable surcharge and cess) with the exemption of gains up to Rs 1,25,000 for transfer of long term capital assets taking place on or post 23 July 2024.

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

(a) share acquisitions undertaken prior to October 1, 2004
(b) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

The benefit of indexation under the second proviso to section 48 of the Act shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per section 55(2)(ac) of the Act, cost of acquisition of equity shares (referred in aforesaid section 112A of the Act) acquired prior to 1 February 2018, shall be higher of –

(a) Cost of acquisition of asset; and
(b) Lower of –
    a. the fair market value of the asset (as defined in Explanation to section 55(2)(ac)); and

b. the full value of consideration received or accruing as a result of the transfer of the capital asset.

For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on 31 January 2018.

As per section 112 of the Act, the tax on long term capital gains resulting on transfer of listed shares of the Company (other than those covered under section 112A) shall be the lower of the following:
a. 20% (plus applicable surcharge and cess) with indexation benefit; or
b. 10% (plus applicable surcharge and cess) without indexation benefit.

However, Finance Act (No 2), 2024, has amended the rate of tax to 12.5% on long term capital gain computed without the benefit of indexation on transfer of listed shares of the Company (other than those covered under section 112A) on or post 23 July, 2024. The said amendment will be applicable w.e.f. 23 July 2024

As per the provisions of section 111 A of the Act, short term capital gain arising from transfer of equity share in the Company through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any). However, vide Finance Act (No 2), 2024, the rate of tax is amended to 20%. The said amendment is applicable w.e.f. 23 July 2024

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

The short-term capital gains (other than those covered under Section 111A) are chargeable to tax at a normal tax rate (plus applicable surcharge and cess).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains (short term capital gains or long term capital gains) arising during subsequent eight assessment years.

As per section 70 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

As per Section 71 of the Act, short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year.

Where the gains arising on the transfer of shares of the Company are included in the business income of an assessee assessable under the head "Profits and Gains from Business or Profession" and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1)(xv) of the Act.

As per Explanation 4 to section 115JB(2), the provisions of section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having DTAA with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant DTAA, or the foreign company is a resident of a country which does not have a DTAA with India and such foreign company is not required to seek registration under section 592 of the Companies Act 1956 or section 380 of the Companies Act 2013.

**Specific Provisions Applicable to FPIs and FIIs:**

As per section 2(14) of the Act, transfer of any shares/ securities by FPIs/ FII being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be treated as Capital assets.

As per section 196D(2) of the Act, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares referred to in section 115AD of the Act, payable to FIIs.

As per provisions of section 115AD (1)(iii) of the Act, the long-term capital gains to an FPI/ FII arising from transfer of long term capital asset referred to in section 112A of the Act shall be liable to tax at the rate of 10% on such income exceeding Rs. 1,00,000. However as per Finance Act l (No 2),2024, long-term capital gains from transfer of long term capital asset referred to in section 112A of the Act will be taxable at the rate of 12.5% on such income exceeding Rs. 1,25,000 (where the transfer takes place on or post 23 July 2024) (The said amendment is applicable w.e.f. 23 July 2024 While income earned by way of long term capital gain on securities other than those referred in Section 112A may possibly continue to be taxable at the rate of 10% (plus applicable surcharge and cess) given the language of the section but it does bring ambiguity given the provisions of other sections and accordingly litigation cannot be ruled out.

Under section 115AD(1)(ii) of the Act, income by way of short-term capital gains arising on transfer of shares of the Company as referred in Section 111A shall be chargeable to tax at a rate of 15% (plus applicable surcharge and cess). However as per Finance Act (No 2),2024, long-term capital gains from transfer of long – term capital asset referred to in section 111A of the Act shall be liable to tax at the rate of 20 % where the transfer takes place on or post 23 July 2024. (The said amendment will be applicable w.e.f. 23 July 2024 .) While income earned by way of short term capital gain on securities other than those referred in Section 111A shall be chargeable to tax at the rate of 30% (plus applicable surcharge and cess).

The benefits of foreign currency fluctuations and of indexation of cost as per first and second proviso to section 48 of the Act are not available to FPIs/ FIIs.

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Double Taxation Avoidance Agreement (‘DTAA’) between India and the country of tax residence of the FIT/ FPI or the provisions of the Act, to the extent they are more beneficial to the FII/ FPI.

Pursuant to Central Board of Direct Tax press release dated 24 September 2015, the Government has clarified the inapplicability of Minimum Alternate Tax provisions to FIIs/FPIs.

**2.1.3 For shareholders who are Mutual Funds:**

Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorized by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

As per section 196 of the Act, no tax is to be deducted from any income payable to a Mutual Fund specified under section 10(23D) of the Act.

**2.1.4 For Venture Capital Companies/ Funds:**

Section 10(23FB) of the Act provides exemption of any income of a venture capital company or a venture capital fund from investment (as defined in the Explanation to Section 10(23FB) in a venture capital undertaking.

(Note : The definition of Venture Capital fund under Section 10(23FB) has been expanded to include fund which has been granted certificate of Category I AIF by Finance Act (No 2), 2024 by International Financial Service Centre Authority )

As per Section 115U of the Act, any income derived by a person from his investment in Venture Capital Company/ Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the Venture Capital Undertaking.

### 2.1.5 For Investment Funds:

Income of an Investment Fund, being a Trust, Company, Limited Liability Partnership or a body corporate which has been granted a certificate of registration as a Category I or a Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992 or regulated under the International Financial Services Centres Authority (Fund Management) Regulations, 2022 made under the International Financial Services Centres Authority Act, 2019 other than the income chargeable under the head 'profits and gains of business and profession', shall be exempt from tax under 10(23FBA).

As per Section 115UB of the Act, any income derived by a person from his investment in an Investment Fund covered under section 10(23FBA), other than that proportion which is of the same nature as 'profits and gains of business and profession', would be taxable in the hands of the person making such investment in the same manner as if it were the income accruing or arising to or received by such person had the investments made by the Investment Fund been made directly by him.

## 3. TAX DEDUCTION AT SOURCE UNDER THE ACT

**d) Section 194 – Dividend distribution by the Company to resident shareholders:**

As per section 194 of the Act, dividend income distributed/ paid by the Company shall be subject to withholding tax at the rate of 10%. However, such withholding tax requirement is not applicable in case of distribution/ payment of dividend to Life Insurance Corporation of India, General Insurance Corporation of India and any other insurer. Also, in case of individual resident shareholders where the amount does not exceed INR 5,000, no TDS is required to be deducted subject to dividend being paid in a mode other than cash.

**b) Section 195 — Dividend distribution by the Company to non-resident shareholders:**

As per the provisions of Section 195 read with Section 115A of the Act, any income by way of dividend payable to non-residents may be subject to withholding of tax at the rate of 20% (plus applicable surcharge and cess) under the domestic tax laws or under the DTAA, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities.

**c) Section 196 — Dividend distribution by the Company to Mutual Funds:**

As per section 196 of the Act, no tax is to be deducted from dividend income distributed/ paid by the Company to a Mutual Fund specified under section 10(23D) of the Act.

**d) Section 196D – Dividend distribution by the Company to Foreign Institutional Investors (FII):**

As per the provisions of Section 196D of the Act, any income in respect of securities (excluding income by way of interest referred to in Section to in Section 194LD), payable to FII may be subject to withholding of tax at the rate of 20% (plus applicable surcharge and cess) under the domestic tax laws or rates specified under the DTAA, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities.

Further, as per section 196D(2) of the Act, no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares referred to in section 115AD of the Act, payable to FIIs

**Withholding tax provisions for capital gains:**

No income tax is required to be withheld at source from income by way of capital gains arising to a resident shareholder under the present provisions of the Act.

As per the provisions of Section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rate under the domestic tax laws or under the DTAA, whichever is beneficial to the non-resident, unless a lower withholding tax certificate is obtained from the tax authorities.

**Other aspects:**

For claiming the beneficial provisions under the DTAA, the non-resident investor will have to furnish a certificate of him being a tax resident ('TRC') in a country outside India and a suitable declaration for not having a fixed base/ permanent establishment in India, to get the benefit of the applicable DTAA and such other document as may be prescribed as per the provision of section 90(4) of Act. Where the TRC reflects a few details, for it to be considered valid viz. name, address, legal entity status, country of incorporation, the tax identification / unique identification number in the country of residence, residential status, and the period for which such TRC pertains. In case all these details are not coming in the TRC, a declaration in Form 10F would have to be furnished electronically.

Further, pursuant to amendment in section 206AA vide notification 53/2016 dated 24 June 2016 introducing Rule 37BC, requirement of quoting permanent account number ('PAN') in case of certain specified income is eliminated by maintaining specified documents as mentioned in the said Rule.

For and on behalf of
Max Estates Limited

Chief Financial Officer
Place:
Date

Notes:

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

3. The Company has evaluated and decided to exercise the option permitted under Section 115BAA of the Act for the purpose of computing its income-tax liability for the Financial Year 2021-22 and accordingly, the special direct tax benefits, available for Financial Year 2021-22 and onwards, are captured to the extent relevant to a Company exercising such option.

4. The above statement of possible tax benefits is as per the current direct tax laws relevant for the assessment year 2025-26 onwards. Several of these benefits are dependent on the Company or its shareholder fulfilling the conditions prescribed under the relevant tax laws.

5. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant Double Taxation Avoidance Agreement, if any, entered into between India and the country in which the non-resident has fiscal domicile.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

**STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDAIRIES OF THE COMPANY UNDER THE APPLICABLE LAWS IN INDIA**

Date: August 29,2024

To,

**The Board of Directors**
**Max Estates Limited**
L-20, Max Towers, C-001/A/1
Sector 16B, Noida – 201 301

Uttar Pradesh, India

**IIFL Securities Limited**
24th Floor, One Lodha Place
Senapati Bapat Marg
Lower Parel (West)
Mumbai – 400 013
Maharashtra, India
("**IIFL Securities**")

**Ambit Private Limited**
Ambit House, 449
Senapati Bapat Marg, Lower Parel
Mumbai – 400 013
Maharashtra, India
("**Ambit**")

(*IIFL Securities, Ambit and any other book running lead managers appointed by the Company (as defined hereinbelow), are collectively referred to as the "**BRLMs**" or "**Book Running Lead Managers**"*)

**Sub: Qualified institutions placement of equity shares of face value of ₹10 each ("Equity Shares") by Max Estates Limited (the "Company") under Chapter VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "SEBI ICDR Regulations") and Sections 42 and 62 of the Companies Act, 2013, read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, each as amended (such placement, the "Issue" or "QIP").**

We, , AKAR & Associates, Chartered Accountants, (Firm Registration Number 003753N), are an independent firm of chartered accountants with respect to the Company pursuant to the rules promulgated in Clause 4 of Part I of the Second Schedule of the Code of Conduct of the Institute of Chartered Accountants of India ("**ICAI**") and have been appointed by the Company in terms of our engagement letter dated August 9, 2024 in relation to the Issue.

We hereby confirm that the enclosed Annexure A states the possible tax benefits available to the material subsidiaries of the Company, Max Assets Service Limited, Max Towers Private Limited, Max Square Limited and Acreage Builders Private Limited (collectively, "**Material Subsidiaries**"), under the Income Tax-Act 1961, ('the Act') as amended by the Finance Act (No.2), 2024 read with the Income-tax Rules, 1962, i.e. applicable for the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India (referred to as the "Tax Laws"). (together, the "**Tax Laws**", and such statement in **Annexure A**, the "**Statement**"). These possible special tax benefits are dependent on the Material Subsidiaries fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Material Subsidiaries to derive these possible tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Material Subsidiaries may or may not choose to fulfil such conditions.

The benefits discussed in the Statement are not exhaustive. The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. We are neither suggesting nor advising investors to invest money based on the Statement.

We do not express any opinion or provide any assurance as to whether:

i) the Material Subsidiaries will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been / would be met with; or

iii) the revenue authorities / courts will concur with the views expressed herein.

The content of the enclosed **Annexure A** is based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) (the "**Guidance Note**") in accordance with the generally accepted auditing standards in India and other applicable authoritative pronouncements issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We confirm that the information in this certificate is true and correct and there is no untrue statement or omission which would render the contents of this certificate misleading in its form or context. We undertake to promptly update you of any changes in the above-mentioned position until the Equity Shares issued by the Company pursuant to the Issue commence trading on BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**"). In the absence of any such communication from us, till the Equity Shares commence trading on the Stock Exchanges, you may assume that there is no change in respect of the matters covered in this certificate.

This certificate may be relied upon by the addressees to this certificate and the legal advisors appointed for the purpose of the Issue and to assist the BRLMs in conducting and documenting their investigation of the affairs of the Company in connection with the Issue.

This certificate is issued for the purpose of the Issue, and we hereby consent to extracts of, or reference to, this certificate being used in the preliminary placement document, placement document and any other document to be issued or filed in relation to the Issue and have no objection to, the inclusion of our name AKAR & Associates, Chartered Accountants in the Placement Documents, as may be required to be included.

We also consent to the submission of this certificate to any regulatory / statutory authority including the Securities and Exchange Board of India and the Stock Exchanges as may be necessary (i) by reason of any law, regulation, order or request of a court or by any governmental or competent regulatory authority, and / or (ii) in seeking to establish a defense in connection with, or to avoid, any actual, potential or threatened legal, arbitral or regulatory proceeding or investigation and / or (iii) for the records to be maintained by the Book Running Lead Managers in connection with the Issue and in accordance with applicable laws.

Capitalised terms used herein, unless otherwise specifically defined, shall have the same meaning as ascribed to them in the preliminary placement document / placement document prepared in connection with the Issue.

Yours sincerely,

For **AKAR & Associates**
Chartered Accountants
Firm Registration Number: 003753N
UDIN: 24085996BKBLVD8752

Annu Thapar
Partner
Membership Number: 085996
Place: New Delhi
Date: August 29, 2024

**ANNEXURE A - TAX BENEFITS AVAILABLE TO THE MATERIAL SUBSIDIARIES UNDER THE TAX LAWS**

The following benefits are available to the Company after fulfilling conditions as per the applicable provisions of the Tax Laws:

3.1 Benefit of lower rate of tax under Section 115BAA of the Act and corresponding exemption from applicability of Minimum Alternate tax ('MAT') provisions under section 115JB of the Act. As per The Taxation Law (Amendment) Act, 2019 No.46 of 2019, a new section 115BAA has been introduced in the Act which provides for an option to domestic companies to opt for reduced rate of corporate taxes subject to certain conditions specified therein. The said section provides that, with effect from financial year 2019-20, all domestic companies shall have an option to pay income tax at the rate of 22% (plus 10% surcharge and 4% cess), subject to the condition that they will not avail specified tax exemptions or incentives as specified in sub-clause 2(i) of section 115BAA of the Act Proviso to section 115BAA(4) provides that once the Company opts for paying pay tax as per section 115BAA of the Act, such option cannot be subsequently withdrawn for the same or any other previous year. The Material Subsidiaries have opted for the beneficial tax rate under section 115BAA of the Act.

3.2 **Benefits on distributed income**

**3.2.1 Section 10(34A) of the Act - Income from buy back of shares**

The provisions of section 115QA mandate domestic companies to pay an additional tax at the rate of 20% (plus applicable surcharge and cess) on buy-back of shares Correspondingly, income arising from buy-back of shares shall not be taxable as per section 10(34A) of the Act in the hands of the Company, being a shareholder.

However, Section 2 (22)(f), has been inserted vide Finance Act (No.2), 2024 pertaining to any payment by a company on purchase of its own shares from a shareholder in accordance with the provisions of Section 68 of the Companies Act, 2013. Therefore the whole of the amount received on account of buyback of shares shall be taxable as dividend without deduction of any expenditure including cost in the hands of the shareholder. Further the full value of the consideration of shares bought back for the purposes of computation of capital loss shall be considered as nil. Accordingly, entire Cost of Acquisition of the shares bought would result in a capital loss. The said amendment will be applicable w.e.f. 01 October 2024.

3.3 **Benefits while computing Profits and Gains of Business or Profession**

**3.3.1 Section 36(1)(vii) – Allowance of Bad Debts Written off**

Under Section 36(1)(vii), any bad debt or part thereof which has been written off as irrecoverable in the books of accounts is allowable as a deduction for computing the income under the head "Profits and gains of business or profession", subject to the fulfilment of the conditions as specified in section 36(2) read with Section 36(1)(vii) of the Act.

**3.3.2 Section 32 - Depreciation**

As per section 32(1) of the Act, the Material Subsidiaries can claim depreciation allowance at the prescribed rates in respect of its tangible and intangible assets.

The Material Subsidiaries shall not be entitled for the additional depreciation under section 32(1)(iia) as it has opted for the benefit of lower rate of tax under section 115BAA of the Act as discussed at para-A above.

The Finance Act, 2021 amended the definition of block of assets provided under section 2(11) of the Act, section 32(1)(ii) of the Act and Explanation 3 to Section 32 of the Act to specifically exclude goodwill of business or profession from being eligible for depreciation. Further, the said amendments are made applicable from AY 2021-22 and thus, taxpayers would not be eligible to claim depreciation on goodwill from FY 2020-21 onwards.

#### 3.3.3 Eligibility for other deductions

As per Finance Act, 2020 the provision of section 115BAA no longer allows deduction under any provision of Chapter VI-A other than section 80JJAA or Section 80M, in case of domestic companies opting for taxation under this section with effect from AY 2021-22. Accordingly, the Material Subsidiaries shall no longer be eligible to claim deductions specified under Chapter VI-A of the Act.

**Section 80JJAA: Deduction in respect of employment of new employees**

Subject to fulfilment of prescribed conditions, the Material Subsidiaries are entitled to claim deduction under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

The deduction u/s 80JJAA of the Act shall be applicable even if the Material Subsidiaries avail the benefits of the special rate u/s 115BAA of the Act

**Section 80M of the Act: Deduction in respect of inter-corporate dividends**

A new Section 80M had been inserted by the Finance Act, 2020 w.e.f. FY 2020-21 providing for deduction from gross total income of a domestic company, of an amount equal to dividends received by such company from another domestic company or a foreign company or a business trust as does not exceed the amount of dividend distributed by it on or before one month prior to the date of filing its tax return as prescribed under Section 139(1) of the Act.

Where the company receives any such dividend during a FY and also, distributes dividend to its shareholders before the aforesaid date, as may be relevant to the said FY, it shall be entitled to the deduction under Section 80M of the Act. The deduction u/s 80M of the Act shall be applicable for the Material Subsidiaries availing the benefits of the special rate u/s 115BAA of the Act.

### 3.4 Capital gains

#### 3.4.1 Taxability of long-term capital gains under section 112A of the Act

As per section 2(42A) of the Act, a security (other than a unit) listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond will be considered short term capital asset, if the period of holding of such share, unit or security is twelve (12) months or less. If such security is held for a period of more than 12 months, the same will be considered as long-term capital asset.

However, Finance Act (No 2), 2024, w.e.f 23 July 2024, has amended the definition of short term capital asset and accordingly any security listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity oriented fund or a zero coupon bond will be considered as short term capital asset, if the period of holding of such share, unit or security is twelve (12) months or less. If such security is held for a period of more than 12 months, the same will be considered as long-term capital asset. Further any other capital asset shall be considered as short term capital asset if the same has been held for a period of not more than twenty four months instead of thirty six months earlier. The said amendment is applicable w.e.f. 23 July 2024.

Section 112A of the Act provides for taxability of long term capital gains (exceeding INR 1,00,000) from equity shares, equity oriented mutual fund units and units of a business trust, if Securities Transaction Tax ('STT') has been paid on both acquisition and transfer in case of equity shares and STT has been paid on transfer in case of units of equity-oriented mutual funds or units of business trust .

The requirement of chargeability to STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

As per section 112A(4) of the Act read with Notification No 60/2018 dated 1 October 2018, the Central Government has specified that following transactions of acquisition of equity shares which shall be exempt from the condition of payment of STT:

(c) share acquisitions undertaken prior to October 1, 2004
(d) share acquisitions undertaken on or after October 1, 2004, subject to certain specified exceptions.

To arrive at the amount of Capital Gains, section 48 of the Act provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of the aforesaid capital assets referred to in section 112A, from the sale consideration. For the purpose of computing the long-term capital gains taxable under section 112A, the Material Subsidiaries shall not be entitled for benefit of indexation under the second proviso to section 48 of the Act.

Separately, section 55(2)(ac) provides that cost of acquisition of the specified capital asset (referred to in the aforesaid section 112A of the Act) acquired prior to 1 February 2018, shall be higher of –

(c) Cost of acquisition of asset; and
(d) Lower of –
    a. the fair market value of the asset (as defined in Explanation to section 55(2)(ac)); and
    b. the full value of consideration received or accruing as a result of the transfer of the capital asset.

For the purpose of this section, in case of listed equity shares, the FMV shall be the highest price quoted on a recognised stock exchange on 31 January 2018.

The long-term capital gains computed as above under section 112A, shall be taxable at the concessional rate of 10% (plus applicable surcharge and cess) with the exemption of gains up to Rs 1,00,000. However, Finance Act (No. 2),2024 has amended the long term capital gains computed under Section 112A which shall be taxable at the concessional rate of 12.5% (plus applicable surcharge and cess) with the exemption of gains up to Rs 1,25,000. The said amendment is applicable w.e.f. 23 July 2024.

**3.4.2 Taxability of short-term capital gains under section 111A of the Act**

As per the provisions of section 111A of the Act, any income arising from transfer of a short term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of an eligible business trust, transacted through a recognized stock exchange and subject to STT, shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any) . As per Finance Act (No 2), 2024, the rate is amended to 20% for transfers taking place on or post 23 July 2024. The said amendment is applicable w.e.f. 23 July 2024.

The requirement of chargeability of STT is not applicable to transactions undertaken on a recognized stock exchange located in International Financial Services Centre where the consideration for such transactions is payable in foreign currency.

### 3.4.3 Taxability of capital gains (other than the gains covered above in para 1.4.1 and 1.4.2)

Shares of a company (other than those listed on a recognised stock exchange) and immovable property being land or building or both will be considered short term capital assets, if the period of holding of such shares, land or building or both is twenty-four months or less. While, as already mentioned in above paras, listed securities, zero coupon bonds, unit of Unit Trust of India and equity oriented mutual funds shall qualify as short-term capital asset if the period of holding is not more than twelve months.

In respect of all other capital assets, the same shall be considered as short-term capital asset if they are held for a period of thirty-six months or less. In case the capital assets are held for more than the respective periods specified above, the same will be considered as long-term capital asset.

Further, Finance Act 2023 introduced a new Section 50AA, w.e.f. 1st April 2023, whereby capital gains arising from transfer/redemption/maturity of units of a Specified Mutual fund acquired on or after 1st April 2023 or Market Linked Debentures (MLDs) shall be deemed to be gains arising from transfer of a short-term capital asset irrespective of the period for which they are held by the taxpayer.

Section 48 of the Act provides for deduction of cost of acquisition/ improvement and expenses incurred in connection with the transfer of a capital asset from the sale consideration, to arrive at the amount of Capital Gains. However, in respect of long-term capital gains, section 48 provides for substitution of cost of acquisition/ improvement with indexed cost of acquisition/ improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index as prescribed from time to time. Such indexation benefit would not be available on bonds and debentures.

As per the provisions of section 112(1)(b) of the Act, gains arising on the transfer of long-term capital assets shall be chargeable to tax at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, the tax on long term capital gains resulting on transfer of listed securities (other than those covered under section 112A) and Zero-Coupon Bonds shall be the lower of the following:

(c) 20% (plus applicable surcharge and cess) with indexation benefit; or
(d) 10% (plus applicable surcharge and cess) without indexation benefit.

The short-term capital gains are chargeable to tax at a normal tax rate (plus applicable surcharge and cess).

However, Finance Act (No. 2), 2024 has amended the Section 2(42A) of the Act whereby if the capital asset has been held for a period not more than 24 months, the same shall be considered as short - term capital asset and if held for a period exceeding 24 months, the capital asset shall qualify as long- term capital asset. However listed securities, zero coupon bonds, unit of Unit Trust of India, equity oriented mutual funds and listed units of business trust shall qualify as long- term capital asset if the period of holding is greater than twelve months. Furthermore, capital gains arising on or after 23 July 2024 from transfer/ redemption/maturity of unlisted bonds and debentures shall be deemed to be gains arising from transfer of a short-term capital asset irrespective of the period for which they are held by the taxpayer. Accordingly, the scope of Section 50AA has been enhanced to cover unlisted debentures and unlisted bonds. The said amendment is applicable w.e.f. 23 July 2024.

Further the benefit of indexation shall not be available on computation of capital gains with respect to long term capital assets transferred on or after 23 July 2024. (As introduced by Finance Act (No. 2), 2024). The benefit of indexation however shall be available as option for the limited purpose of computing long term capital gains tax liability on sale of immovable property acquired before 23 July 2024 by resident individual or Hindu Undivided Family (HUF). The said amendment is applicable w.e.f. 23 July 2024.

Furthermore, the rate of tax has been reduced to 12.5% in case of transfer of long term capital assets as per the provisions of Section 112. (As amended by Finance Act (No. 2), 2024)

3.5 **Set-off of capital loss**

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.

As per section 70 read with section 74 of the Act, long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

As per Section 71 of the Act, short term capital loss or long term capital loss for the year cannot be set-off against income under any other heads for the same year

3.6 **Section 115-O of the Act - Tax on distributed profits of domestic companies**

Finance Act 2020, with effect from AY 2021-22 has abolished dividend distribution tax under section 115-O of the Act on distribution of dividend. Such dividend is taxable in the hands of the shareholders.

## LEGAL PROCEEDINGS

*We are, from time to time, involved in various litigation proceedings in the ordinary course of our business. These legal proceedings are primarily in the nature of criminal cases, civil cases, tax proceedings and consumer complaints. We assess each such legal proceeding filed by or against us and monitor the legal position on an ongoing basis.*

*Except as disclosed in this section, there is no outstanding legal proceeding which has been considered material in accordance with our Company's 'Policy for Determination of Materiality for Disclosure of Information/Events to the Stock Exchanges' framed in accordance with Regulation 30 of the SEBI Listing Regulations ("**Materiality Policy**") and adopted by our Board pursuant to its resolution dated July 31, 2023 and amended by our Board pursuant to its resolution dated August 9, 2023. However, solely for the purpose of the Issue, the following outstanding legal proceedings have been disclosed in this section of this Preliminary Placement Document:*

1. *Outstanding criminal matters involving our Company, Subsidiaries, Promoters and Directors of our Company.*

2. *Outstanding actions taken (including notices received) by regulatory and statutory authorities against our Company, Subsidiaries, the Promoters and the Directors of our Company;*

3. *All outstanding claims related to direct and indirect tax matters involving our Company, its Subsidiaries, Promoters and Directors to be disclosed in a consolidated manner, giving the number of cases and total amount demanded, and (b) in a descriptive manner in respect of cases where the amount demanded exceeds the Materiality Amount (defined below as per point no 4), if any;*

4. *Pending civil litigations or disputes involving (which includes cases filed by and against) our Company, its Subsidiaries, Promoters and Directors which may have an impact on our Company, where the value or the expected impact in terms of value, exceeds the lower of the following are considered material: (i) 2% of turnover, based on the last audited consolidated financial statements of our Company (i.e., ₹ 185.89 lakhs in FY 2024); (ii) 2% of the net worth, based on the last audited consolidated financial statements of our Company (i.e., ₹ 2,080.95 lakhs in FY 2024); or (iii) 5% of the average of absolute value of profit or loss after tax, based on the last three audited consolidated financial statements of our Company (i.e., ₹ 130.85 lakhs in the preceding three years).*

5. *Any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoters in the last three years immediately preceding the year of the Issue and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.*

6. *Details of any significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and/or its future operations;*

7. *Any inquiries, inspections or investigations initiated or conducted (for which notices have been issued) under the Companies Act, 2013 or previous Company law in the last three years immediately preceding the year of the Issue initiated against our Company and Subsidiaries along with any prosecutions filed (whether pending or otherwise), fines imposed or compounding of offences against our Company and its Subsidiaries during such period;*

8. *Details of acts of material frauds committed against our Company in the last three years and any action taken our Company in that regard;*

9. *Any default by our Company including therein the amount involved, duration of default and present status, in repayment of: (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; or (d) loan from any bank or financial institution and interest thereon;*

10. *Any reservations, qualifications or adverse remarks of auditors in the last five Fiscal Years immediately preceding the year of circulation of the Preliminary Placement Document / Placement Document and their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks;*

11. *Any default in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder;*

12. *Any other outstanding litigation involving our Company, Subsidiaries, Promoters and Directors wherein a monetary liability is not determinable or quantifiable or which does not exceed the threshold as specified in (4) above which if results in an adverse outcome may have a material adverse effect on our Company or which may otherwise be material for our Company and/or has been intimated to the Stock Exchanges by our Company in accordance with the Materiality Policy*

*Please note that one of our Promoter i.e. Neelu Alanjit Singh has not provided any confirmation with respect to her litigation and any other disclosures in this Preliminary Placement Document, and the same has been included in this Preliminary Placement Document basis the confirmation given by our Company.*

*Please refer to "Risk Factors - There are various outstanding litigation proceedings involving our Subsidiaries, Promoters, and Directors, adverse outcome in which, could have a material adverse impact on our reputation, business, financial condition, results of operations and cash flows." on page 73;*

*The pre-litigation notices received by our Company, Subsidiaries, Promoters and Directors from third parties (excluding those notices issued by statutory or governmental or regulatory or taxation authorities or notices threatening criminal action) shall not, unless otherwise decided by the Board, be considered material until such time that the relevant party, as the case may be, is impleaded as parties in litigation before any judicial or arbitral forum or is notified by any governmental, statutory, or regulatory authority of any such proceeding that may be commenced.*

**I.** ***Litigation involving our Company***

***Litigation against our Company***

***A. Criminal Litigation against our Company***

Nil

***B. Actions Taken by Regulatory and Statutory Authorities against our Company***

1. Our Company and Sahil Vachani, one of our Directors and one of our Promoters, along with others, received notices dated April 14, 2020 and August 24, 2020 ("**Notice**") under section 91 of the Code of Criminal Procedure, 1973 from the Office of the Superintendent of Police, Economic Offence Investigation Establishment, Meerut ("**EOW**") alleging misappropriation and embezzlement in relation to the Delhi One project. Pursuant to the Notice, the then directors of our Company were instructed to appear before the EOW within seven working days and provide their statements. Our Company and Sahil Vachani replied to the Notice by way of their letters both dated September 2, 2020, denying all allegations and requesting the EOW to dismiss the complaint received by them. Subsequently, our Company and Sahil Vachani, one of our Directors, along with others, received a notice dated March 12, 2024 ("**Notice 2**") from the EOW informing that a complaint was filed by Brawn Propbuild Private Limited ("**BPPL**") against our Company in relation to fraud in the Delhi One project. Pursuant to Notice 2, the then directors of our Company were instructed to appear before the EOW within seven working days and provide their statements. Our Company replied to the Notice 2 by way of its letter dated March 27, 2024, denying all allegations and referred to its reply dated September 2, 2020. Following this, our Company received notices dated August 20, 2024 and August 24, 2024 ("**Notices**") from the EOW informing that a complaint was filed by BPPL against our Company in relation to fraud in the Delhi One project. The Notices further stated that EOW was informed that BPPL had entered into a memorandum of understanding with our Company and wished to withdraw its complaint. Our Company replied to the Notices by way of its letter dated August 27, 2024, stating that our Company has not entered into any agreements with BPPL and a certified copy of the same is not available with us. Our Company further requested to close the complaint filed by BPPL and institute a case against BPPL and its promoters under section 63 of

the Indian Penal Code for misleading police authorities and misusing the legal provisions and police machinery. The matter is currently pending.

### *C. Civil litigation against our Company*

1. SGM Webtech Private Limited filed an application under Section 7 of the Insolvency & Bankruptcy Code, 2016 ("**IBC**") before the National Company Law Tribunal, Principal Bench, New Delhi ("**NCLT**") against Boulevard Projects Private Limited ("**Corporate Debtor**") for initiation of corporate insolvency resolution process. Amit Agarwal ("**RP")** was appointed as the resolution professional vide an order dated April 5, 2019, passed by the NCLT. On October 30, 2019, our Company submitted its resolution plan for the revival of the Corporate Debtor which was approved by the committee of creditors. Thereafter, the RP of the Corporate Debtor filed an interlocutory application under the provisions of sections 30(6) and 31(1) of the IBC read with Regulation 39(4) of the IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016 before the NCLT for approval of the resolution plan of our Company in respect of the Corporate Debtor ("**Resolution Plan**"). The NCLT passed an order dated February 27, 2023 ("**Order**") approving the Resolution Plan. Our Company has filed a company appeal dated April 11, 2023 ("**Appeal**") under section 61 of IBC against the Order before the National Company Law Appellate Tribunal, New Delhi to the limited extent that the Order (i) does not grant mandatory measures and pre-requisites as set out in the Resolution Plan as conditions precedent which were quintessential to the feasibility, viability and implantation of the Resolution Plan; (ii) directs the Company to approach New Okhla Industrial Development Authority ("**Noida**") (a respondent in the Appeal) for waivers and concessions without which the Resolution Plan cannot be implemented, despite Noida objecting to such measures; and (iii) holds that the non-compliance of the Order or withdrawal of the Resolution Plan within the stipulated time, in addition to other consequences which follow under law, would result in forfeiture of performance bank guarantee. Noida has filed a reply dated September 14, 2023, against the Appeal filed by our Company. However, our Company has received approval from Noida for the Delhi One project on August 23, 2024. The matter is currently pending.

2. Acreage Properties Private Limited ("**Appellant**") filed an application ("**Application 1**") under section 47 of the Insolvency & Bankruptcy Code, 2016 ("**IBC**") before the National Company Law Tribunal, Principal Bench, New Delhi ("**NCLT**") in relation to the corporate insolvency resolution process of Boulevard Projects Private Limited ("**Corporate Debtor**") challenging certain transactions undertaken by our Company, involving our Subsidiary, Max Towers Private Limited (*erstwhile known as West Zone Builders Private Limited*), with the erstwhile promoters of the Corporate Debtor. The Appellant had also filed an application ("**Application 2**" and together with Application 1, the "**Applications**") under section 60(5) of the IBC before NCLT alleging that the resolution plan of our Company is discriminatory towards the Appellant and sought to create a class of creditors. The NCLT passed an order on August 23, 2023 ("**Order**") dismissing the Applications as infructuous. The Appellant has filed an appeal ("**Appeal**") under section 61 of IBC before the National Company Law Appellate Tribunal, New Delhi against the Order. Our Company filed a reply to the Appeal on December 11, 2023 ("**Reply**"). Subsequently, the Appellant filed a rejoinder to the Reply on January 19, 2024. The matter is currently pending.

3. Acreage Properties Private Limited ("**Appellant**") filed an application ("**Application**") under section 60(5) of the Insolvency & Bankruptcy Code, 2016 ("**IBC**") before the National Company Law Tribunal, Principal Bench, New Delhi ("**NCLT**") in relation to the corporate insolvency resolution process of Boulevard Projects Private Limited challenging the treatment of its claim under the resolution plan dated October 30, 2019 submitted by our Company. The NCLT passed an order on August 23, 2023 ("**Order**") dismissing the Application. The Appellant has filed an appeal ("**Appeal**") under section 61 of IBC before the National Company Law Appellate Tribunal, New Delhi against the Order. Our Company filed a reply to the Appeal on December 11, 2023 ("**Reply**"). Subsequently, the Appellant filed a rejoinder to the Reply on January 19, 2024. The matter is currently pending.

4. Sanjiv Bhayana ("**Applicant**") filed an application dated March 4, 2023 ("**Application**") to initiate corporate insolvency resolution process under section 9 of the Insolvency & Bankruptcy Code, 2016 against our Company, before the National Company Law Tribunal, Chandigarh Bench, Chandigarh, for an amount of ₹ 361.08 lakhs, claiming brokerage commission for sale of a land parcel located in Noida. Our Company has filed a written statement against the Applicant denying all claims, rights and contentions raised in the Application. The matter is currently pending.

***Litigation by our Company***

**A.** ***Criminal Litigation by our Company***

Nil

**B.** ***Civil Litigation by our Company***

Nil

**II.** ***Litigation involving our Subsidiaries***

***Litigation against our Subsidiaries***

*A.* ***Civil litigation against our Subsidiaries***

1. Acreage Properties Private Limited ("**Applicant"**) has filed a company application dated October 29, 2020 ("**Application**") before the National Company Law Tribunal, New Delhi ("**NCLT**") under section 47 of Insolvency & Bankruptcy Code, 2016 for an amount of ₹ 3,650.61 lakhs alleging commission of various fraudulent, undervalued and related party transactions entered into with Max Towers Private Limited (erstwhile known as Wise Zone Builders) with regard to allotment of units of 'Delhi One Project' situated in Noida. The Applicant has also claimed that Max Towers Private Limited was wrongfully and intentionally added in the list of class of creditors by the resolution professional after the commencement of corporate insolvency resolution process. The NCLT has issued notice on Application on June 13, 2024. The matter is currently pending.

2. Acreage Properties Private Limited ("**Appellant**") filed an application ("**Application 1**") under section 47 of the Insolvency & Bankruptcy Code, 2016 ("**IBC**") before the National Company Law Tribunal, Principal Bench, New Delhi ("**NCLT**") in relation to the corporate insolvency resolution process of Boulevard Projects Private Limited ("**Corporate Debtor**") challenging certain transactions undertaken by our Company, involving our Subsidiary, Max Towers Private Limited (*erstwhile known as West Zone Builders Private Limited*), with the erstwhile promoters of the Corporate Debtor. The Appellant had also filed an application ("**Application 2**" and together with Application 1, the "**Applications**") under section 60(5) of the IBC before NCLT alleging that the resolution plan of our Company is discriminatory towards the Appellant and sought to create a class of creditors. The NCLT passed an order on August 23, 2023 ("**Order**") dismissing the Applications as infructuous. The Appellant has filed an appeal ("**Appeal**") under section 61 of IBC before the National Company Law Appellate Tribunal, New Delhi against the Order. Our Company filed a reply to the Appeal on December 11, 2023 ("**Reply**"). Subsequently, the Appellant filed a rejoinder to the Reply on January 19, 2024. The matter is currently pending.

***Litigation by our Subsidiaries***

Nil

**III.** ***Litigation involving our Directors***

***Litigation against our Directors***

*A.* ***Criminal Litigation against our Directors***

Nil

### *B. Actions Taken by Regulatory and Statutory Authorities against our Directors*

1. Our Company and Sahil Vachani, one of our Directors and one of our Promoters, along with others, received notices dated April 14, 2020 and August 24, 2020 ("**Notice**") under section 91 of the Code of Criminal Procedure, 1973 from the Office of the Superintendent of Police, Economic Offence Investigation Establishment, Meerut ("**EOW**") alleging misappropriation and embezzlement in relation to the Delhi One project. Pursuant to the Notice, the then directors of our Company were instructed to appear before the EOW within seven working days and provide their statements. Our Company and Sahil Vachani replied to the Notice by way of their letters both dated September 2, 2020, denying all allegations and requesting the EOW to dismiss the complaint received by them. Subsequently, our Company and Sahil Vachani, one of our Directors, along with others, received a notice dated March 12, 2024 ("**Notice 2**") from the EOW informing that a complaint was filed by Brawn Propbuild Private Limited ("**BPPL**") against our Company in relation to fraud in the Delhi One project. Pursuant to Notice 2, the then directors of our Company were instructed to appear before the EOW within seven working days and provide their statements. Our Company replied to the Notice 2 by way of its letter dated March 27, 2024, denying all allegations and referred to its reply dated September 2, 2020. Following this, our Company received notices dated August 20, 2024 and August 24, 2024 ("**Notices**") from the EOW informing that a complaint was filed by BPPL against our Company in relation to fraud in the Delhi One project. The Notices further stated that EOW was informed that BPPL had entered into a memorandum of understanding with our Company and wished to withdraw its complaint. Our Company replied to the Notices by way of its letter dated August 27, 2024, stating that our Company has not entered into any agreements with BPPL and a certified copy of the same is not available with us. Our Company further requested to close the complaint filed by BPPL and institute a case against BPPL and its promoters under section 63 of the Indian Penal Code for misleading police authorities and misusing the legal provisions and police machinery. The matter is currently pending.

### *C. Civil litigation against our Directors*

1. Neelu Analjit Singh has filed a petition under Section 241-242 of the Companies Act, 2013 before National Company Law Tribunal, New Delhi alleging acts of oppression and mismanagement of the affairs of the Max Ventures Investment Holding Private Limited ("**MVIHPL**"), wherein Analjit Singh, Tara Singh Vachani and Sahil Vachani and other board members of MVIHPL are also parties. The amount in demand is not quantifiable at the current stage. The matter is presently sub-judice.

2. Neelu Analjit Singh has filed a suit against Delhi Guest House Services Private Limited and others, including inter alia Analjit Singh w.r.t. the property situated at 15, Dr. APJ Abdul Kalam Road, New Delhi - 110011 owned by Delhi Guest Houses Private Limited. The amount in demand is not quantifiable at the current stage. The matter is still pending with Delhi High Court.

3. The recovery case instituted by Punjab & Sind Bank against Montari Industries Limited in case of RC 378/2018 in OA. No.104/03 and personally against Manjeet Singh and Dr. Bhai Mohan Singh (who furnished personal guarantees) is pending before the Debt Recovery Tribunal, Delhi. The aggregate principal amount of claims is approximately ₹ 1,412 lakhs along with interest. After demise of Dr. Bhai Mohan Singh, Analjit Singh has been impleaded in these case as one of the legal heirs of Dr. Bhai Mohan Singh (and additionally as one of the mortgagors in respect of property No. 28-A, Prithvi Raj Road, New Delhi). The matter is currently pending.

4. Bombay Municipal Corporation ("**BMC**"), sent notices to Dr. Sushil Kanubhai Shah, Director of Metropolis Healthcare Limited ("**MHL**"), stating therein that MHL had carried out the development work at ground floor that was not in accordance with sanction plan and advised to restore the work as per approved plan. On the basis of the notices sent by BMC, Industrial Bhavan (Worli) Limited ("**IBWL**") filed a civil suit (No. 2530 of 2011) before the Bombay City Civil Court, Mumbai against, amongst others, Niten Malhan, being the director of MHL and Municipal Corporation of

Greater Mumbai for alleged unauthorized construction of mezzanine floor at 250-D, Udyog Bhavan, Hind Cycle Marg, Worli, Mumbai, 400 030. The next date of hearing of the case is September 23, 2024.

**IV.** ***Litigation involving our Promoters***

***Litigation against our Promoters***

***A. Criminal Litigation against our Promoters***

1. Kinri Dhir has filed an execution petition against Veer Singh before the Family Court at Saket Court, New Delhi where payment of purported arrears of interim maintenance has been sought by Kinri Dhir.

2. Kinri Dhir has filed a fresh maintenance petition before the Family Court at Saket Court, New Delhi under Bharatiya Nagarik Suraksha Sanhita, 2023, seeking additional maintenance from Veer Singh.

3. Kinri Dhir has filed a guardianship petition against Veer Singh before the Family Court at Saket Court, New Delhi under Section 12 of the Protection of Women from Domestic Violence Act, 2005 ("Act"), seeking certain reliefs under Sections 18-21 of the Act and seeking appointment as the sole custodian and guardian of Shakyasimha Singh.

4. Kinri Dhir filed an appeal challenging the quantum of the interim maintenance awarded to her and Master Shakyasimha Singh and for grant of certain others interim reliefs sought under the Protection of Women from Domestic Violence Act, 2005 against Veer Singh.

***B. Actions Taken by Regulatory and Statutory Authorities against our Promoters***

1. Our Company and Sahil Vachani, one of our Directors and one of our Promoters, along with others, received notices dated April 14, 2020 and August 24, 2020 ("**Notice**") under section 91 of the Code of Criminal Procedure, 1973 from the Office of the Superintendent of Police, Economic Offence Investigation Establishment, Meerut ("**EOW**") alleging misappropriation and embezzlement in relation to the Delhi One project. Pursuant to the Notice, the then directors of our Company were instructed to appear before the EOW within seven working days and provide their statements. Our Company and Sahil Vachani replied to the Notice by way of their letters both dated September 2, 2020, denying all allegations and requesting the EOW to dismiss the complaint received by them. Subsequently, our Company and Sahil Vachani, one of our Directors, along with others, received a notice dated March 12, 2024 ("**Notice 2**") from the EOW informing that a complaint was filed by Brawn Propbuild Private Limited ("**BPPL**") against our Company in relation to fraud in the Delhi One project. Pursuant to Notice 2, the then directors of our Company were instructed to appear before the EOW within seven working days and provide their statements. Our Company replied to the Notice 2 by way of its letter dated March 27, 2024, denying all allegations and referred to its reply dated September 2, 2020. Following this, our Company received notices dated August 20, 2024 and August 24, 2024 ("**Notices**") from the EOW informing that a complaint was filed by BPPL against our Company in relation to fraud in the Delhi One project. The Notices further stated that EOW was informed that BPPL had entered into a memorandum of understanding with our Company and wished to withdraw its complaint. Our Company replied to the Notices by way of its letter dated August 27, 2024, stating that our Company has not entered into any agreements with BPPL and a certified copy of the same is not available with us. Our Company further requested to close the complaint filed by BPPL and institute a case against BPPL and its promoters under section 63 of the Indian Penal Code for misleading police authorities and misusing the legal provisions and police machinery. The matter is currently pending.

***D. Civil litigation against our Promoters***

1. Neelu Analjit Singh has filed a petition under Section 241-242 of the Companies Act, 2013 before National Company Law Tribunal, New Delhi alleging acts of oppression and mismanagement of the affairs of the Max Ventures Investment Holding Private Limited ("**MVIHPL**"), wherein Analjit Singh, Tara Singh Vachani and Sahil Vachani and other board members of MVIHPL are also parties. The amount in demand is not quantifiable at the current stage. The matter is presently sub-judice.

2. Neelu Analjit Singh has filed a suit against Delhi Guest House Services Private Limited, Piya Singh, Tara Singh Vachani and others, including inter alia Analjit Singh w.r.t. the property situated at 15, Dr. APJ Abdul Kalam Road, New Delhi - 110011 owned by Delhi Guest Houses Private Limited. The amount in demand is not quantifiable at the current stage. The matter is still pending with Delhi High Court.

3. The recovery case instituted by Punjab & Sind Bank against Montari Industries Limited in case of RC 378/2018 in OA. No.104/03 and personally against Manjeet Singh and Dr. Bhai Mohan Singh (who furnished personal guarantees) is pending before the Debt Recovery Tribunal, Delhi. The aggregate principal amount of claims is approximately ₹ 1,412 lakhs along with interest. After demise of Dr. Bhai Mohan Singh, Analjit Singh has been impleaded in these case as one of the legal heirs of Dr. Bhai Mohan Singh (and additionally as one of the mortgagors in respect of property No. 28-A, Prithvi Raj Road, New Delhi). The matter is currently pending.

***Litigation by our Promoters***

***A. Criminal Litigation by our Promoters***

1. A special leave petition is filed by Veer Singh challenging the jurisdiction of the Family Court, South-East District, Saket Court to adjudicate the petition under section 12 of the Protection of Women from Domestic Violence Act, 2005, filed by Kinri Dhir.

2. Veer Singh has filed a suit for defamation and damages against Kinri Dhir for the damage caused to his reputation as a result of her malicious criminal prosecution.

3. Veer Singh filed a contempt petition against Kinri Dhir for violating one of the conditions of the visitation orders passed by Delhi High Court permitting Veer Singh to exercise visitation with his son, Shakyasimha Singh.

***B. Civil litigation by our Promoters***

1. Neelu Analjit Singh has filed a petition under Section 241-242 of the Companies Act, 2013 before National Company Law Tribunal, New Delhi alleging acts of oppression and mismanagement of the affairs of the Max Ventures Investment Holding Private Limited ("**MVIHPL**"), wherein Analjit Singh, Tara Singh Vachani and Sahil Vachani and other board members of MVIHPL are also parties. The amount in demand is not quantifiable at the current stage. The matter is presently sub-judice.

2. Neelu Analjit Singh has filed a suit against Delhi Guest House Services Private Limited and others, including *inter alia* Analjit Singh w.r.t. the property situated at 15, Dr. APJ Abdul Kalam Road, New Delhi – 110 011 owned by Delhi Guest Houses Private Limited. The matter is still pending with Delhi High Court. The amount in demand is not quantifiable at the current stage.

3. Veer Singh has filed a writ petition. seeking directions against the Regional Passport Office, Delhi to cancel/revoke the new passport issued in favor of his minor son, Shakyasimha Singh, without his consent.

***Material fraud committed against our Company in the last three years, and if so, the action taken by our Company***

As on the date of this Preliminary Placement Document, there have not been any acts of material frauds committed against our Company in the last three years preceding the year of this Preliminary Placement Document.

***Inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 against our Company and Subsidiaries in the last three years immediately preceding the year of this Preliminary Placement Document***

As on the date of this Preliminary Placement Document, there are no inquiries, inspections or investigations initiated or conducted under the under the Companies Act, 2013 against our Company and its Subsidiaries in the last three years immediately preceding the year of this Preliminary Placement Document.

***Prosecutions filed against, fines imposed on, or compounding of offences by our Company and Subsidiaries in the last three years immediately preceding the year of this Preliminary Placement Document***

As on the date of this Preliminary Placement Document, there are no prosecutions filed against (whether pending or not), fines imposed on, or compounding of offences by our Company and its Subsidiaries in the last three years immediately preceding the year of this Preliminary Placement Document.

***Details of default in repayment by our Company of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon***

As on the date of this Preliminary Placement Document, there is no default in repayment by our Company, of (i) statutory dues; (ii) debentures and interest thereon; (iii) deposits and interest thereon; (iv) loan from any bank or financial institution and interest thereon.

***Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations***

As on the date of this Preliminary Placement Document, there has been no order passed by any regulator, court or tribunal which impacts the going concern status of our Company and/or its future operations.

***Details of default in annual filings under the Companies Act, 2013 or rules made thereunder***

As on the date of this Preliminary Placement Document, there has been no default in the annual filings under the Companies Act, 2013 or the rules made thereunder.

**Tax Proceedings**

Except as disclosed below, there are no claims related to direct and indirect taxes involving our Company, Subsidiaries, Directors and Promoters.

| Nature of case | Number of cases | Amount involved (in ₹ lakhs)* |
|---|---|---|
| ***Proceedings involving the Company*** | | |
| Direct Tax | 2 | 2,098.46 |
| Indirect Tax | 3 | 463.84 |
| ***Proceedings involving the Subsidiaries*** | | |
| Direct Tax | 1 | 50.21 |
| Indirect Tax | 5 | 851.40 |
| ***Proceedings involving the Directors*** | | |
| Direct Tax | 8 | 31,643.74 |
| Indirect Tax | - | N.A. |
| ***Proceedings involving the Promoters*** | | |
| Direct Tax | 5 | 32,531 |
| Indirect Tax | - | N.A. |

* *To the extent quantifiable*

***Material tax litigation against our Company***

***Direct tax***

1. The Income Tax Department issued an intimation order under section 143(1) of the Income Tax Act, 1961 dated January 11, 2024 ("**Order**") for an amount of ₹ 1,920.02 lakhs pursuant to disallowance of tax deducted at source

and advance tax credit. Our Company has filed an appeal before the Office of the Commissioner of Income Tax, Appeal against the Order. The matter is currently pending.

***Indirect tax***

1. The Office of the Goods and Services Tax Officer, Department of Trade & Taxes has issued a show cause notice dated May 17, 2024 ("**SCN**") under section 73 of the Central Goods and Service Tax Act, 2017 for an amount of ₹ 463.84 lakhs claiming incorrect and excess availing of input tax on inward supplies for the financial year 2019-20. Our Company has replied to the SCN by way of its reply dated June 11, 2024 denying the allegations made in the SCN. The matter is currently pending.

***Material Tax litigation against our Subsidiaries***

***Indirect tax***

1. The Office of Joint Commissioner, Uttar Pradesh has issued a show cause notice dated May 24, 2024 ("**SCN**") against Max Towers Private Limited under section 73 of the Central Goods and Service Tax Act, 2017 for an amount of ₹ 773.89 lakhs claiming difference in taxable turnover for the financial year 2019-20. Max Towers Private Limited has replied to the SCN by way of its reply dated June 24, 2024, denying the allegations made in the SCN. The matter is currently pending.

***Material tax litigation against our Promoters and Directors***

***Direct tax***

1. An appeal has been filed by Analjit Singh, one of our Promoters and Directors, by way of an appeal no ITA 380/2018 against the order passed by Income Tax Appellate Tribunal for the Assessment Year 2014-15 in Delhi High Court. The financial claim / demand under the matter is approximately ₹ 31,486 lakhs. The matter is pending before Delhi High Court and the next date of hearing is fixed on October 16, 2024.

2. An appeal has been filed by the Assessing Officer against Sahil Vachani, one of our Promoters and Directors, before the Income Tax Appellate Tribunal by way of the appeal no ITA 2604/DEL/2023 with respect to the Assessment Year 2016-17. The matter is pending before ITAT. The demand under the matter is ₹ 146 lakhs. However, no demand is payable after appeal post receipt of the order of the Commissioner of Income Tax (Appeals).

3. An appeal has been filed by Max Ventures Investment Holdings Private Limited, one of our Promoters, against Income Tax Officer, National Faceless Assessment Centre, Delhi against the order passed under Section 270A of Income Tax Act, 1961 with respect to the Assessment Year 2017-18 by way of the appeal no ITA 3345/DEL/2023. Financial claim / demand under the matter is ₹ 135 lakhs. The Matter is pending before Income Tax Appellate Tribunal.

4. An appeal has been filed by Neelu Analjit Singh, one of our Promoters, against Addl. CIT, Spl. Range-9, Delhi against the order passed under Section 271(1)(c) of Income Tax Act, 1961 with respect to the Assessment Year 2014-15. The matter is pending before Commissioner of Income Tax (Appeal). The financial claim / demand involved in the matter is ₹ 764 lakhs.

# OUR STATUTORY AUDITORS

S.R. Batliboi & Co. LLP, Chartered Accountants, are our current Statutory Auditors.

S.R. Batliboi & Co. LLP, Chartered Accountants have performed a review of the Unaudited Interim Condensed Consolidated Financial Statements for the three months period ended June 30, 2024 and have audited the Audited Consolidated Financial Statements for the financial years ended March 31, 2024 and March 31, 2023 which are included in this Preliminary Placement Document in "*Financial Statements*" on page 351.

The Special Purpose Audited Consolidated Financial Statements of our Company as at and for the financial year ended March 31, 2022 and the audited standalone financial statements of our Company as at and for each of the financial year ended March 31, 2022 had been audited by K.K. Mankeshwar & Co., Chartered Accountants, our Predecessor Statutory Auditors.

# GENERAL INFORMATION

1. Our Company was incorporated as public limited company under the name "Max Estates Limited" pursuant to a certificate of incorporation dated March 22, 2016, issued by the RoC, under the provisions of the Companies Act, 2013. The CIN of the Company is L70200PB2016PLC040200.

2. The Registered Office of our Company is situated at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. S.B.S. Nagar (Nawanshahar), Punjab – 144 533, India. The Corporate Office of the Company is situated at Max Towers, L20, C-001/A, Sector – 16B, Noida – 201 301, Uttar Pradesh, India. The website of our Company is www.maxestates.in.

3. The Issue was approved by the resolution of the Board in its meeting held on July 15, 2024. The Shareholders have authorised and approved the Issue by way of a special resolution passed at the AGM held on August 23, 2024.

4. The authorized share capital of our Company as of the date of this Preliminary Placement Document is ₹ 228,00,00,000 divided into 22,80,00,000 Equity Shares of face value of ₹ 10 each. Our issued, subscribed and paid-up equity share capital as of the date of this Preliminary Placement Document is ₹ 147,40,89,120 divided into 14,74,08,912 Equity Shares.

5. The Equity Shares are listed on BSE and NSE.

6. Our Company has received in-principle approvals under Regulation 28(1)(a) of the SEBI Listing Regulations from BSE and NSE on August 29, 2024, for listing of the Equity Shares to be issued pursuant to the Issue on the Stock Exchanges. We will apply to the Stock Exchanges for the final listing and trading approvals of the Equity Shares on the Stock Exchanges after Allotment of the Equity Shares in the Issue.

7. In compliance with Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CARE Ratings Limited as the Monitoring Agency, for monitoring the utilisation of the proceeds in relation to the Issue. The Monitoring Agency will submit its report to us on a quarterly basis in accordance with the SEBI ICDR Regulations.

8. Copies of our Memorandum of Association and Articles of Association will be available for inspection between 10:00 am to 5:00 pm on all working days (except Saturdays and public holidays) during the Bid/Issue Period at the Registered Office.

9. Our Company has obtained necessary consents, approvals and authorizations, wherever applicable, in connection with the Issue.

10. No change in control of the Company will occur consequent to the Issue.

11. Except as disclosed in this Preliminary Placement Document, there are no material litigation or arbitration proceedings pending against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which may have a material adverse effect on the Issue. For further details, see "*Legal Proceedings*" on page 339.

12. There have been no defaults in the annual filings of our Company under the Companies Act, 2013 or the rules made thereunder.

13. Except as disclosed in this Preliminary Placement Document, there has been no material change in the financial or trading position of our Company since the date of the latest Unaudited Interim Condensed Consolidated Financial Statements, prepared in accordance with the applicable accounting standards, which has been included in this Preliminary Placement Document, till the date of filing of this Preliminary Placement Document.

14. Our Company confirms that it is in compliance with the requirement of minimum public shareholding as required in terms of the SEBI Listing Regulations, SCRA and Rule 19A of the SCRR.

15. The Floor Price for the Equity Shares under the Issue is ₹ 628.74 per Equity Share which has been calculated in accordance with provisions of Chapter VI of the SEBI ICDR Regulations. Our Company may offer a discount of not more than 5% on the Floor Price in accordance with the approval of the shareholders accorded by way of a special resolution in the annual general meeting held on August 23, 2024 in terms of Regulation 176(1) of the SEBI ICDR Regulations.

16. Our Company and the BRLMs accept no responsibility for statements made otherwise than in this Preliminary Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

17. Details of the Company Secretary and Compliance Officer of our Company:

    **Abhishek Mishra**
    Company Secretary and Compliance Officer
    **Telephone:** +91 120 474 3222
    **Address**: Max Towers L-20 C-001/A/1Sector- 16B, Gautam Buddha Nagar, Noida 201301, Uttar Pradesh, India
    **E-mail:** secretarial@maxestates.in

# FINANCIAL STATEMENTS

Annexure - A

**S.R. BATLIBOI & CO. LLP**
Chartered Accountants

67, Institutional Area
Sector 44, Gurugram - 122 003
Haryana, India

Tel: +91 124 681 6000

## 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

Pravin Tulsyan
Digitally signed by Pravin Tulsyan
DN: cn=Pravin Tulsyan, c=IN, o=Personal, email=pravin.tulsyan@srb.in
Date: 2024.08.29 14:17:02 +05'30'

**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

**per Pravin Tulsyan**
Partner
Membership no: 108044

Pravin Tulsyan
Digitally signed by Pravin Tulsyan
DN: cn=Pravin Tulsyan, c=IN, o=Personal, email=pravin.tulsyan@srb.in
Date: 2024.08.29 14:17:17 +05'30'

Place : Pokhara, Nepal
Date : August 29, 2024

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

Dinesh Kumar Mittal
Digitally signed by Dinesh Kumar Mittal
Date: 2024.08.29 13:58:00 +05'30'

**Dinesh Kumar Mittal**
(Director)
DIN: 00040000

SAHIL VACHANI

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

NITIN KUMAR
Digitally signed by NITIN KUMAR

**Nitin Kumar Kansal**
(Chief Financial Officer)

Abhishek Mishra

**Abhishek Mishra**
(Company Secretary)

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

Pravin Tulsyan
Digitally signed by Pravin Tulsyan
DN: cn=Pravin Tulsyan, c=IN, o=Personal, email=pravin.tulsyan@srb.in
Date: 2024.08.29 14:17:30 +05'30'

**per Pravin Tulsyan**
Partner
Membership no: 108044

Place : Pokhara, Nepal
Date : August 29, 2024

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

Dinesh Kumar Mittal
Digitally signed by Dinesh Kumar Mittal
Date: 2024.08.29 13:58:29 +05'30'

**Dinesh Kumar Mittal**
(Director)
DIN: 00040000

SAHIL VACHANI

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

NITIN KUMAR
Digitally signed by NITIN KUMAR

**Nitin Kumar Kansal**
(Chief Financial Officer)

Abhishek Mishra

**Abhishek Mishra**
(Company Secretary)

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

**per Pravin Tulsyan**
Partner
Membership no: 108044

Pravin Tulsyan Digitally signed by Pravin Tulsyan DN: cn=Pravin Tulsyan, c=IN, o=Personal, email=pravin.tulsyan@srb.in Date: 2024.08.29 14:17:51 +05'30'

Place : Pokhara, Nepal
Date : August 29, 2024

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

Dinesh Kumar Mittal Digitally signed by Dinesh Kumar Mittal Date: 2024.08.29 13:58:58 +05'30'

**Dinesh Kumar Mittal**
(Director)
DIN: 00040000

SAHIL VACHANI

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

NITIN KUMAR Digitally signed by NITIN KUMAR

**Nitin Kumar Kansal**
(Chief Financial Officer)

Abhishek Mishra

**Abhishek Mishra**
(Company Secretary)

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** (Rs. in Lakhs)

| 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.

| Particulars | Capital reserve | Securities premium | Employee stock options outstanding | Retained earnings | Total other equity | Share capital pending issuance | Non-controlling interest | Total 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** |
| 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** |

| Particulars | Capital reserve | Securities premium | Employee stock options outstanding | Retained earnings | Total other equity | Share capital pending issuance | Non-controlling interest | Total Equity |
|---|---|---|---|---|---|---|---|---|
| **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

Pravin Tulsyan
Digitally signed by Pravin Tulsyan
DN: cn=Pravin Tulsyan, c=IN, o=Personal, email=pravin.tulsyan@srb.in
Date: 2024.08.29 14:18:04 +05'30'

**per Pravin Tulsyan**
Partner
Membership no: 108044

Place : Pokhara, Nepal
Date : August 29, 2024

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

Dinesh Kumar Mittal
Digitally signed by Dinesh Kumar Mittal
Date: 2024.08.29 13:59:25 +05'30'

**Dinesh Kumar Mittal**
(Director)
DIN: 00040000

SAHIL VACHANI

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

NITIN KUMAR
Digitally signed by NITIN KUMAR

**Nitin Kumar Kansal**
(Chief Financial Officer)

Abhishek Mishra

**Abhishek Mishra**
(Company Secretary)

Place : Noida
Date : August 29, 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.

**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.

(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:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The 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.

**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.

**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

(Rs. in Lakhs)

| Particular | 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** |

## 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:

(Rs. in Lakhs)

| Particulars | 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:

(Rs. in Lakhs)

| Particulars | 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:

(Rs. in Lakhs)

| Particulars | 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** |

## 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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**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 loan 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) the date when Series D CCDs are being converted; or (b) 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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## 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 :**

(Rs. in Lakhs)

| Particulars | 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)** |

## 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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## 13 Commitments and contingencies

### A. Contingent liabilities not provided for

(Rs. in Lakhs)

| S. No. | Particulars | 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:**

a. 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.

b. 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.

c. 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.

d. 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

a) 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.

b) 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)<br>Mr. Nitin Kumar Kansal (Chief Financial Officer)<br>Mr. Abhishek Mishra (Company Secretary w.e.f. May 19, 2023) |
| Other Non- executive/Independent Directors | Mr. Analjit Singh<br>Mr. Dinesh Kumar Mittal<br>Mr. Niten Malhan<br>Ms. Gauri Padmanabhan<br>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<br>Piveta Estates Private Limited<br>Siva Realty Ventures Private Limited<br>New Delhi House Services Limited<br>Vana Enterprises Limited<br>Vanaveda Lifestyle Private Limited<br>Four Season Foundation<br>Lake View Enterprises<br>Max Life Insurance Company Limited<br>New York Life Insurance Company Limited<br>Siva Enterprises Private Limited<br>Max India Limited<br>Max India Foundation<br>SKA Diagnostic Private Limited<br>Antara Purukul Senior Living Limited<br>Riga Foods LLP<br>Max Financial Services Limited<br>Max Learning Ventures Limited<br>Routes 2 Roots<br>Antara Care Homes Limited<br>Delhi Guest House Private Limited<br>Topline Electronics Private Limited<br>Antara Assisted Care Services Limited<br>Max Skill First Limited<br>Max Ateev Limited<br>Antara Senior Living Limited<br>Dixon Technologies (India) Limited<br>Leeu Dassenberg Estates (Pty)Ltd<br>The Unstuffy Hotel Co Ltd<br>Trophy Estates Private Limited<br>Analjit Singh HUF |

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

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 | 0.04 |
| | | 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 * | New York Life Insurance Company Limited | 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.

**Max Estates Limited**

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

**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** | **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** | **7,848.59** |
| 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** | **4,884.25** |
| 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** | - | **10,684.65** |

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

**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 commerical 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% |

**[This space has been intentionally left blank]**

**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

Pravin Tulsyan
Digitally signed by Pravin Tulsyan
DN: cn=Pravin Tulsyan, c=IN, o=Personal, email=pravin.tulsyan@srb.in
Date: 2024.08.29 14:22:21 +05'30'

**per Pravin Tulsyan**
Partner
Membership Number: 108044

Place : Pokhara, Nepal
Date : August 29, 2024

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

Dinesh Kumar Mittal
Digitally signed by Dinesh Kumar Mittal
Date: 2024.08.29 14:00:46 +05'30'

**Dinesh Kumar Mittal**
(Director)
DIN: 00040000

SAHIL VACHANI

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

NITIN KUMAR Digitally signed by NITIN KUMAR

**Nitin Kumar Kansal**
(Chief Financial Officer)

Abhishek Mishra

**Abhishek Mishra**
(Company Secretary)

Place : Noida
Date : August 29, 2024

**S.R. BATLIBOI & CO. LLP**
Chartered Accountants

67, Institutional Area
Sector 44, Gurugram - 122 003
Haryana, India

Tel: +91 124 681 6000

## INDEPENDENT AUDITOR'S REPORT

To the Members of Max Estates Limited

### Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Max Estates Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance sheet as at March 31 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, their consolidated profit including other comprehensive loss, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

| Key audit matters | How our audit addressed the key audit matter |
|---|---|
| **Impairment assessment of investment properties including under development** *(as described in note 3A of the consolidated financial statements)* | |
| As at March 31, 2024, the Group has investment properties, which includes under development properties.<br><br>The amount of cost incurred on development is significant and identification thereof is an area of judgment to a certain extent. The management reviews annually whether there are any indicators of impairment of the investments and loans by reference to the requirements under Ind AS 36 "Impairment of assets". The assessment is driven by evaluating various internal and external factors including but not limited to business performance, financial condition, external environment/ development impacting respective business.<br><br>In view of the significance of amount involved and judgment/ complexity, the same has been considered as a key audit matter. | The audit procedures related to this key audit matter included the following:<br><br>• We assessed the compliance of Company's accounting policies for impairment of investment properties with Ind AS 36 'Impairment of Assets'.<br><br>• We understood, evaluated and tested the operating effectiveness of internal controls implemented by the Company.<br><br>• We assessed and performed procedures for cost incurred on investment properties and impairment indicator testing performed by the Company.<br><br>• We assessed the adequacy of the related disclosures in the consolidated financial statements. |
| **Capital Expenditure in respect of Investment property, Investment property under development and Inventory** *(as described in note 3A and note 8 of the consolidated financial statements)* | |
| The Company has incurred significant expenditure on capital projects in Investment property, Investment property under development and Inventory. These projects take a substantial period of time to get ready for intended use.<br><br>Judgement and estimate are required by management in assessing assets meeting the capitalisation criteria set out in Ind AS 16 Property, Plant and Equipment.<br><br>Judgement is involved in determining the eligibility of costs including borrowing cost and other directly attributable costs for capitalisation as per the criteria set out in Ind AS 23, Borrowing Costs.<br><br>In view of the significance of amount involved and judgment/ complexity, the same has been considered as a key audit matter. | The audit procedures related to this key audit matter included the following:<br><br>• We obtained an understanding of the Company's capitalisation policy and assessed for compliance with Ind AS 16 Property, Plant and Equipment.<br><br>• We obtained understanding, evaluated the design and tested the operating effectiveness of controls related to capital expenditure and capitalisation of assets.<br><br>• We performed substantive testing on a sample basis for each element of capitalised costs including inventory for the purpose of these projects, physical verification performed by management along with reconciliation and directly attributable cost, including verification of underlying supporting evidence and understanding nature of the costs capitalised.<br><br>• In relation to borrowing costs, we obtained the supporting calculations, verified the inputs to the calculation and tested the arithmetical accuracy of the model.<br><br>• We assessed the adequacy of the related disclosures in the consolidated financial statements. |

S.R. BATLIBOI & CO. LLP GURUGRAM

### Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Board's Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

S.R. BATLIBOI & CO. LLP
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**Other Matter**

(a) We did not audit the financial statements and other financial information, in respect of six subsidiaries, whose financial statements include total assets of Rs. 131,049 lakhs as at March 31, 2024, and total revenues of Rs. 4,137 lakhs and net cash inflows of Rs. 22,773 lakhs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

(b) Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, 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 and the financial statements and other financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books except for the matters stated in the paragraph (i)(vi) below on reporting under Rule 11(g) and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors

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of the Group's companies, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries incorporated in India, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) The modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above on reporting under Section 143(3)(b) and paragraph (i)(vi) below on reporting under Rule 11(g).

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 34 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, incorporated in India during the year ended March 31, 2024.

iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries, ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such

S.R. BATLIBOI & CO. LLP
GURUGRAM

subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company and subsidiary companies, incorporated in India.

vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature is not enabled for certain changes made using administrative access rights, as described in note 48 to the Consolidated financial statements. We and respective auditors of the above referred subsidiaries did not come across any instance of the audit trail feature being tampered with in respect of this accounting software.

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

S.R. BATLIBOI & CO. LLP GURUGRAM

**per Pravin Tulsyan**
**Partner**
Membership Number: 108044
UDIN: 24108044BKFLYD7579
Place of Signature: Mumbai
Date: May 22, 2024

**Annexure 1 referred to in paragraph 1 of "Report on other legal and regulatory requirements" of our report of even date**

**Re: Max Estates Limited (the "Holding Company")**

According to the information and explanations given to us and procedures performed by us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements except for following where the respective auditors have reported qualifications or adverse remarks in their audit report:

| S. No. | Name | CIN | Holding company/ subsidiary | Clause number of the CARO report which is qualified or is adverse |
|---|---|---|---|---|
| 1 | Max Square Limited | U70200UP2019PLC118369 | Subsidiary | Clause (xvii) |
| 2 | Max Estates 128 Private Limited | U55101DL2006PTC151422 | Subsidiary | Clause (xvii) |
| 3 | Acreage Builders Private Limited | U70101HR2010PTC047012 | Subsidiary | Clause (xvii) |
| 4 | Max Estates Gurgaon Limited | U70109UP2022PLC170197 | Subsidiary | Clause (xvii) |

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

**per Pravin Tulsyan**
**Partner**
Membership Number: 108044
UDIN: 24108044BKFLYD7579
Place of Signature: Mumbai
Date: May 22, 2024

**ANNEXURE '2' TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAX ESTATES LIMTED**

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

In conjunction with our audit of the consolidated financial statements of Max Estates Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

**Meaning of Internal Financial Controls with reference to Consolidated Financial Statements**

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted

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accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

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

**Opinion**

In our opinion, the Group, its subsidiaries, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31,2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary.

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

S.R. BATLIBOI & CO. LLP
GURUGRAM

**per Pravin Tulsyan**
**Partner**
Membership Number: 108044
UDIN: 24108044BKFLYD7579
Place of Signature: Mumbai
Date: May 22, 2024

**Max Estates Limited**
**Consolidated Balance Sheet as at March 31, 2024**

(Rs. in Lakhs)

| Particular | Notes | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 463.08 | 582.65 |
| Investment properties | 3A | 1,80,379.75 | 1,40,508.94 |
| Other intangible assets | 4 | 303.84 | 333.05 |
| Right-of-use assets | 4B | 1,437.33 | 1,317.55 |
| Intangible assets under development | 4 | 26.60 | - |
| Financial assets | | | |
| (i) Investments | 5 (i) | 269.41 | 5,363.17 |
| (ii) Trade receivables | 5 (ii) | 659.83 | 968.61 |
| (iii) Other bank balances | 5 (iii) | 2,451.02 | 1,001.35 |
| (iv) Other financial assets | 5 (iv) | 9,811.89 | 6,858.87 |
| Deferred tax assets (net) | 16 | 6,487.46 | 1,998.45 |
| Non-current tax assets (net) | 6 | 1,723.45 | 1,552.71 |
| Other non current assets | 7 | 6,736.35 | 5,337.43 |
| | | **2,10,750.01** | **1,65,822.78** |
| **Current assets** | | | |
| Inventories | 8 | 53,287.43 | 38,691.83 |
| Financial assets | | | |
| (i) Investments | 9 (i) | 8,996.41 | 10,596.36 |
| (ii) Trade receivables | 9 (ii) | 801.44 | 578.06 |
| (iii) Cash and cash equivalents | 9 (iii) | 23,073.62 | 1,762.70 |
| (iv) Bank Balances other than (iii) above | 9 (iv) | 2,924.31 | 2,374.31 |
| (vi) Other financial assets | 9 (v) | 5,265.91 | 804.46 |
| Other current assets | 10 | 5,040.75 | 2,088.39 |
| | | **99,389.87** | **56,896.11** |
| **Total assets** | | **3,10,139.88** | **2,22,718.89** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 11 | 14,713.45 | - |
| Pending for allotment | 11 | 38.69 | 14,710.36 |
| Other equity | 12 | 1,02,337.70 | 1,06,410.14 |
| **Equity attributable to equity holders of parent company** | | **1,17,089.84** | **1,21,120.50** |
| Non-controlling interest | 44 | 27,963.48 | 4,266.94 |
| **Total equity** | | **1,45,053.32** | **1,25,387.44** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 13 | 82,587.12 | 75,081.26 |
| (ii) Lease liabilities | 4b | 4,142.53 | 3,488.11 |
| (iii) Other non current financial liabilities | 14 | 13,081.01 | 4,536.85 |
| Long term provisions | 15 | 280.04 | 169.33 |
| Deferred tax liabilities | 16 | 742.99 | 1,083.41 |
| | | **1,00,833.69** | **84,358.96** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 17(i) | 8,832.14 | 7,358.04 |
| (ii) Trade payables | '17(ii) | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | | 78.85 | 501.79 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,650.32 | 2,201.72 |
| (iii) Lease liabilities | 4b | 613.81 | 236.66 |
| (iv) Other current financial liabilities | 17(iii) | 3,927.39 | 1,655.24 |
| Current Tax Liabilities (net) | 19 | 26.00 | - |
| Other current liabilities | 20 | 46,753.29 | 767.41 |
| Short term provisions | 18 | 371.07 | 251.63 |
| | | **64,252.87** | **12,972.49** |
| **Total Liabilities** | | **1,65,086.56** | **97,331.45** |
| **Total Equity and Liabilities** | | **3,10,139.88** | **2,22,718.89** |
| **Summary of accounting policies** | 2 | | |
| **The accompanying notes are an integral part of the financial statements** | 3-49 | | |

As per our report of even date attached

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

**per Pravin Tulsyan**
Partner
Membership no: 108044

S.R. BATLIBOI & CO. LLP GURUGRAM

Place: Mumbai
Date: May 22, 2024

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

**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 : Delhi
Date: May 22, 2024

**Max Estates Limited**
**Consolidated Statement of Profit and Loss for the year ended March 31, 2024**

(Rs. in Lakhs)

| | Notes | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 21 | 9,294.37 | 10,734.20 |
| Other income | 22 | 2,732.64 | 2,393.63 |
| **Total income** | | **12,027.01** | **13,127.83** |
| **EXPENSES** | | | |
| Cost of land, plots, development rights, constructed properties and others | 23 | - | 1,015.55 |
| Change in inventories of constructed properties | 24 | - | 1,138.84 |
| Employee benefits expense | 25 | 1,227.96 | 1,537.73 |
| Finance costs | 26 | 4,298.60 | 1,861.87 |
| Depreciation and amortization expense | 27 | 2,540.23 | 1,490.82 |
| Advertisement and Sales promotion expense | 28A | 2,258.98 | 407.39 |
| Facility and management services | 28B | 1,825.87 | 1,304.58 |
| Other expenses | 28 | 2,204.33 | 2,162.85 |
| **Total expenses** | | **14,355.97** | **10,919.63** |
| **Profit/ (Loss) before exceptional items and tax** | | **(2,328.96)** | **2,208.20** |
| Exceptional item | 5(i) | (4,445.06) | - |
| **Profit/ (Loss) before tax** | | **(6,774.02)** | **2,208.20** |
| **Tax expense** | 30 | | |
| - Current tax | | 323.51 | 2,050.11 |
| - Income tax for earlier years | | 154.96 | 4.17 |
| - Deferred tax | | (1,740.05) | (1,692.78) |
| **Total tax expense/ (Credit)** | | **(1,261.58)** | **361.50** |
| **Profit/(loss) for the year** | | **(5,512.44)** | **1,846.70** |
| Attributable to: | | | |
| Equity holders of the parent | | (4,216.30) | 1,901.49 |
| Non-controlling interests | | (1,296.14) | (54.79) |
| **Other comprehensive income not to be reclassified to profit or loss in subsequent period:** | | | |
| Re-measurement loss/(gain) of defined benefit plans | 31 | (15.81) | 0.02 |
| Income tax effect | | 3.98 | (0.01) |
| **Net comprehensive income not to be reclassified to profit or loss in subsequent period:** | | **(11.83)** | **0.01** |
| **Other comprehensive income/(loss) for the year, net of tax** | | **(11.83)** | **0.01** |
| Attributable to: | | | |
| Equity holders of the parent | | (11.83) | 0.01 |
| Non-controlling interests | | - | - |
| **Total comprehensive income/(loss) for the year** | | **(5,524.27)** | **1,846.71** |
| Attributable to: | | | |
| Equity holders of the parent | | (4,228.13) | 1,901.50 |
| Non-controlling interests | | (1,296.14) | (54.79) |
| **Earnings per equity share (Nominal value of share Rs.10/-)** | 32 | | |
| Basic (Rs.) | | (3.75) | 1.26 |
| Diluted (Rs.) | | (3.75) | 1.26 |
| **Summary of accounting policies** | 2 | | |
| **The accompanying notes are an integral part of the financial statements** | 3-49 | | |

As per our report of even date attached

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

**per Pravin Tulsyan**
Partner
**Membership no: 108044**

S.R. BATLIBOI & CO. LLP GURUGRAM

Place: Mumbai
Date: May 22, 2024

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

**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 : Delhi
Date: May 22, 2024

**Max Estates Limited**

**Consolidated Statement of Cash Flows for the year ended March 31, 2024**

(Rs. in Lakhs)

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Operating activities** | | |
| Profit/ (Loss) before tax | (6,774.02) | 2,208.20 |
| **Adjustments to reconcile profit before tax to net cash flows:** | | |
| Exceptional item | 4,445.06 | - |
| Depreciation and amortisation expenses | 2,540.23 | 1,490.82 |
| Expense recognised on employee stock option scheme | 76.13 | 105.87 |
| Fair value gain on financial instruments at fair value through profit or loss | (7.10) | (13.78) |
| Profit on derecognition of ROU asset | (15.82) | (135.97) |
| Profit on sale of mutual funds | (804.92) | (101.82) |
| Liabilities/provisions no longer required written back | (74.76) | - |
| Profit on sale of non-current investments | (106.49) | (944.14) |
| Interest income | (1,649.70) | (345.13) |
| Interest expense on lease liability | 438.76 | 377.56 |
| Finance costs | 3,859.84 | 1,484.31 |
| **Operating profit before working capital changes** | **1,927.21** | **4,125.92** |
| **Working capital adjustments:** | | |
| Increase/ (decrease) in trade payables and other payables | 7,652.60 | 1,505.44 |
| Increase/ (decrease) in other current and non-current liabilities | 45,985.88 | (145.30) |
| Decrease / (increase) in trade receivables | 85.40 | (436.37) |
| Decrease / (increase) in inventories | (13,307.81) | (37,299.88) |
| Decrease / (increase) in other current and non current assets | (14,644.39) | (10,160.40) |
| **Cash generated from operations** | **27,698.89** | **(42,410.59)** |
| Income tax paid (net of refund) | (628.84) | (3,224.62) |
| **Net cash flows from/(used) in operating activities** | **27,070.05** | **(45,635.21)** |
| **Investing activities** | | |
| Purchase of property, plant and equipment (including investment property, intangible assets, CWIP and capital advances) | (32,051.31) | (52,240.58) |
| Interest received | 1,437.58 | 1,190.35 |
| Net movement in deposits | (1,999.67) | 38,933.62 |
| Sale/ (Purchase) of current investments (net) | 3,174.04 | (6,270.64) |
| Sale of non current investments | 307.95 | 13,172.86 |
| Purchase of non current investments | (34.60) | - |
| **Net cash flows used in investing activities** | **(29,166.01)** | **(5,214.40)** |
| **Financing activities** | | |
| Proceeds from issuance of equity share capital including security premium | 18.86 | 24.86 |
| Proceeds from exercise of employee stock option plan | 38.69 | - |
| Repayment of lease liability | (744.66) | 886.26 |
| Sale of stake in subsidiary | 14,490.64 | - |
| Proceeds from issue of securities to Non controlling interest | 16,096.44 | 1,851.13 |
| Repayments of borrowings | (6,216.80) | (34,724.58) |
| Proceeds from borrowings | 6,397.51 | 88,327.21 |
| Interest paid | (6,673.80) | (4,236.06) |
| **Net cash flows from financing activities** | **23,406.88** | **52,128.82** |
| Net decrease in cash and cash equivalents | 21,310.92 | 1,279.21 |
| Cash and cash equivalents at the beginning of the year | 1,762.70 | 483.49 |
| **Cash and cash equivalents at the year end** | **23,073.62** | **1,762.70** |

**Components of cash and cash equivalents :**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Balances with banks:** | | |
| On current accounts | 1,267.56 | 1,705.68 |
| Deposits with remaining maturity for less than 3 months | 21,628.96 | - |
| Cash on hand | 177.10 | 57.02 |
| | **23,073.62** | **1,762.70** |

| | | |
|---|---|---|
| **Summary of accounting policies** | 2 | |
| **The accompanying notes are an integral part of the financial statements** | 3-49 | |

As per our report of even date attached

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

**per Pravin Tulsyan**
Partner
Membership no: 108044

S. R. BATLIBOI & CO. LLP GURUGRAM

Place: Mumbai
Date: May 22, 2024

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

**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 : Delhi
Date: May 22, 2024

**Max Estates Limited**
**Consolidated Statement of changes in equity for the year ended March 31, 2024**

**a) Equity share capital**

| Particulars | Nos. | (Rs. in Lakhs) |
|---|---|---|
| **Shares of Rs. 10/- each, issued, subscribed and fully paid** | | |
| **As at April 1, 2022** | 7,79,10,000 | 7,791.00 |
| Less: Merger effect | (7,79,10,000) | (7,791) |
| **As at March 31, 2023** | - | - |
| Add: Shares issued | 14,71,34,544 | 14,713.45 |
| **As at March 31, 2024** | 14,71,34,544 | 14,713.45 |

**b) Other equity**

(Rs. in Lakhs)

| Particulars | Reserves and surplus | | | | | Shares pending issuance | Non-controlling interest (refer note 44) | Total Equity |
|---|---|---|---|---|---|---|---|---|
| | Capital reserve (refer note 12) | Securities premium (refer note 12) | Employee stock options outstanding (refer note 12) | Retained earnings (refer note 12) | Total other equity | | | |
| **As at April 01, 2022** | 13,042.52 | 50,084.05 | 161.28 | 41,289.60 | 1,04,577.45 | 14,694.66 | 4,437.18 | 1,23,709.29 |
| Profit for the year | - | - | - | 1,901.49 | 1,901.49 | - | (54.79) | 1,846.70 |
| Other comprehensive income for the year | - | - | - | 0.01 | 0.01 | - | - | 0.01 |
| Adjustment for capital reduction in Phamax Corporation Limited | - | (183.66) | - | - | (183.66) | - | - | (183.66) |
| Net movement in Non-controlling interest | - | - | - | - | - | - | (115.45) | (115.45) |
| Shares issued under Employee stock option scheme | - | 50.75 | (41.58) | - | 9.17 | 15.70 | - | 24.87 |
| Forfeiture of Shares under Employee stock option scheme | - | - | (8.49) | 8.49 | - | - | - | - |
| Expense recognized during the year | - | - | 105.69 | - | 105.69 | - | - | 105.69 |
| **As at March 31, 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 income 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 | - | 139.91 | - | - | 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 |

| | |
|---|---|
| **Summary of accounting policies** | 2 |
| **The accompanying notes are an integral part of the financial statemen** | 3-49 |

As per our report of even date attached

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

per Pravin Tulsyan
Partner
Membership no: 108044

S. R. BATLIBOI & CO. LLP GURUGRAM

Place: Mumbai
Date: May 22, 2024

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

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 : Delhi
Date: May 22, 2024

## 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, 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

During the current year, the Company has completed the merger of Max Ventures and Industries Limited ('Transferor Company') (appointed date April 01, 2022) pursuant to the scheme of merger 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.

Pursuant to merger of Max Ventures and Industries Limited ('Transferor Company') and Max Estates Limited ('Company' or 'Transferee Company'), 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. The share capital of Transferor Company and Transferee Company was cancelled and the Company has issued 147,134,544 equity shares of INR 10 each fully paid-up to the shareholders of the Transferor Company in the previous quarter. On October 30, 2023, the equity shares of the Company were listed on National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

The consolidated Ind AS financial statements were authorised for issue in accordance with a resolution by the Board of directors of the Company on May 22, 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.

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**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

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



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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.

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 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.

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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, 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 |

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**(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 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 properly 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

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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.

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.

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### 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 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

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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.

**(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.

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**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 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);

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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 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



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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**
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 medication is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount is reported in the 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 cr[eated] 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:

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**

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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).

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:

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► 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 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 realised 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.

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**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.

**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.

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**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.

**l. Provision and Contingent liabilities**

**Provisions**
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.

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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**

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



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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 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**

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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.

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 date 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 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 fulfiled 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) Operating lease commitments - Group as lessee**

The Group has taken various commercial properties on leases. the Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Refer Note 4b.

**Estimates and assumptions**

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

**(a) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The 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

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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:

### 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.

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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 from April 1, 2024

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## 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 |
|---|---|---|---|---|---|---|---|
| **April 1, 2022 (Deemed cost)** | - | - | **1.02** | **9.79** | **36.67** | **131.27** | 178.75 |
| Add Merger Effect (refer note 36a) | 392.01 | 54.07 | 65.51 | 4.77 | 100.12 | 174.17 | **790.65** |
| Additions | 200.91 | - | 63.11 | 26.72 | 51.04 | 39.50 | **381.28** |
| Disposals | (383.66) | - | (67.20) | (6.08) | (38.07) | - | **(495.01)** |
| Add: adjustments | - | 15.36 | 2.81 | - | 1.70 | - | 19.87 |
| **March 31, 2023** | **209.26** | **69.43** | **65.25** | **35.20** | **151.46** | **344.93** | **875.54** |
| **Add Merger Effect** | | | | | | | |
| Additions | - | - | - | 0.70 | 53.32 | 216.86 | **270.88** |
| Disposals | (195.27) | - | (63.54) | (39.59) | (1.08) | (26.47) | **(325.95)** |
| Adjustment | (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** |
| | | | | | | | |
| **Accumulated Depreciation** | | | | | | | |
| **April 1, 2022 (Deemed cost)** | - | - | **0.38** | **9.24** | **14.78** | **37.87** | **62.26** |
| Add Merger Effect (refer note 36a) | **96.51** | **45.15** | **21.15** | **1.77** | 67.24 | **39.27** | 271.09 |
| Depreciation | 39.84 | 0.37 | 9.77 | 4.78 | 26.03 | 37.84 | 118.63 |
| Disposals | (120.49) | - | (25.29) | (4.22) | (24.02) | - | (174.02) |
| Add: adjustments | - | 12.45 | 2.08 | - | 0.36 | - | 14.90 |
| **March 31, 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** | **111.60** | **156.42** | **349.27** |
| | | | | | | | |
| **Net carrying amount** | | | | | | | |
| **As at March 31, 2024** | **1.07** | **7.29** | **0.00** | **1.00** | **76.86** | **376.86** | **463.08** |
| **As at March 31, 2023** | **193.40** | **11.45** | **57.16** | **23.63** | **67.07** | **229.96** | **582.66** |

**Notes :**

* Refer note no 13 for charge created on property, plant and equipment and investment property as security against borrowings.

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**3A Investment property**

(Rs. in Lakhs)

| Particulars | Investment property | Land | Investment property (under development) | Total* |
|---|---|---|---|---|
| **Gross Block** | | | | |
| **April 1, 2022 (Deemed cost)** | **58,777.85** | - | **33,667.10** | **92,444.95** |
| Add Merger Effect (refer note 36a) | **(3,228.49)** | **8,874.50** | **(5,612.37)** | 33.64 |
| Additions/ adjustments | 1,735.61 | - | 50,197.53 | 51,933.14 |
| **March 31, 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** |
| **Accumulated Depreciation** | | | | |
| **April 1, 2022 (Deemed cost)** | **2,772.60** | - | - | **2,772.60** |
| Add Merger Effect (refer note 36a) | 31.37 | - | - | 31.37 |
| Depreciation | 1,098.82 | - | - | 1,098.82 |
| **March 31, 2023** | **3,902.79** | | - | **3,902.80** |
| Depreciation | 2,108.86 | - | - | 2,108.86 |
| Disposals/ adjustments | - | - | - | - |
| **March 31, 2024** | **6,011.66** | - | - | **6,011.67** |
| **Net carrying amount** | | | | |
| **As at March 31, 2024** | **1,09,796.31** | **8,874.50** | **61,708.94** | **1,80,379.75** |
| **As at March 31, 2023** | **53,382.18** | **8,874.50** | **78,252.26** | **1,40,508.93** |

Investment property as at March 31, 2024 and March 31, 2023 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. During the year investment property at Okhla Delhi under Pharmax Corporation Limited and Max Square Project 1 is capitalised.

* Refer note no 13 for charge created on property, plant and equipment and investment property as security against borrowings.

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## 3A Investment property (Cont'd)

**I) For investment property under development, ageing as at March 31, 2024:**

(Rs. in Lakhs)

| | Amount in investment property under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Max Square Limited | 23,183.10 | 164.45 | - | - | **23,347.55** |
| Acreage Builders Private Limited | 4,403.93 | 33,957.46 | - | - | **38,361.39** |
| Pharmax Corporation Limited | - | - | - | - | - |
| **Total** | **27,587.02** | **34,121.91** | - | - | **61,708.94** |

**ii) For investment property under development, ageing as at March 31, 2023:**

(Rs. in Lakhs)

| | Amount in investment property under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Max Square Limited | 12,975.05 | 9,513.80 | 5,891.34 | 11,101.58 | **39,481.77** |
| Acreage Builders Private Limited | 33,957.46 | - | - | - | **33,957.46** |
| Pharmax Corporation Limited | 3,347.21 | 1,465.82 | - | - | **4,813.03** |
| **Total** | **50,279.73** | **10,979.62** | **5,891.34** | **11,101.58** | **78,252.26** |

**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, the Group has capitalised Rs.4780.76 lakhs (March 31, 2023- Rs. 3,297.57 lakhs) under investment property. Refer note 26

(Rs. in Lakhs)

| **(iii) Amount recognised in profit and loss for investment properties** | **March 31, 2024** | **March 31, 2023** |
|---|---|---|
| Rental income | 6,617.13 | 5,187.56 |
| Less: Direct operating expenses generating rental income | 1,033.23 | 445.04 |
| **Profit from leasing of investment properties** | **5,583.90** | **4,742.52** |
| Less: depreciation expense (refer note 27) | 2,108.86 | 1,098.82 |
| **Profit from leasing of investment properties after depreciation** | **3,475.04** | **3,643.70** |

**(iv) Fair value**

**Fair value hierarchy and valuation technique**

The fair value of investment property has been determined by the company internally for few properties and with the help of an expert for few properties, 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, liquidity discount of 15% and discount rate of 10-12% (previous year 12%).

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**3A Investment property (Cont'd)**

**(iv) Fair value**

| **Reconciliation of fair value:** | **(Rs. in Lakhs)** |
|---|---|
| Opening balance as at 1 April 2022 (post merger effect) | Rs.63,500 to 71,000 lakhs |
| Increase of Fair value ** | Rs. 1,000 lakhs |
| Decline in fair value | - |
| Closing balance as at March 31, 2023 * | Rs.64,500 to 72,000 lakhs |
| Increase of Fair value ** | Rs. 117,500 to 122,000 lakhs |
| Decline in fair value | - |
| Closing balance as at March 31, 2024 * | Rs.181,000 to 194,000 lakhs |

* Other than Investment property (under development). Fair value of the investment property capitalised during the year is similar to the amount capitalised in books and hence not separately disclosed.

** The fair of investment property has been increased amouting to Rs 41,200 to 41,500 Lakhs and other increase is due to capitalisation of Investment property amounting to Rs 76,300 - 80,500 Lakhs (previous year Rs 1,000 Lakhs).

**Valuation models applied for valuation:**
Discounted cash flow method - net present value is determined based on projected cash flows discounted at an appropriate rate.

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## 4. Other Intangible assets

(Rs. in Lakhs)

| Particular | Computer software | Total | Intangible assets under development |
|---|---|---|---|
| **Gross carrying amount** | | | |
| **April 1, 2022 (Deemed cost)** | **17.85** | **17.85** | **-** |
| Add Merger Effect (refer note 36a) | 8.23 | 8.23 | - |
| Additions | 329.10 | 329.10 | - |
| Disposals | - | - | - |
| **As at March 31, 2023** | **355.18** | **355.18** | **-** |
| Additions | 29.13 | 29.13 | 26.60 |
| Disposals | - | - | - |
| **As at March 31, 2024** | **384.31** | **384.31** | **26.60** |
| **Amortisation** | | | |
| **April 1, 2022 (Deemed cost)** | **14.40** | **14.40** | **-** |
| Add Merger Effect (refer note 36a) | 7.37 | 7.37 | - |
| **As at April 01, 2022** | **21.77** | **21.77** | **-** |
| Amortisation charge | 0.37 | 0.37 | - |
| Disposals | - | - | - |
| **As at March 31, 2023** | **22.14** | **22.14** | **-** |
| Amortisation charge | 58.33 | 58.33 | - |
| Disposals | - | - | - |
| **As at March 31, 2024** | **80.47** | **80.47** | **-** |
| **Net carrying amount** | | | |
| **March 31, 2024** | **303.84** | **303.84** | **26.60** |
| **March 31, 2023** | **333.04** | **333.05** | **-** |

(a) Intangible asset under development have an ageing of less than a year and is expected to complete in FY 24- 25

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**4b Right of use assets**

The Group has lease contracts for buidlings from related parties. The Group's obligations under its leases are secured by the lessor's title to the leased assets.

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

(Rs. in Lakhs)

| Particulars | Building | Total |
|---|---|---|
| **As at April 01, 2022** | 2,482.66 | **2,482.66** |
| Add Merger Effect (refer note 36a) | - | - |
| Additions | 1,153.42 | 1,153.42 |
| Deletion | (2,050.96) | (2,050.96) |
| Depreciation expense | (267.57) | (267.57) |
| **As at March 31, 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** |

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

(Rs. in Lakhs)

| Particulars | Building | Total |
|---|---|---|
| **As at April 1, 2022** | **2,838.51** | **2,838.51** |
| Add Merger Effect (refer note 36a) | - | - |
| Additions | 1,073.51 | 1,073.51 |
| Accretion of interest | 377.56 | 377.56 |
| Payments | (564.81) | (564.81) |
| **As at March 31, 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** |

(Rs. in Lakhs)

| Particulars | 31-Mar-24 | 31-Mar-23 |
|---|---|---|
| Current lease liabilities | 613.81 | 236.66 |
| Non-current lease liabilities | 4,142.53 | 3,488.11 |
| **Total** | **4,756.34** | **3,724.77** |

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**4b Right of use assets (Cont'd)**

The group has subleased one 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 Liabilties.

The details regarding the maturity analysis of lease liabilities as at March 31, 2024 and March 31, 2023 on an undiscounted basis:

(Rs. in Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Within one year | 1,099.98 | 541.06 |
| After one year but not more than five years | 3,570.75 | 2,380.33 |
| More than five years | 2,133.74 | 1,837.03 |
| **Total** | **6,804.47** | **4,758.42** |

Considering the lease term of the leases, the effective interest rate for lease liabilities for all the period presented is 10.5%-11.0%.

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 statement of profit or loss:

(Rs. in Lakhs)

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| Depreciation expense of right-of-use assets | 263.54 | 267.57 |
| Interest expense on lease liabilities | 438.76 | 377.56 |
| Rent expenses | 23.90 | 14.73 |
| **Total amount recognised in profit or loss** | **726.20** | **659.86** |

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| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| | | (Rs. in Lakhs) |
| **5. Non-Current financial assets** | | |
| **(i) Investments** | | |
| a) **Investment in preference shares (valued at fair value through profit and loss) (unquoted)** | | |
| Azure Hospitality Private Limited# 1,62,34,829 (March 31, 2022 - 1,62,34,829) Series-C preference shares of nominal value Rs. 20 each fully paid up | - | 4,445.06 |
| b) **Smart Joules Private Limited (unquoted)** | | |
| Nil (March 31, 2023 - 232) Series - A Compulsorily Convertible Preference Shares of norminal value Rs. 10 each fully paid up* | - | 200.00 |
| c) **Aliferous Technologies Private Limited (unquoted)** | | |
| 461 (March 31, 2023 - 461) Compulsorily Covertible Preference Shares (Seed Series A1 CCPS) of Nominal Value Rs.100 each fully paid up** | 49.90 | 49.92 |
| d) **Investment in IAN Fund (unquoted)** | | |
| 2,26,589.69 (March 31, 2023 - 2,26,589.69) units of nominal value Rs. 100 each fully paid up | 219.51 | 219.27 |
| e) **Birla Sun Life Cash Plus - Direct Plan ***** | - | 448.92 |
| (March 31, 2023- 1,23,648 units) of nominal alue of Rs. 100 each fully paid up | | |
| | **269.41** | **5,363.17** |
| **Non-Current** | **269.41** | **5,363.17** |
| **Aggregate value of unquoted investments** | **269.41** | **5,363.17** |

**Note:**

*0.001% Non cumulative Series A Compulsory convertible partcipating preference shares will be convertible into one equity share per preference share, maximum after ten years from the date of issue.

**0.001% Non cumulative Compulsory convertible preference shares will be convertible into one equity share per preference share, maximum after nineteen years from the date of issue.

*** Pledged as security for Debt Service Reserve Account (DSRA) for borrowings. The borrowings has been regrouped as current borrowing based on maturity, hence investment is also classifed as current.

# During the year, 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 exceptional item.

| | | |
|---|---|---|
| **(ii) Trade receivables** | | |
| Trade receivable (unsecured)* | 659.83 | 968.61 |
| | **659.83** | **968.61** |

**Trade Receivable Ageing**
**As at March 31, 2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | (Rs. in Lakhs) |
|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 Months - 1 year | 1-2 years | 2-3 years | Total |
| (I) Undisputed Trade receivables-considered good | 659.83 | - | - | - | - | **659.83** |
| (ii) Undisputed Trade receivables-Which have significant in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables-Credit impaired | - | - | - | - | - | - |
| (iv) Undisputed Trade receivables-considered good | - | - | - | - | - | - |
| (v) Disputed Trade receivables-which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade receivables-credit Impaired | - | - | - | - | - | - |
| **Total** | **659.83** | - | - | - | - | **659.83** |

**Trade Receivable Ageing**
**As at March 31, 2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | (Rs. in Lakhs) |
|---|---|---|---|---|---|---|
| | Not due | Less than 6 months | 6 Months - 1 year | 1-2 years | 2-3 years | Total |
| (I) Undisputed Trade receivables-considered good | 968.61 | - | - | - | - | **968.61** |
| (ii) Undisputed Trade receivables-Which have significant in credit risk | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables-Credit impaired | - | - | - | - | - | - |
| (iv) Undisputed Trade receivables-considered good | - | - | - | - | - | - |
| (v) Disputed Trade receivables-which have significant increase in credit risk | - | - | - | - | - | - |
| (vi) Disputed Trade receivables-credit Impaired | - | - | - | - | - | - |
| **Total** | **968.61** | - | - | - | - | **968.61** |

| | | |
|---|---|---|
| **(iii) Other bank balances** | | |
| Deposits with remaining maturity for more than 12 months | 2,451.02 | 1,001.35 |
| | **2,451.02** | **1,001.35** |
| **(iv) Other non current financial assets** | | |
| Security deposits (refer note 40(b)) | 6,372.69 | 4,357.14 |
| Rent receivable (Equalisation) | 57.69 | 116.98 |
| Lease Receivable | 3,381.51 | 2,384.75 |
| | **9,811.89** | **6,858.87** |
| **6. Non-current tax assets** | | |
| Advance income tax and tax deducted at source | 1,723.45 | 1,552.71 |
| | **1,723.45** | **1,552.71** |
| **7. Other non current assets** | | |
| **Unsecured considered good unless otherwise stated** | | |
| Capital advances (refer note 34b) | 956.45 | 5,329.50 |
| Prepaid expenses | 5,717.44 | - |
| Balance with statutory authorities | 62.46 | 7.93 |
| | **6,736.35** | **5,337.43** |

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(Rs. in Lakhs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **8 Inventories (at cost or Net realisable value whichever is less)** | | |
| Construction materials | 19.91 | 8.35 |
| Plot and construction work-in-progress | 186.75 | 186.75 |
| Land including ancilliary cost | 53,080.77 | 38,496.73 |
| | 53,287.43 | 38,691.83 |
| **9. Current financial assets** | | |
| **(i) Other investment** | | |
| **Quoted mutual funds (valued at fair value through profit and loss)** | | |
| Axis Liquid Fund - Direct - Growth | 281.95 | 1,501.96 |
| Face value - Rs. 10 ( March 31, 2024: 2,683.71 units, March 31, 2023 - Units - 60,057) | | |
| Aditya Birla Sun Life Liquid Fund - Direct - Growth | 307.37 | 1,602.92 |
| Face value - Rs. 10 ( March 31, 2024: 78,877.88 units, March 31, 2023 - Units - 4,41,477.23) | | |
| SBI Liquid Fund - Direct - Growth | 1,890.91 | 1,501.95 |
| Face value - Rs. 10 ( March 31, 2024: 50,020.66 units, March 31, 2023 - Units - 42,629.04) | | |
| UTI Liquid Cash Plan - Direct - Growth | 2,586.05 | 1,502.17 |
| Face value - Rs. 10 ( March 31, 2024 : 65,337.75 units, March 31, 2023 - Units - 40,613.46) | | |
| DSP Liquid Fund - Direct - Growth | 585.13 | 2,442.07 |
| Face value - Rs. 10 ( March 31, 2024 : 16,953.52 units, March 31, 2023 - Units - 76,003.98) | | |
| Units: 15,709.69, NAV - 1220.28 (Overnight) | | |
| Tata Liquid Fund | 2,863.16 | 2,045.29 |
| Face value - Rs. 10 ( March 31, 2024 : 75,143.55 units, March 31, 2023 - Units - 57,590.82) | | |
| Birla Sun Life Cash Plus - Direct Plan *** | 481.84 | - |
| (March 31, 2024- 1,23,648 units) of nominal value of Rs. 100 each fully paid up | | |
| | **8,996.41** | **10,596.36** |
| *** Refer note 5 | | |
| **Aggregate value of quoted investments** | 8,996.41 | 10,596.36 |
| **Aggregate market value of quoted investments** | 8,996.41 | 10,596.36 |
| **(ii) Trade receivables** | | |
| (b) Trade Receivables considered good - Unsecured; | 801.44 | 578.06 |
| (c) Trade Receivables which have significant increase in credit risk; and | - | - |
| (d) Trade Receivables - credit impaired | - | - |
| | **801.44** | **578.06** |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days.
For terms and conditions relating to receivables from related parties, refer note 40(b)

**Trade Receivable Ageing**
**As at March 31, 2024**

(Rs. in Lakhs)

| Particulars | Not due | Outstanding for following periods from due date of payment: Less than 6 month | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables- considered good | 334.59 | 365.56 | 55.46 | 33.41 | 3.30 | 9.12 | 801.44 |
| (ii) Undisputed Trade receivables- which have significant in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables-Credit impaired | - | - | - | - | - | - | - |
| (iv) Undisputed Trade receivables-considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade receivables-which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade receivables-credit Impaired | - | - | - | - | - | - | - |
| **Total** | **334.59** | **365.56** | **55.46** | **33.41** | **3.30** | **9.12** | **801.44** |

**Trade Receivable Ageing**
**As at March 31, 2023**

(Rs. in Lakhs)

| Particulars | Not due | Outstanding for following periods from due date of payment: Less than 6 month | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables- considered good | 32.93 | 494.71 | 10.35 | 17.57 | 13.31 | 9.19 | 578.06 |
| (ii) Undisputed Trade receivables- which have significant in credit risk | - | - | - | - | - | - | - |
| (iii) Undisputed Trade receivables-Credit impaired | - | - | - | - | - | - | - |
| (iv) Undisputed Trade receivables-considered good | - | - | - | - | - | - | - |
| (v) Disputed Trade receivables-which have significant increase in credit risk | - | - | - | - | - | - | - |
| (vi) Disputed Trade receivables-credit Impaired | - | - | - | - | - | - | - |
| **Total** | **32.93** | **494.71** | **10.35** | **17.57** | **13.31** | **9.19** | **578.06** |

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(Rs. in Lakhs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(iii) Cash and cash equivalents** | | |
| **Balances with banks:** | | |
| On current accounts | 1,267.56 | 1,705.68 |
| Deposits with original maturity for less than 3 months | 21,628.96 | - |
| Cash on hand | 177.10 | 57.02 |
| | **23,073.62** | **1,762.70** |
| **(iv) Bank Balances other than (iii) above** | | |
| **Deposits:** | | |
| Deposits with remaining maturity for less than 12 months | 2,924.31 | 2,374.31 |
| | **2,924.31** | **2,374.31** |
| **(v) Other current financial assets (unsecured considered good, unless otherwise stated)** | | |
| Security deposits | 3,453.63 | 47.09 |
| Interest accrued on deposits and others | 354.04 | 141.93 |
| Other recoverable | 55.15 | 119.59 |
| Rent equalisation | 1,188.62 | 426.05 |
| Lease Receivable | 214.47 | 69.80 |
| | **5,265.91** | **804.46** |
| **Break up of financial assets at amortised cost** | | |
| **Non-current financial assets** | | |
| Trade receivables {refer note 5(ii)} | 659.83 | 968.61 |
| Other bank balances {refer note 5(iii)} | 2,451.02 | 1,001.35 |
| Other non-current financial assets {refer 5(iv)} | 9,811.89 | 6,858.87 |
| **Current financial assets** | | |
| Trade receivables {refer 9(ii)} | 801.44 | 578.06 |
| Cash and cash equivalents {refer 9(iii)} | 23,073.62 | 1,762.70 |
| Other bank balances {refer note 9(iv)} | 2,924.31 | 2,374.31 |
| Other current financial assets {refer 9(vi)} | 5,265.91 | 804.46 |
| | **44,988.02** | **14,348.36** |

**10. Other current assets (unsecured considered good, unless otherwise stated)**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Other advances* | 1,763.36 | 561.05 |
| Prepaid expenses | 973.81 | 108.49 |
| Balance with statutory authorities | 2,303.58 | 1,418.85 |
| | **5,040.75** | **2,088.39** |

*refer note 40(b) for advances to related parties

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**11(i) Equity share capital**

| | (Rs. in Lakhs) As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **a) Authorized share capital** | | |
| 228,000,000 (March 31, 2023 - 228,000,000) equity shares of Rs.10/- each | 22,800.00 | 22,800.00 |
| | **22,800.00** | **22,800.00** |
| **Issued, subscribed and fully paid-up** | | |
| Add: Shares allotted during the year post merger (14,71,34,544 equity shares of INR 10 each fully paid-up) | 14,713.45 | 3.09 |
| Less: Adjustment for merger | - | (3.09) |
| **Total issued, subscribed and fully paid-up share capital** | **14,713.45** | - |

*During the year, upon coming into effect of the Scheme of amalgamation, and in consideration of the transfer, 1 (one) equity shares of the face value of INR 10 each fully paid-up of the Company was required to be issue against every 1 (one) equity shares of INR 10 each fully paid-up held by the shareholders of Max Ventures and Industries Limited. Consequent to this, the Company has issued 14,71,34,544 equity shares of INR 10 each fully paid-up for 14,71,34,544 equity shares of INR 10 each fully paid-up of Max Ventures and Industries Limited.

These shares have been disclosed as 'Share capital pending issuance' as at March 31, 2023.

**As an integral part of the scheme, and, upon the coming into effect of the scheme, the authorized share capital of the Company has automatically stand increased, without any further act, instrument or deed on the part of the Company, the authorized share capital of the Company shall be Rs. 22,800 lakhs divided into 22,80,00,000 equity shares of INR 10 each. Consequently, Clause V of the Memorandum of Association of the Company has, upon the coming into effect of this scheme and without any further act or deed, stand altered, modified and substituted pursuant to section 13, 61 and 230 and 232 and other applicable provisions of the Act, as the case may be. Also refer note 36a.

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

| Equity shares | March 31, 2024 No. of shares | March 31, 2024 (Rs. in Lakhs) | March 31, 2023 No. of shares | March 31, 2023 (Rs. in Lakhs) |
|---|---|---|---|---|
| **At the beginning of the year** | - | - | - | - |
| Add: Shares issued post merger | 14,71,34,544 | 14,713.45 | - | - |
| Less: Adjustment in accordance with merger | - | - | - | - |
| **At the end of the year** | **14,71,34,544.00** | **14,713.45** | - | - |

**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 Company declares and pays dividends in Indian rupees. 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, 2024 No. of shares | March 31, 2024 % held | March 31, 2023 No. of shares | March 31, 2023 % held |
|---|---|---|---|---|
| Max Ventures Investment Holding Private Limited | 3,46,69,346 | 23.56% | - | - |
| Siva Enterprises Private Limited | 3,39,84,573 | 23.10% | - | - |
| New York Life International Holdings Limited | 3,12,82,950 | 21.26% | - | - |

**e) Shareholding pattern of the Promoter**

| Name of the Shareholder | March 31, 2024 No. of shares | March 31, 2024 % held | March 31, 2023 No. of shares | March 31, 2023 % held |
|---|---|---|---|---|
| Ravi Vachani | 73,477 | 0.05% | - | - |
| Neelu Analjit Singh | 47,501 | 0.03% | - | - |
| Analjit Singh | 39,71,481 | 2.70% | - | - |
| Piya Singh | 52,407 | 0.04% | - | - |
| Tara Singh Vachani | 47,501 | 0.03% | - | - |
| Max Ventures Investment Holding Pvt Ltd | 3,46,69,346 | 23.56% | - | - |
| Siva Enterprises Private Limited | 3,39,84,573 | 23.10% | - | - |

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

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## 12. Other equity

(Rs. in Lakhs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Capital reserve (refer note a below) | 13,042.52 | 13,042.52 |
| Securities premium account (refer note b below) | 49,974.47 | 49,951.14 |
| Employee stock options outstanding (refer note c below) | 349.25 | 216.90 |
| Retained earnings (refer note d below) | 38,971.46 | 43,199.59 |
| | **1,02,337.70** | **1,06,410.14** |
| **a) Capital reserve** | | |
| At the beginning of the year | 13,042.52 | 13,042.52 |
| | **13,042.52** | **13,042.52** |
| **b) Securities premium** | | |
| At the beginning of the year | 49,951.14 | 50,084.05 |
| Add: premium on issue of employee stock options | 15.76 | 50.75 |
| Add: transfer of ESOP Reserve on allotment of shares | 7.57 | - |
| Less: adjustment for capital reduction in PCL | - | (183.66) |
| | **49,974.47** | **49,951.14** |
| **c) Employee stock options outstanding** | | |
| At the beginning of the year | 216.90 | 401.20 |
| Add: Merger effect (refer note 36a) | - | (239.92) |
| Add: expense recognized during the year | 139.92 | 105.69 |
| Less: expiry of share option under ESOP scheme | (7.57) | (50.07) |
| | **349.25** | **216.90** |
| **d) Retained earnings (attributable to equity holders of the parent)** | | |
| At the beginning of the year | 43,199.59 | (4,469.47) |
| Add: Merger effect (refer note 36a) | - | 45,759.07 |
| Add/(Less): Profit/ (Loss) for the year | (4,216.30) | 1,901.49 |
| Add: expiry of share option under ESOP scheme | - | 8.49 |
| Add: Re-measurement of post employment benefit obligation (net of tax) | (11.83) | 0.01 |
| | **38,971.46** | **43,199.59** |

**Notes:**

**a) Capital reserve**

The Group recognizes profit or loss on purchase, sale, issue or cancellation of the entity's own equity instruments to capital reserve.

**b) Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**c) Employee stock options outstanding**

The employee stock options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan. Refer note 37.

**d) Retained earnings**

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

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## 13. Borrowings

(Rs. in Lakhs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-current borrowings :** | | |
| **From banks** | | |
| From financial institutions | | |
| Term loans (secured) [refer note (i) to (v)) below] | 64,667.31 | 67,301.75 |
| Vehicle loans (secured) [refer note (vi) below] | 84.78 | 30.19 |
| **Others** | | |
| Debt portion of compulsory convertible debentures [refer note (vii) below] | 17,835.03 | 7,749.32 |
| **Current maturity of long term borrowings :** | | |
| Term loans (secured) [refer note (i) to (v) below] | 8,798.71 | 1,081.06 |
| Vehicle loans (secured) [refer note (vi) below] | 33.43 | 17.61 |
| **Total** | **91,419.26** | **76,179.93** |
| Less: amount disclosed under "current financial liabilities" [refer note 17(i)] | 8,832.14 | 1,098.67 |
| | **82,587.12** | **75,081.26** |
| Aggregate Secured loans | 73,584.23 | 68,430.61 |
| Aggregate Unsecured loans | 17,835.03 | 7,749.32 |

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**13. Borrowings**

**Term loan from banks :**

(i) **IDFC First Bank Limited - Term Loan (Secured)**
The Company has taken secured term loan facility for 6,500 Lakhs loan from IDFC First Bank Limited. Out of this facility the entity has been fully withdrawn with and outstanding balance of Rs. 6,462.24 lakhs till March 31, 2024 (March 31, 2023: 4,016.20). The rate of interest varies between 7.90% p.a. to 10.00%p.a (same in previous year)

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

ii) **ICICI Bank Limited - Term Loan (Secured)**
Term loan facility from ICICI Bank Limited amounting to Rs. 9,709.82 lakhs (March 31, 2023: Rs. 10,218.54 lakhs) is secured by way of exclusive charge of mortgage/hypothecation/assignment/security interest/charge/pledge upon following (both present and future) on:

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
The rate of interest varies between 7.90% p.a. to 10.00% p.a.(same in previous year) and repaybale during January 2021 - December 2029 and October 2022 - October 2033 amounting to Rs. 4,500 lakhs and Rs. 6,800 lakhs respectively.

iii) **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 - INR 11,300 Lakhs (March 31, 2023 - INR 21,998.13 Lakhs against total sanction limit of INR 24,000 Lakhs)
b) Term loan taken as lease rental discounting - INR 14,672 Lakhs (Total sanctioned limit of INR 40,000 Lakhs) (March 31, 2023 - Nil)
Interest rate varies from 9% p.a. to 10.50%p.a. (same in previous year)

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 installment at the end of 60th month from the date of first disbursement.

iv) **Aditya Birla Finance Limited (Secured)**
The Company has taken a secured term loan facility of 15,000 Lakhs from Aditya Birla Finance Limited. Out of this facility, the company has drawn INR 7,500 lakhs till March 31, 2024
**I) Primary and collateral security:**
a) Exclusive charge on by way of equitable mortgage on project land admeasuring 10 acres owned by the borrower situated al Sector 128, Noida for total debt facility amount of wp to Rs. 150 cr (1st Pari- passu to be shared with incoming lender.
b) Corporate Guarantee of Max Estates Limited.
c) First charge on DSRA with Aditya Birla Sun Life Mutual Fund.
d) Debt service reserve account (DSRA) - 3 months interest to be created

**ii) Repayment terms:-**
Loan will be payable in bullet installment on maturity at September 30, 2025

**iii) Interest servicing:-**
ROI is 12.50% p.a. payable monthly (same in previous year)

v) The Company has taken secured term loan facility for Rs. 24,900 Lakhs loan from HDFC Bank Limited & Bajaj Housing Finance Limited at an effective weighted average rate of 8.65% (March 31, 2023: Rs,. 24,900 Lakhs from HDFC Bank Limited & Bajaj Housing Finance Limited at an effective weighted average rate of 7.91%). Out of this facility, the Company has drawn Rs. 24,900 Lakhs (March 31, 2023: Rs. 24,900 Lakhs from HDFC Bank Limited & Bajaj Housing Finance Limited) till March 31, 2024 repayable in 204 installments 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.

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**13. Borrowings (Cont'd)**

**Vehicle loan (secured) :**

vi) Vehicle loans amounting to Rs. 114.89 lakhs (March 31, 2023: Rs. 47.80 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. (same in previous year)

**Others:**

vii) **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) the date when Series D CCDs are being converted; or (b) 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. 5,427.84 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. 5,427.84 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

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(Rs. in Lakhs)

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **14.** | **Other non current financial liabilities** | | |
| | Security deposits | 7,833.39 | 3,315.14 |
| | Interest accrued on Compulsorily Convertible Debentures | 3,680.47 | 1,192.36 |
| | Deferred finance income | 1,567.15 | 29.35 |
| | | **13,081.01** | **4,536.85** |
| **15.** | **Long term provision** | | |
| | **Provision for employee benefits** | | |
| | Provision for gratuity (refer note 35) | 280.04 | 169.33 |
| | | **280.04** | **169.33** |
| **16.** | **Deferred tax (liabilities)/assets** | | |
| | **(i) Deferred tax liability** | | |
| | **Deferred tax liabilities** | | |
| | Accelerated depreciation for tax purposes | (2,128.32) | (22.84) |
| | Other items giving rise to temporary differences | (3,479.62) | (1,071.48) |
| | Impact on fair valuation of investments/ borrowings | (3.27) | (15.28) |
| | **Gross deferred tax liabilities (a)** | **(5,611.21)** | **(1,109.60)** |
| | **Deferred tax assets** | | |
| | Expenses allowable on payment basis | 1,303.48 | 73.36 |
| | Other items giving rise to temporary differences | 4,358.73 | 1,179.05 |
| | Unabosorbed depreciation/losses | 5,690.17 | 772.23 |
| | **Gross deferred tax assets (b)** | **11,355.68** | **2,024.64** |
| | **Deferred tax (liabilities)/asset (net)** | **5,744.47** | **915.04** |
| | **Disclosed as** | | |
| | Deferred tax liabilities | (742.99) | (1,083.41) |
| | Deferred tax asset | 6,487.46 | 1,998.45 |
| | | **5,744.47** | **915.04** |
| **17.** | **(i) Current financial liabilities** | | |
| | Current maturity of long term borrowings | 8,832.14 | 1,098.67 |
| | **From Bank** | | |
| | Short term borrowings* | - | 6,259.37 |
| | | **8,832.14** | **7,358.04** |

*Short term borrowings includes loan taken in one of the step subsidiary company, which is expected to be repaid during the current financial year from the proceeds of the residential project.

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(Rs. in Lakhs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(ii) Trade payables** | | |
| Total outstanding dues of micro enterprises and small enterprises (MSME) | 78.85 | 501.79 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises # | 3,650.32 | 2,201.72 |
| | **3,729.17** | **2,703.51** |

*** Details of dues to micro and small enterprises as per MSMED Act, 2006**

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| The principal amount due and remaining unpaid to any supplier as at the end of each accounting year. | 78.85 | 501.79 |
| The interest due on unpaid principal amount remaining as at the end of each accounting year | Nil | 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 | 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 | Nil |
| The amount of interest accrued and remaining unpaid at the end of each accounting year; and | Nil | 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 | Nil |

# Trade payables include due to related parties. Refer note 40 (b) for amount due to related parties.

**Terms and conditions of the above:**
Trade payables are non-interest bearing and are normally settled on 0 - 180 day terms

(Rs. in Lakhs)

| | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| **March 31, 2024** | **Not Due** | **Less than 1 year** | **1-2 Years** | **2-3 Years** | **More than 3 years** | **Total** |
| MSME | 8.40 | 70.45 | - | - | - | 78.85 |
| Others | 1,786.97 | 1,349.40 | 161.11 | 173.93 | 178.91 | 3,650.32 |
| Disputed dues-MSME | - | - | - | - | - | - |
| Disputed dues-Others | - | - | - | - | - | - |
| **Total** | **1,795.37** | **1,419.85** | **161.11** | **173.93** | **178.91** | **3,729.17** |

| | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| **March 31, 2023** | **Not Due** | **Less than 1 year** | **1-2 Years** | **2-3 Years** | **More than 3 years** | **Total** |
| MSME | 1.15 | 500.64 | - | - | - | 501.79 |
| Others | 677.70 | 978.25 | 207.60 | 146.70 | 191.47 | 2,201.72 |
| Disputed dues-MSME | - | - | - | - | - | - |
| Disputed dues-Others | - | - | - | - | - | - |
| **Total** | **678.85** | **1,478.89** | **207.60** | **146.70** | **191.47** | **2,703.51** |

*** Details of dues to micro and small enterprises as per MSMED Act, 2006**
As per the Act, the Group is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with such suppliers. Based on the information available with the Group, none of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

| | | |
|---|---|---|
| **(iii) Other current financial liabilities** | | |
| Security deposits | - | 123.46 |
| Capital creditors | 3,223.59 | 761.15 |
| Interest accrued on borowings | 87.50 | 608.80 |
| Deferred liabilities | 616.30 | 161.83 |
| | **3,927.39** | **1,655.24** |
| **18. Short term provision** | | |
| **Provision for employee benefits** | | |
| - Provision for leave encashment/ compensated absences | 366.42 | 249.73 |
| - Provision for gratuity (refer note 35) | 4.65 | 1.90 |
| | **371.07** | **251.63** |
| **19. Current tax liabilities (net)** | | |
| Provision for income tax | 26.00 | - |
| | **26.00** | **-** |
| **20. Other current liabilities** | | |
| Advance from customers | 45,341.10 | 18.75 |
| Deferred finance income | - | 28.84 |
| Other current liabilities | 142.76 | 7.57 |
| Statutory dues | 1,269.43 | 712.25 |
| | **46,753.29** | **767.41** |

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(Rs. in Lakhs)

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **21.** | **Revenue from operations** | | |
| | Revenue from sale of constructed properties, lease income and facility management | 9,294.37 | 9,917.19 |
| | **Total** | **9,294.37** | **9,917.19** |
| | **Revenue from services** | | |
| | Income from shared services | - | 817.01 |
| | **Total** | **9,294.37** | **10,734.19** |

**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.

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **22.** | **Other income** | | |
| | **Interest income on** | | |
| | - on fixed deposits | 893.34 | 563.95 |
| | - on security deposit* | 287.61 | 319.88 |
| | Gain on stake sale of subsidiary | | |
| | Profit on derecognition of ROU | 15.82 | 135.97 |
| | Gain on mutual fund investments | 804.92 | 101.82 |
| | Fair value gain on financial instruments at fair value through profit or loss | 7.10 | 13.78 |
| | Liabilities/provisions no longer required written back | 74.76 | - |
| | Gain on sale of investment | 106.49 | 944.14 |
| | Interest Other | 468.75 | 149.06 |
| | Miscellaneous income | 73.85 | 165.03 |
| | | **2,732.64** | **2,393.63** |

* on financial assets at amortised cost

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **23.** | **Cost of land, plots, development rights, constructed properties and others** | | |
| | Inventories at beginning of year | 15.70 | 49.93 |
| | Civil construction work | 11.51 | 981.32 |
| | Less: inventory at the end of year | 60.42 | 15.70 |
| | Cost of land, plots, development rights, constructed properties and others | **(56.23)** | **1,015.55** |
| | Disclosed under repair and maintenance | 56.23 | - |
| | | - | - |
| **24.** | **Change in inventories of constructed properties** | | |
| | **a) Inventories at the end of the year** | | |
| | Work in progress- | | |
| | Real Estate | 186.75 | 186.75 |
| | Finished goods | - | - |
| | | **186.75** | **186.75** |
| | **b) Inventories at the beginning of the year** | | |
| | Work in progress- | | |
| | Real Estate | 186.75 | - |
| | Finished goods | - | 1,325.59 |
| | | **186.75** | **1,325.59** |
| | **Net decrease in inventories of constructed properties (b-a)** | **-** | **1,138.84** |

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(Rs. in Lakhs)

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **25.** | **Employee benefits expense** | | |
| | Salaries, wages and bonus | 972.15 | 1,230.64 |
| | Contribution to provident and other funds | 80.92 | 94.76 |
| | Employee stock option scheme* | 76.13 | 93.04 |
| | Gratuity expense (refer note 35) | 37.22 | 40.56 |
| | Staff welfare expenses | 61.54 | 78.73 |
| | | **1,227.96** | **1,537.73** |

*net of amount capitalised in Investment Property under development and inventory Rs.63.76 lakhs (March 31, 2023: Rs. 12.65 lakhs).

| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| **26.** | **Finance costs** | | |
| | Interest on term loan | 8,464.22 | 4,541.68 |
| | Interest on lease liabilities | 438.76 | 377.56 |
| | Interest on others | 135.43 | 110.08 |
| | Bank charges | 40.95 | 130.12 |
| | | **9,079.36** | **5,159.44** |
| | Less: Finance cost capitalised (refer note 3A) | (4,780.76) | (3,297.57) |
| | | **4,298.60** | **1,861.87** |
| **27.** | **Depreciation and amortization expense** | | |
| | Depreciation of tangible assets (refer note 3) | 109.50 | 124.05 |
| | Depreciation on investment property (refer note 3A) | 2,108.86 | 1,098.82 |
| | Depreciation of right-of-use assets (refer note 4b) | 263.54 | 267.57 |
| | Amortization of intangible assets (refer note 4) | 58.33 | 0.37 |
| | | **2,540.23** | **1,490.82** |
| **28.** | **Other expenses** | | |
| | Rent | 23.90 | 14.73 |
| | Insurance expenses | 98.50 | 60.62 |
| | Rates and taxes | 306.74 | 187.58 |
| | Repairs and maintenance: | | |
| | Building | 664.09 | 258.50 |
| | Others | 0.66 | - |
| | Printing and stationery | 6.94 | - |
| | Travelling and conveyance | 146.92 | 133.18 |
| | Communication costs | 2.20 | 17.42 |
| | Legal and professional* | 151.02 | 948.22 |
| | Directors' sitting fees | 85.81 | 70.32 |
| | Auditorium Running | 44.93 | - |
| | Corporate Social Responsibility (CSR) expenditure (refer note no 42) | 50.00 | 39.79 |
| | Electricity expense | 340.31 | 250.83 |
| | Miscellaneous expenses | 282.31 | 181.66 |
| | | **2,204.33** | **2,162.85** |
| | ***Payment to auditor (included in legal and professional fee)** | | |
| | **As auditor:** | | |
| | Audit fee | 66.76 | 47.00 |
| | Other services | 15.00 | 10.00 |
| | Reimbursement of expenses | 3.88 | 4.81 |
| | | **85.64** | **61.81** |
| **28A** | **Advertisement and Sales promotion expense** | | |
| | Advertisement and Sales promotion expense | 2,258.98 | 407.39 |
| | | **2,258.98** | **407.39** |
| **28B** | **Facility and management services** | | |
| | Facility and management services | 1,825.87 | 1,304.58 |
| | | **1,825.87** | **1,304.58** |

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29 The subsidiaries and step down 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 | |
|---|---|---|---|---|
| | | | March 31, 2024 | March 31, 2023 |
| **Subsidiary** | | | | |
| 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%* | 100% |
| 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 commerical 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% | NA |
| Astiki Realty Private Limited** | Construction and development of residential and commercial properties | India | 100% | NA |
| Max Towers Private Limited | Construction and development of residential and commercial properties | India | 100% | 100% |

*During the year, one Group has sold 49% of its investment in its wholly owned subsidiary (Acreage Builders Private Limited) to New York Life Insurance Company for cash consideration amounting to Rs. 14,490.55 lakhs. This transaction has not resulted in any gain or loss to the Group.
**incorporated/acquired in current year

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## 30 Income taxes

(Rs. in Lakhs)

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **(a) Income tax expense in the statement of profit and loss comprises :** | | |
| **Current Income Tax** | | |
| Current income tax charge | 323.51 | 2,050.11 |
| Adjustment in respect of current income tax of previous year | 154.96 | 4.17 |
| **Deferred Tax** | | |
| Relating to origination and reversal of temporary differences | (1,740.05) | (1,692.78) |
| **Income tax expense reported in the statement of profit or loss for continuing operations** | **(1,261.58)** | **361.50** |

## 31 Components of Other comprehensive income (OCI) (Retained earnings)

| | | |
|---|---|---|
| Re-measurement (gains)/ losses on defined benefit plans | (15.81) | 0.02 |
| Income tax related to items recognized in OCI during the year | 3.98 | (0.01) |
| **Income tax related to items recognized in OCI during the year** | **(11.83)** | **0.01** |

## 32 Earnings per share (EPS)

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Profit after tax (Rs. in Lakhs)** | (5,512.44) | 1,846.70 |
| Weighted average number of equity shares outstanding during the year (Nos.) | 14,70,91,330 | 14,70,60,581 |
| **Basic earnings per share (Rs.)** | **(3.75)** | **1.26** |
| Weighted average number of equity shares outstanding for dilutive earnings per share (Nos) | * | 14,77,96,024 |
| **Diluted earnings per share (Rs.)** | **(3.75)** | **1.26** |

*Since, there are losses during the current year, there is anti dilution- hence diluted earning per share is not separately reported

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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**33 Income Tax**

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

**Statement of profit and loss :**

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **Current income tax :** | | |
| Current tax | 323.51 | 2,050.11 |
| Adjustment of tax relating to earlier years | 154.96 | 4.17 |
| **Deferred tax :** | | |
| Relating to origination and reversal of temporary differences | (1,740.05) | (1,692.78) |
| **Income tax expense reported in the statement of profit and loss** | **(1,261.58)** | **361.50** |
| **Total** | **(1,261.58)** | **361.50** |
| | | |
| **OCI section :** | | |
| Deferred tax related to items recognised in OCI during in the year : | | |
| Net loss/(gain) on remeasurements of defined benefit plans | 3.98 | (0.01) |
| **Tax related to items recognized in OCI during the year** | **3.98** | **(0.01)** |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2024 and March 31, 2023:

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Accounting profit before tax from continuing operations | (6,774.02) | 2,208.20 |
| **Accounting profit before income tax** | **(6,774.02)** | **2,208.20** |
| At India's statutory income tax rate of 25.17% ( March 31, 2023: 25.17%) | (1,705.02) | 555.80 |
| **Non-deductible expenses for tax purposes:** | | |
| Tax effect on loss of capital not recognised | 1,118.84 | - |
| Tax effect for items taxed on differential rate | - | 155.35 |
| Tax effect of recognized/unrecognized on entities with carry forward losses | (708.77) | (50.61) |
| Others | 33.38 | (299.04) |
| **At the effective income tax rate** | **(1,261.58)** | **361.50** |
| Income tax expense reported in the statement of profit and loss | (1,261.58) | 361.50 |
| **Total tax expense** | **(1,261.58)** | **361.50** |

**Deferred tax relates to the following:**

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Deferred tax liabilities** | | |
| Accelerated depreciation for tax purposes | (2,128.32) | (22.84) |
| Other items giving rise to temporary differences | (3,479.62) | (1,071.48) |
| Impact on fair valuation of investments/ borrowings | (3.27) | (15.28) |
| **Gross deferred tax liabilities (a)** | **(5,611.21)** | **(1,109.60)** |
| | | |
| **Deferred tax assets** | | |
| Expenses allowable on payment basis | 1,303.48 | 73.36 |
| Other items giving rise to temporary differences* | 4,358.73 | 1,179.05 |
| Unabosorbed depreciation/losses | 5,690.17 | 772.23 |
| **Gross deferred tax assets (b)** | **11,355.68** | **2,024.64** |
| | | |
| **Deferred tax (liabilities)/asset (net)** | **5,744.47** | **915.04** |
| *primarily includes tax impact on convertible instrument | | |
| **Disclosed as:** | | |
| Deferred tax liabilities | (742.99) | (1,083.41) |
| Deferred tax asset | 6,487.46 | 1,998.45 |
| | **5,744.47** | **915.04** |

**Reconciliation of deferred tax liabilities (net):**

| Particulars | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **Opening balance at the beginning of year** | 915.04 | (347.36) |
| Add:Merger effect | - | (1,596.31) |
| Tax on equity component of CCD | 3,204.85 | 1,165.94 |
| Capitalised during the year | (119.45) | - |
| Tax expense/(income) during the year recognised in statement of profit and loss | 1,740.05 | 1,692.76 |
| Tax expense/(income) during the year recognised in OCI | 3.98 | 0.01 |
| **Net balance** | **5,744.47** | **915.04** |
| **Closing balance at the end of year** | **5,744.47** | **915.04** |

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.

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## 34 Commitments and contingencies

### 34a Contingent liabilities not provided for

(Rs. in Lakhs)

| S. No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| i. | Uttarakhand VAT case | 21.24 | 21.24 |
| ii | Bank guarantee {Refer note (a)} | 5,000.00 | 5,000.00 |
| iii | Income tax demand {Refer note (b and c)} | 357.13 | 336.00 |

**Note:**

a. The Group has given a bank guarantee of Rs. 5,000 lakhs (March 31, 2023- Rs. 5,000 lakhs) issued by IDFC First Bank Limited (March 31, 2023 - HDFC Bank Limited) in favor of Acre 133 Trust, Asset Care and Reconstruction Enterprise Limited (March 31, 2023 - Piramal Enterprises 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. The implementation of the Resolution Plan is subject to receipt of requisite approvals from regulatory and statutory authorities.

b. 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 Lacs, 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 March 31, 2024 (March 31, 2023- Rs. 336 lakhs). The demand amount of Rs. 50.21 Lacs against the above-mentioned disallowance has been adjusted against a refund amount due from the Income tax department.

c. During the current year, Subsidiary Company (Max Square Limited) received an assessement 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 year ended March 31, 2024.

### 34b Capital and other commitments

(Rs. in Lakhs)

| | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for | 17,515.72 | 28,953.51 |
| Less: Capital advances (refer note 7) | (956.45) | (5,329.50) |
| **Net capital commitment for acquisition of capital assets** | **16,559.27** | **23,624.01** |

**34A** 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.

**34B** 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. The Company has also received advances amounting from the customer amounting to Rs. 45,329.36 lakhs during the year.

**34C** The Code on Social Security, 2020 ('Code') relating to employee benefits received Presidential assent in September 2020. However, effective date and the final rules/interpretation have not yet been notified/issued. The Company is in the process of assessing the impact of the Code and will recognize the impact, if any, based on its effective date.

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## 35 Gratuity

The Group has a defined benefit gratuity plan. Under Gratuity Plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The gratuity plan is governed by the Payment of Gratuity Act, 1972.

**Description of risk exposures**
Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Company is exposed to various risks as follows:
i) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
ii) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
iii) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
iv) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability

The following table summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the respective plans :

| | | (Rs. In lakhs) |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| **a) Reconciliation of opening and closing balances of defined benefit obligation** | | |
| Defined benefit obligation at the beginning of the year | 171.23 | 73.69 |
| Merger Adjustment | - | 63.50 |
| Interest costs | 11.60 | 1.98 |
| Current service cost | 79.65 | 38.58 |
| Benefit paid | (14.30) | (6.54) |
| Acquisition adjustments | 0.52 | - |
| Remeasurement of (gain)/loss in other comprehensive income | 35.98 | 0.02 |
| **Defined benefit obligation at year end** | **284.69** | **171.23** |
| **b) Reconciliation of opening and closing balances of fair value of plan assets** | | |
| Fair value of plan assets at beginning of the year | - | - |
| **Fair value of plan assets at year end** | **-** | **-** |
| **c) Net defined benefit (liability)/ asset recognized in the balance sheet** | | |
| Fair value of plan assets | - | - |
| Present value of defined benefit obligation | (284.69) | (171.23) |
| **Amount recognized in balance sheet - (liability)/ asset** | **(284.69)** | **(171.23)** |
| **Current** | 4.65 | 1.90 |
| **Non current** | 280.04 | 169.33 |
| **Total** | **284.69** | **171.23** |
| **d) Other comprehensive income (net of capitalized)** | **15.81** | **(1.23)** |
| **e) Net defined benefit expense (recognized in the statement of profit and loss for the year)** | | |
| Current service cost | 79.65 | 15.26 |
| Interest cost on benefit obligation | 11.60 | 21.64 |
| Expected return on plan assets | - | 0.74 |
| Capitalised as investment property / cost of goods sold | (54.04) | 2.92 |
| **Net defined benefit expense debited to statement of profit and loss** | **37.22** | **40.56** |

**f) Principal assumptions used in determining defined benefit obligation**

| **Assumption particulars** | **As At March 31, 2024** | **As At March 31, 2023** |
|---|---|---|
| Discount rate | 7.09% | 7.26% |
| Future Salary Increases | 10.00% | 10.00% |
| Mortality Rate (% of IALM 12-14) | 100.00% | 100.00% |

**g) Quantitative sensitivity analysis for significant assumptions is as below:**
Increase / (decrease) on present value of defined benefits obligations at the end of the year

| | | |
|---|---|---|
| Discount rate | | |
| Increase by 0.50% | (15.00) | (8.71) |
| Decrease by 0.50% | 16.51 | 9.57 |
| Salary growth rate | | |
| Increase by 0.50% | 14.19 | 7.00 |
| Decrease by 0.50% | (13.11) | (6.44) |

h) The average duration of the defined benefit plan obligation at the end of the reporting period is 7- 21 years (March 31, 2023: 7 - 21 years)

i) The Group expects to contribute Rs. Nil (March 31, 2023: Nil) to the planned assets during the next financial year.

j) 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.

k) 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.

l) 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.

m) **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.

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36 During the pervious year, 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 land owners a sum of Rs. 9,395 lakhs (March 31, 2023- Rs. 4,917 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 land owners.

36a 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 during the previous year 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.

In addition to the above, the merger also requires the Company to file combined income tax return for the year ended March 31, 2023. Consequently, tax liability on combined basis has been recomputed by the Company, resulting in lower tax liability of ~Rs. 149 lakhs for the year ended March 31, 2023.

37 **Employee Stock Option Plan**

**Employee Stock Option Plan – 2023 ("the 2023 Plan"):**
The Company has constituted an Employee Stock Option Plan - 2023 which have been approved by the Board in the meeting held on July 31, 2023 and by shareholders of in its annual general meeting held on December 22, 2023.

The details of activity under the scheme are summarized below:

| Particulars | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | Number of options | Weighted Average exercise price (Rs.) | Number of options | Weighted Average exercise price (Rs.) |
| Outstanding at the start of the year | 8,93,976 | 30.59 | - | - |
| Add- Adjustment on account of merger (refer note 36a) | - | - | 8,29,156 | 17.83 |
| **Outstanding at the start of the year (post merger effect)** | **8,93,976** | **30.59** | **8,29,156** | **17.83** |
| Options granted during the year | 96,279 | 95.33 | 2,97,538 | 53.87 |
| Forfeited during the year | 1,26,263 | 44.43 | 75,740 | 12.90 |
| Exercised during the year* | 30,918 | 12.90 | 1,56,978 | 15.84 |
| Outstanding at the year end | 8,33,074 | 36.63 | 8,93,976 | 30.59 |
| Exercisable at the year end | 2,87,672 | 22.47 | 88,962 | 13.99 |

*30,918 equity shares which were exercised in previous year has been alloted in current year

For options exercised during the year, the weighted average share price at the exercise date was 12.90 per share. (March 31, 2023 : Rs. 15.84 per share).

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2024 and March 31, 2023 are as follows:

| Date of grant | March 31, 2024 | | March 31, 2023 | |
|---|---|---|---|---|
| | Number of options | Weighted average remaining life in years | Number of options | Weighted average remaining life in years |
| 04-06-2020 (Grant Type III) | 4,05,129 | 0.17 | 4,87,528 | 1.17 |
| 02-07-2021 (Grant Type IV) | 78,733 | 1.17 | 96,231 | 2.17 |
| 02-07-2021 (Grant Type V) | - | - | 12,679 | 2.17 |
| 25-07-2022 (Grant Type VI) | 2,43,692 | 2.32 | 2,85,299 | 3.32 |
| 08-11-2022 (Grant Type VII) | 12,239 | 2.61 | 12,239 | 3.61 |
| 19-05-2023 (Grant Type VIII) | 93,281 | 3.13 | - | - |

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 erstwhile Holding Company "Max Ventures and Industries LImited. During the period ended March 31, 2024, 30,918 number of stock options were exercised by the aforesaid option holders. 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.

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**38 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 | |
|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| **Financial asset at amortized cost** | | | | |
| **Non-Current** | | | | |
| Other financial assets (refer note 5(iv)) | 9,811.89 | 6,858.87 | 9,811.89 | 6,858.87 |
| Trade Receivable (refer note 5(ii)) | 659.83 | 968.61 | 659.83 | 968.61 |
| Other bank balance (refer note 5(iii)) | 2,451.02 | 1,001.35 | 2,451.02 | 1,001.35 |
| **Current** | | | | |
| Other financial assets (refer note 9(v)) | 5,265.91 | 4,665.46 | 5,265.91 | 4,665.46 |
| Bank balances (refer note 9(iv)) | 2,924.31 | 2,374.31 | 2,924.31 | 2,374.31 |
| Trade receivables (refer note 9(ii)) | 801.44 | 578.06 | 801.44 | 578.06 |
| Cash & cash equivalents (refer note 9(iii)) | 23,073.62 | 1,762.70 | 23,073.62 | 1,762.70 |
| **Financial asset measured at fair value** | | | | |
| **Non-Current** | | | | |
| Investments (refer note 5(i)) | 269.41 | 5,363.17 | 269.41 | 5,363.17 |
| **Current** | | | | |
| Investments (refer note 9(i)) | 8,996.41 | 10,596.36 | 8,996.41 | 10,596.36 |
| **Financial liabilities at amortized cost** | | | | |
| **Non-Current** | | | | |
| Borrowings (refer note 13) | 82,587.12 | 75,081.26 | 82,587.12 | 75,081.26 |
| Lease liabilities (refer note 4b) | 4,142.53 | 3,488.11 | 4,142.53 | 3,488.11 |
| Other non-current financial liabilities (refer note 14) | 13,081.01 | 4,536.85 | 13,081.01 | 4,536.85 |
| **Current** | | | | |
| Borrowings (refer note 17(i)) | 8,832.14 | 7,358.04 | 8,832.14 | 7,358.04 |
| Other current financial liabilities (refer note 17 (iii)) | 3,927.39 | 1,655.24 | 3,927.39 | 1,655.24 |
| Trade payables (refer note 17 (ii)) | 3,729.17 | 2,703.51 | 3,729.17 | 2,703.51 |
| Lease liabilities (refer note 4b) | 613.81 | 236.66 | 613.81 | 236.66 |

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

**(i) 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 |
| Other financial assets (refer note 5(iv)) | 9,811.89 | - | - | 9,811.89 |
| Other financial assets (refer note 9(v)) | 5,265.91 | - | - | 5,265.91 |
| Trade Receivable (refer note 5(ii)) | 659.83 | - | - | 659.83 |
| Other bank balance (refer note 5(iii)) | 2,451.02 | - | - | 2,451.02 |
| Bank balances (refer note 9(iv)) | 2,924.31 | - | - | 2,924.31 |
| Trade receivables (refer note 9(ii)) | 801.44 | - | - | 801.44 |
| Investments (refer note 5(i)) | 269.41 | - | - | 269.41 |
| Investments (refer note 9(i)) | 8,996.41 | 8,996.41 | - | - |

**(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2023**

(Rs. in Lakhs)

| Particulars | Carrying value March 31, 2023 | Fair value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Other financial assets (refer note 5(iv)) | 6,858.87 | - | - | 6,858.87 |
| Other financial assets (refer note 9(v)) | 4,665.46 | - | - | 4,665.46 |
| Trade Receivable (refer note 5(ii)) | 968.61 | - | - | 968.61 |
| Other bank balance (refer note 5(iii)) | 1,001.35 | - | - | 1,001.35 |
| Bank balances (refer note 9(iv)) | 2,374.31 | - | - | 2,374.31 |
| Trade receivables (refer note 9(ii)) | 578.06 | - | - | 578.06 |
| Investments (refer note 5(i)) | 5,363.17 | - | - | 5,363.17 |
| Investments (refer note 5(i)) | 10,596.36 | 10,596.36 | - | - |

**(iii) 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 |
| Borrowings (refer note 13) | 82,587.12 | - | - | 82,587.12 |
| Lease liabilities (refer note 4b) | 4,142.53 | - | - | 4,142.53 |
| Other non-current financial liabilities (refer note 14) | 13,081.01 | - | - | 13,081.01 |
| Borrowings (refer note 17(i)) | 8,832.14 | - | - | 8,832.14 |
| Other current financial liabilities (refer note 17 (iii)) | 3,927.39 | - | - | 3,927.39 |
| Trade payables (refer note 17 (ii)) | 3,729.17 | - | - | 3,729.17 |
| Lease liabilities (refer note 4b) | 613.81 | - | - | 613.81 |

**(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2023**

(Rs. in Lakhs)

| Particulars | Carrying value March 31, 2023 | Fair value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Borrowings (refer note 13) | ######## ###### | - | - | 75,081.26 |
| Lease liabilities (refer note 4b) | ######## ####### | - | - | 3,488.11 |
| Other non-current financial liabilities (refer note 14) | ######## ####### | - | - | 4,536.85 |
| Borrowings (refer note 17(i)) | ######## ####### | - | - | 7,358.04 |
| Other current financial liabilities (refer note 17 (iii)) | ######## ####### | - | - | 1,655.24 |
| Trade payables (refer note 17 (ii)) | ######## ####### | - | - | 2,703.51 |
| Lease liabilities (refer note 4b) | ###### ######### | - | - | 236.66 |

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## 39 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. The Group uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by Banking and Forex department under policies approved by the Board of Directors from time to time. The Banking and Forex 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 foreign exchange risk, 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, 2024 and March 31, 2023 based on contractual undiscounted payments:

(Rs. in Lakhs)

| | 0-1 Years | 1-5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| **March 31, 2024** | | | | |
| Interest bearing borrowings | 8,832.14 | 82,587.12 | - | **91,419.26** |
| Trade payable | 3,729.17 | - | - | **3,729.17** |
| Other financial liabilities | 17,008.40 | - | - | **17,008.40** |
| | | | | |
| **March 31, 2023** | | | | |
| Interest bearing borrowings | 7,358.04 | 75,081.26 | - | **82,439.30** |
| Trade payable | 2,703.51 | - | - | **2,703.51** |
| Other financial liabilities | 6,192.09 | - | - | **6,192.09** |
| | | | | |

*Lease liability maturity profile has been disclosed under note 4b

**Interest bearing borrowings**

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

**Reconciliation of interest bearing borrowings** (Rs. in Lakhs)

| | Schedule no | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (i) Non-Current borrowings | 13 | 82,587.12 | 75,065.32 |
| (ii) Short-term borrowings | 17(i) | - | 6,259.37 |
| (iii) Current maturity of long term borrowings | 17(i) | 8,832.14 | 1,098.67 |
| Processing fees adjusted from borrowings | | - | 15.94 |
| | | 91,419.26 | 82,439.30 |

### 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 and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. An impairment analysis is performed at each reporting date on group\category basis. The calculation is based on exchange losses 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 several jurisdictions 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.

### 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, 2023 and March 31, 2024. 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, 2023, and March 31, 2024.

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**40 Related party disclosures**

| Names of related parties with whom transactions have taken place during the year | |
|---|---|
| Key management personnel | Mr. Sahil Vachani<br>Mr. Nitin Kumar Kansal (Chief Financial Officer)<br>Mr. Rishi Raj (upto July 31, 2023)<br>Mr. Kishansingh Ramsinghancy (upto July 31, 2023)<br>Mr. Bishawjit Das (upto July 31, 2023)<br>Mr. Ankit Jain (Company Secretary (upto January 11, 2023))<br>Mr. Abhishek Mishra (Company Secretary w.e.f. May 19, 2023) |
| Other Non- executive/Independent Directors | Mr. Analjit Singh<br>Mr. Dinesh Kumar Mittal<br>Mr. K. Narsimha Murthy (upto August 8, 2022)<br>Mr. Niten Malhan<br>Ms. Gauri Padmanabhan<br>Mrs. Avani Vishal Davda (from February 09, 2024 to May 02, 2024)<br>Mr. Anthony Ramsey Malloy (w.e.f. March 27, 2024)<br>Ms. Jillian Leigh Moo – Young (Alternate Director to Mr. Anthony Ramsey Malloy)<br>Mr. Atul Behari Lall (w.e.f. March 27, 2024)<br>Mr. Ka Luk Stanley Tai (upo March 27, 2024) |
| Entities controlled or jointly controlled by person or entities where person has significantly influence | Max Ventures Private Limited<br>Piveta Estates Private Limited<br>Siva Realty Ventures Private Limited<br>New Delhi House Services Limited<br>Vana Enterprises Limited<br>Vanaveda Lifestyle Private Limited<br>Four Season Foundation<br>Lake View Enterprises<br>Max Life Insurance Company Limited<br>New York Life Insurance Company Limited<br>Siva Enterprises Private Limited<br>Max India Limited<br>Max India Foundation<br>SKA Diagnostic Private Limited<br>Antara Purukul Senior Living Limited<br>Riga Foods LLP<br>Max Financial Services Limited<br>Max Learning ventures Limited<br>Routes 2 Roots<br>Antara Care Homes Limited<br>Delhi Guest House Private Limited<br>Topline Electronics Private Limited<br>RV Legal<br>Antara Assisted Care Services Limited<br>Max Skill First Limited<br>Max Ateev Limited<br>Antara Senior Living Limited<br>Dixon Technologies (India) Limited<br>Trophy Estates Private Limited<br>Analjit Singh HUF |

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Max Estates Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

40 (a) Details of transactions with related parties

(Rs. In lakhs)

| S.No | Nature of transaction | Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| 1 | Reimbursement of expenses (Paid to) | Max Life Insurance Company Limited | 12.01 | 10.33 |
| | | New Delhi House Services Ltd. | 32.95 | 5.56 |
| | | Max Financial Services Ltd | 42.72 | - |
| | | Antara Senior Living Limited | - | 8.85 |
| | | Max India Limited | - | - |
| | | Nitin Kumar Kansal | 6.65 | 0.13 |
| | | Rishiraj | 8.95 | - |
| | | Antara Purukul Senior Living Limited | 0.69 | - |
| | | Delhi Guest House Private Limited | 22.00 | - |
| | | Riga Foods LLP | 4.07 | 17.13 |
| | | Antara Assisted Care Services Limited | 1.74 | - |
| | | Vanaveda Lifestyle Private Limited | 0.69 | - |
| | | Vana Enterprises Limited | 2.39 | - |
| | | **Total** | **134.85** | **42.00** |
| 2 | Revenue from rentals and other services | Max Learning Ventures Limited | 69.26 | 62.58 |
| | | Routes 2 Roots | 45.01 | 32.26 |
| | | Antara Senior Living Limited | 42.00 | - |
| | | Riga Foods LLP | 22.25 | 22.05 |
| | | Max Financial Services Limited | 25.65 | 27.93 |
| | | Max India Limited | 36.00 | 37.98 |
| | | Topline Electronics Private Limited | 8.77 | 42.23 |
| | | Antara Assisted Care Services Limit | 2.25 | - |
| | | Antara Care Homes Limited | - | 0.66 |
| | | Antara Senior Living Limited | - | 43.54 |
| | | Max India Foundation | 0.38 | - |
| | | Max Life Insurance Company Limited | 0.55 | 6.23 |
| | | Antara Care Homes Limited | 0.48 | - |
| | | Max Ateev Limited | 0.16 | 0.20 |
| | | Siva Realty Ventures Private Limited | - | 66.00 |
| | | Max Skill First Limited | 0.54 | 0.66 |
| | | Max Ventures Investment Holding Pvt Ltd | 6.75 | - |
| | | Dixon Technologies (India) Limited | 4.87 | - |
| | | **Total** | **264.92** | **342.32** |
| 4 | Shared services expenses | Max India Limited | 50.00 | 50.00 |
| | | **Total** | **50.00** | **50.00** |
| 5 | Repair & Maintenance | New Delhi House Services Limited | 98.26 | 17.95 |
| | | Delhi Guest House Private Limited | - | 44.35 |
| | | **Total** | **98.26** | **62.30** |
| 6 | Lease payments | Delhi Guest House Private Limited | 60.00 | 60.00 |
| | | SKA Diagnostics Private Limited | 37.50 | 37.44 |
| | | Max India Limited | 115.89 | - |
| | | Max Life Insurance Company Limited | 531.67 | 447.48 |
| | | **Total** | **745.06** | **544.92** |
| 7 | Contribution to Provident Fund Trust | Max financial services limited Employees' Provident Fund Trust | - | 65.38 |
| | | **Total** | **-** | **65.38** |
| 8 | Directors' sitting fees | Analjit Singh | 11.00 | 6.00 |
| | | D.K Mittal | 24.00 | 19.00 |
| | | Gauri Padmanabhan | 16.00 | 14.00 |
| | | Niten Malhan | 22.00 | 17.00 |
| | | K.N Murthy | - | 11.00 |
| | | Avani Vishal Davda | 2.00 | - |
| | | **Total** | **75.00** | **67.00** |
| 9 | Security deposit received | Antara Senior Living Limited | 3,300.00 | 7.87 |
| | | Max Financial Services Limited | - | 5.03 |
| | | Max India Limited | | 17.58 |
| | | Routes 2 Roots | 3.35 | - |
| | | **Total** | **3,303.35** | **30.48** |
| 10 | Security deposit paid | Max India Limited | 115.89 | |
| | | Max Life Insurance Company Limited | - | 76.41 |
| | | **Total** | **115.89** | **76.41** |
| 11 | Key managerial remuneration - short term employment benefits | Sahil Vachani | 360.87 | 153.09 |
| | | Nitin Kumar Kansal | 113.52 | 76.94 |
| | | Ankit Jain | - | 34.09 |
| | | Abhishek Mishra | 27.03 | - |
| | | **Total** | **501.42** | **264.12** |
| 12 | Key managerial remuneration - post employment benefits | Sahil Vachani | 52.04 | 7.88 |
| | | Nitin Kumar Kansal | 34.09 | 5.04 |
| | | Ankit Jain | - | 1.49 |
| | | Abhishek Mishra | 1.76 | - |
| | | **Total** | **87.89** | **14.41** |
| 13 | Investment made in Equity shares of Susbdiary by Related party | New York Life Insurance Company Limited | 5,267.49 | 5,390.47 |
| | | **Total** | **5,267.49** | **5,390.47** |
| 14 | Compulsorily convertible debentures (CCD) issued * | New York Life Insurance Company Limited | 13,362.89 | - |
| | | **Total** | **13,362.89** | **-** |
| 15 | Interest paid on CCD - Max Square and Acreage* | New York Life Insurance Company Limited | 3,057.75 | 766.92 |
| | | **Total** | **3,057.75** | **766.92** |
| 16 | Corporate Social Responsibility/ Donation | Max India Foundation | 100.01 | 40.00 |
| | | **Total** | **100.01** | **40.00** |
| 17 | Management fee (included in legal and professional expenses) | Analjit Singh | 300.00 | 225.00 |
| | | **Total** | **300.00** | **225.00** |
| 18 | GST liability on Usage of Brand | Max India Limited | 9.00 | |
| | | **Total** | **9.00** | **-** |

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

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Max Estates Limited
Notes to Consolidated Financial Statements for the year ended March 31, 2024

**40 (b) Balances outstanding at year end**

(Rs. In lakhs)

| S.No | Nature of transaction | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| 1 | **Statutory dues payable** | Max Financial services Limited Employees' Provident Fund Trust | - | 4.95 |
| | | **Total** | **-** | **4.95** |
| 2 | **Trade Receivables** | Max Ventures Investment Holding Pvt Ltd | 4.21 | 23.20 |
| | | Piveta Estates Private Limited | 9.12 | 6.29 |
| | | Antara Purukul Senior Living Limited | 0.28 | - |
| | | Max India Limited | 7.83 | - |
| | | Trophy Estate Private Limited | 18.32 | 18.32 |
| | | Analjit Singh HUF | 9.16 | 9.16 |
| | | Mr. Analjit Singh | 52.80 | 52.80 |
| | | Siva Realty Ventures Pvt Limited | - | 0.09 |
| | | Max Skill First Limited | 0.04 | 0.28 |
| | | Max One Distribution and Services Ltd | 0.03 | 0.03 |
| | | Max Ventures Private Limited | - | 3.19 |
| | | Antara Senior Living Limted | 8.29 | 2.27 |
| | | Max Financial services Limited | 15.88 | - |
| | | Routes 2 Roots | 7.08 | 2.34 |
| | | Max Learning Ventures Limited | 7.69 | 20.06 |
| | | Riga Foods LLP | 3.41 | 3.53 |
| | | Antara Care Homes Limited | 0.62 | - |
| | | Antara Assisted Care Services Limit | 1.64 | - |
| | | **Total** | **146.40** | **141.56** |
| 3 | **Advance to party** | Max India Foundation | - | 5.00 |
| | | SKA Diagnostic Private Limited | - | 0.25 |
| | | **Total** | **-** | **5.25** |
| 4 | **Other receivables** | Piveta Estates Private Limited | - | 2.83 |
| | | Max Life Insurance Co. Limited | 1.24 | 1.70 |
| | | Antara Care Homes Limited | - | 0.69 |
| | | Antara Senior Living Limited | - | 0.57 |
| | | Rishi Raj | - | 2.50 |
| | | Max Learning Ventures Private Limited | - | 0.28 |
| | | Max Ventures Private Limited | 8.65 | 5.46 |
| | | Antara Purukul Senior Living Limited | - | 0.36 |
| | | Siva Realty Ventures Pvt Limited | - | 0.07 |
| | | **Total** | **9.89** | **14.46** |
| 5 | **Trade payables and capital creditors** | Max Financial Services Limited | 1.69 | 34.83 |
| | | Max India Limited | 19.44 | 60.50 |
| | | Max Skill First Limited | - | 0.25 |
| | | Vana Enterprises Limited | - | 1.91 |
| | | Antara Senior Living Limited | - | 2.08 |
| | | Antara Purukul Senior Living Limited | - | - |
| | | Max Learning Ventures Pvt Limited | - | 2.27 |
| | | New Delhi House Services Limited | 11.47 | - |
| | | Mrs Gauri Padmnabhan | 0.90 | 1.80 |
| | | Riga Foods LLP | - | 0.64 |
| | | Routes 2 Roots | - | 0.90 |
| | | Max Ateev Ltd | 0.03 | - |
| | | Antara Assisted Care Services Ltd | 0.13 | - |
| | | Max Venture Investment Holding Private Limited | 5.39 | - |
| | | **Total** | **39.04** | **105.18** |
| 6 | **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 | - |
| | | **Total** | **384.56** | **268.67** |
| 7 | **Security deposit received** | Topline Electronics Pvt Ltd | 3.00 | 10.56 |
| | | Antara Senior Living Limited | 7.87 | 7.87 |
| | | Route to routes | 9.38 | 5.40 |
| | | Max Learning Ventures Pvt Ltd | 23.87 | 23.87 |
| | | Vana Retreats Pvt. Ltd. | 1.91 | 18.11 |
| | | Max Financial Services Limited | 5.03 | 5.03 |
| | | Max India Limited | 7.87 | 7.87 |
| | | Max Ventures Investment Holding Pvt Ltd | 1.58 | 1.58 |
| | | **Total** | **60.51** | **80.29** |
| 8 | **Compulsorily convertible debentures (CCD) *** | New York Life Insurance Company Limited (Max Square) | 26.70 | 5,116.97 |
| | | New York Life Insurance Company Limited (Acreage) | 7,821.90 | - |
| | | **Total** | **7,848.59** | **5,116.97** |
| 9 | **Interest Accrued on CCD *** | New York Life Insurance Company Limited (Max Square) | 4,126.09 | 1,848.35 |
| | | New York Life Insurance Company Limited (Acreage) | 758.16 | - |
| | | **Total** | **4,884.25** | **1,848.35** |
| 10 | **Equity Share Capital Issued** | New York Life Insurance Company Limited (Max Square) | 10,657.95 | 5,390.47 |
| | | New York Life Insurance Company Limited (Acreage) | 26.70 | |
| | | **Total** | **10,684.65** | **5,390.47** |

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

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

(Rs. in Lakhs)

| Particulars | Opening balance April 1, 2023 | Cash flows | | Non-cash transactions | | | Closing balance March 31, 2024 |
|---|---|---|---|---|---|---|---|
| | | Proceeds | Repayment | Processing cost/ Interest accretion | New leases | Other | |
| Loans from banks (including current maturity) | 74,659.79 | 6,282.72 | (6,156.60) | - | - | (1,286.46) | 73,499.45 |
| Compulsory convertible Debentures | 7,749.32 | 10,085.71 | - | - | - | - | 17,835.03 |
| Vehicle loans | 30.19 | 114.79 | (60.20) | - | - | - | 84.78 |
| Current lease liabilities | 236.66 | - | (236.66) | - | - | 613.81 | 613.81 |
| Non-current lease liabilities | 3,488.11 | - | (508.00) | 438.76 | 1,337.47 | (613.81) | 4,142.53 |
| **Total liabilities from financing activities** | **86,164.07** | **16,483.22** | **(6,961.46)** | **438.76** | **1,337.47** | **(1,286.46)** | **96,175.61** |

(Rs. in Lakhs)

| Particulars | Opening balance April 1, 2022 | Cash flows | | Non-cash transactions | | | Closing balance March 31, 2023 |
|---|---|---|---|---|---|---|---|
| | | Proceeds | Repayment | Processing cost/ Interest accretion | New leases | Other | |
| Loans from banks (including current maturity) | 27,540.76 | 88,306.04 | (38,960.63) | (815.70) | - | (1,410.68) | 74,659.79 |
| Compulsory convertible Debentures | | 7,749.32 | | | | | 7,749.32 |
| Vehicle loans | 31.34 | 21.17 | - | - | - | (22.32) | 30.19 |
| Current lease liabilities | - | 103.26 | - | - | - | 133.40 | 236.66 |
| Non-current lease liabilities | - | 783.00 | - | - | - | 2,705.11 | 3,488.11 |
| **Total liabilities from financing activities** | **27,572.10** | **96,962.79** | **(38,960.63)** | **(815.70)** | **-** | **1,405.52** | **86,164.07** |

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**42 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. 17.29 lakhs (March 31, 2023: Rs. 39.79 lakhs)

(Rs. in Lakhs)

| | March 31, 2024 | March 31, 2023 |
|---|---|---|
| **(a) Details of CSR expenditure*** | | |
| Gross amount required to be spent by the Company during the year | 17.29 | 39.79 |
| Amount spent during the year | | |
| i) Construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 50.00 | 39.79 |
| *There are no ongoing projects as at March 31, 2024 | | |
| **(b) Details related to spent / unspent obligations:** | | |
| i) Contribution to public trust | - | - |
| ii) Contribution to charitable trust | - | - |
| iii) Unspent amount in relation to: | | - |
| - Ongoing project | - | |
| - Other than ongoing project | - | - |

**(c) Note for other than ongoing project:**

| | In case of Section 135(5) (Other than ongoing project) | |
|---|---|---|
| **Opening balance** | | |
| With Company | - | - |
| In separate CSR unspent account | - | - |
| Amount deposited in specified fund of Schedule VII within 6 months | - | - |
| Amount required to be spent during the year | - | - |
| Amount spent during the year | | |
| From Company's bank A/c | - | - |
| From separate CSR unspent a/c | - | - |
| **Closing balance** | | |
| With Company | - | - |
| In separate CSR unspent account | - | - |

There are no ongoing projects for the year ended March 31, 2024 and March 31, 2023.

**43 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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## 44 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, 2024 is provided below:

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

| Particulars | Acreage Builders Private Limited* | | Max Square Limited | |
|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Proportion of equity interest held by non-controlling interests | 49.00% | - | 49.00% | 49.00% |

**b) Information regarding non-controlling interest**

(Rs. in Lakhs)

| Particulars | Acreage Builders Private Limited* | | Max Square Limited | | Total | |
|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Accumulated balances of non-controlling interest | 16,616.82 | - | 11,346.66 | 4,266.94 | 27,963.48 | 4,266.94 |
| Total Comprehensive income allocated to non-controlling interest | (9.10) | - | (1,287.04) | (54.79) | (1,296.14) | (54.79) |

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, 2024 and March 31,2023:**

(Rs. in Lakhs)

| Particulars | Acreage Builders Private Limited* | | Max Square Limited | | Total | |
|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Revenue (including other incomes) | - | - | 1,059.05 | - | 1,059.05 | - |
| Total expenses | 18.57 | - | 511.15 | 111.81 | 529.71 | 111.81 |
| Depreciation and amortization expense | - | - | - | - | - | - |
| **Profit before tax** | (18.57) | - | (511.15) | (111.81) | (529.71) | (111.81) |
| Less: Tax expense | | - | | - | - | - |
| **Profit for the year** | (18.57) | - | (511.15) | (111.81) | (529.71) | (111.81) |
| Add/(Less): Other Comprehensive Income/loss | - | - | - | - | - | - |
| **Total comprehensive income** | **(18.57)** | - | **(511.15)** | **(111.81)** | **(529.71)** | **(111.81)** |
| Attributable to non-controlling interests | (9.10) | - | (250.46) | (54.79) | (259.56) | (54.79) |
| Dividends paid to non-controlling interests | - | - | | - | - | - |

**Summarised balance sheet as at March 31, 2024 and March 31, 2023**

(Rs. in Lakhs)

| Particulars | Acreage Builders Private Limited* | | Max Square Limited | | Total | |
|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Current assets, including cash and cash equivalents | 6,656.62 | - | 4,592.91 | 1,439.18 | 11,249.53 | 1,439.18 |
| Non-current assets | 31,455.64 | - | 72,982.89 | 47,523.61 | 1,04,438.54 | 47,523.61 |
| Current liabilities, including tax payable | 459.78 | - | 2,941.28 | 807.67 | 3,401.06 | 807.67 |
| Non-current liabilities, including deferred tax liabilities | 13,011.74 | - | 49,233.10 | 33,890.74 | 62,244.84 | 33,890.74 |
| **Total equity** | **24,640.74** | - | **25,401.50** | **14,264.40** | **50,042.25** | **14,264.40** |
| **Attributable to:** | | | | | - | |
| Equity holders of parent | 8,023.92 | - | 14,054.85 | 9,997.46 | 22,078.77 | 9,997.46 |
| Non-controlling interest | 16,616.82 | - | 11,346.66 | 4,266.94 | 27,963.48 | 4,266.94 |

**Summarised cash flow information as at March 31, 2024 and March 31, 2023**

(Rs. in Lakhs)

| Particulars | Acreage Builders Private Limited* | | Max Square Limited | | Total | |
|---|---|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 | March 31, 2024 | March 31, 2023 |
| Operating | (42.53) | - | 4,685.84 | (2,286.22) | 4,643.31 | (2,286.22) |
| Investing | (11,146.29) | - | (28,020.02) | (11,962.75) | (39,166.31) | (11,962.75) |
| Financing | 11,232.47 | - | 23,216.05 | 1,036.76 | 34,448.52 | 1,036.76 |
| Net increase in cash and cash equivalents | 43.65 | - | (118.13) | (13,212.21) | (74.48) | (13,212.21) |

*Since, in previous year Acreage Builders Private Limited was a wholly owned subsidiary, figures for perious year are not presented.

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S.R. BATLIBOI & CO. LLP
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## 45 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, 2024** | **As at March 31, 2023** |
| Borrowings | 91,419.26 | 82,439.30 |
| Other financial liabilities | 17,008.40 | 6,192.09 |
| Trade payables | 3,729.17 | 2,703.51 |
| Less: Cash and Cash equivalents | 23,073.62 | 1,762.70 |
| Other bank balances | 5,375.33 | 3,375.66 |
| **Net debt** | **83,707.88** | **86,196.54** |
| | | |
| Equity share capital | 14,752.13 | 14,710.36 |
| Other equity | 1,02,337.70 | 1,06,410.14 |
| Non-controlling interest | 27,963.48 | 4,266.94 |
| **Total equity** | **1,45,053.31** | **1,25,387.44** |
| **Total capital and net debt** | **2,28,761.19** | **2,11,583.98** |
| **Gearing ratio** | 36.59% | 40.74% |

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46 Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - General instructions for the preparation of consolidated Ind AS Financial statement:

**As at and for the year ended March 31, 2024:**

| 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 | |
|---|---|---|---|---|---|---|---|---|
| | 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) |
| **Parent** | | | | | | | | |
| Max Estates Limited | 86.80% | 1,25,913.50 | (42.30%) | 2,332.00 | 81.62% | (9.66) | (42.04%) | 2,322.35 |
| | | | | | | | | |
| **Subsidiary** | | | | | | | | |
| Max I. Limited | 1.50% | 2,177.73 | (0.78%) | 43.27 | 0.00% | - | -0.78% | 43.27 |
| Max Square Limited | 17.51% | 25,402.43 | 47.65% | (2,626.62) | 0.00% | - | 47.55% | (2,626.62) |
| Pharmax Corporation Limited | 1.19% | 1,729.55 | -2.25% | 123.92 | 0.00% | - | -2.24% | 123.92 |
| Max Asset Services Limited | (1.32%) | (1,908.74) | 81.63% | (4,499.59) | 18.38% | (2.17) | 81.49% | (4,501.77) |
| Max Towers Private Limited | 6.95% | 10,087.89 | 1.13% | (62.43) | 0.00% | - | 1.13% | (62.43) |
| Max Estates 128 Private Limited | 0.30% | 440.89 | 7.32% | (403.33) | 0.00% | - | 7.30% | (403.33) |
| Mas Estates Gurgaon Limited | -0.21% | (304.37) | 5.94% | (327.32) | 0.00% | - | 5.93% | (327.32) |
| Acreage Builders Private Limited | 16.99% | 24,640.74 | 0.34% | (18.57) | 0.00% | - | 0.34% | (18.57) |
| Max Estate Gurgaon Two Limited | 0.00% | (0.10) | 0.00% | (0.20) | 0.00% | - | 0.00% | (0.20) |
| Astiki Realty Private Limited | 0.01% | 9.80 | 0.00% | (0.20) | 0.00% | - | 0.00% | (0.20) |
| **Non controlling interests in all subsidiaries** | 19.28% | 27,963.48 | 0.00% | - | 0.00% | - | 0.00% | - |
| **Eliminations** | (49.02%) | (71,099.47) | 1.33% | (73.37) | 0.00% | - | 1.33% | (73.37) |
| | **100%** | **1,45,053.32** | **100%** | **(5,512.44)** | **100%** | **(11.83)** | **100%** | **(5,524.27)** |

**As at and for the year ended March 31, 2023:**

| 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 | |
|---|---|---|---|---|---|---|---|---|
| | 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) |
| **Parent** | | | | | | | | |
| Max Estates Limited | 183.55% | 2,30,155.66 | 168.34% | 3,109.09 | 100.00% | 0.01 | 168.36% | 3,109.10 |
| | | | | | | | | |
| **Subsidiary** | | | | | | | | |
| Max I. Limited | 1.69% | 2,118.04 | (3.48%) | (64.22) | 0.00% | - | (3.48%) | (64.22) |
| Max Square Limited | 11.38% | 14,264.40 | (6.05%) | (111.81) | 0.00% | - | (6.05%) | (111.81) |
| Pharmax Corporation Limited | 1.28% | 1,610.89 | 16.09% | 297.17 | 0.00% | - | 16.09% | 297.17 |
| Max Asset Services Limited | 2.06% | 2,582.79 | 5.10% | 94.20 | 0.00% | - | 5.10% | 94.20 |
| Max Towers Private Limited | 8.09% | 10,149.81 | 16.81% | 310.41 | 0.00% | - | 16.81% | 310.41 |
| Max Estates 128 Private Limited (w.e.f. June 17, 2022) | 0.67% | 834.84 | (7.50%) | (138.43) | 0.00% | - | (7.50%) | (138.43) |
| Mas Estates Gurgaon Limited (w.e.f. September 05, 2022) | 0.01% | 9.94 | 0.00% | - | 0.00% | - | 0.00% | - |
| Acreage Builders Private Limited (w.e.f. October 27, 2022) | 16.26% | 20,385.80 | (0.20%) | (3.78) | 0.00% | - | (0.20%) | (3.78) |
| **Non controlling interests in all subsidiaries** | 3.40% | 4,266.94 | 0.00% | - | 0.00% | - | 0.00% | - |
| **Eliminations** | (128.40%) | (1,60,991.68) | (89.13%) | (1,645.93) | 0.00% | - | (89.13%) | (1,645.93) |
| | **100.00%** | **1,25,387.44** | **200.00%** | **1,846.70** | **200.00%** | **0.01** | **200.00%** | **1,846.71** |

**47 Events after the end of reporting period**

(a) 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).

(b) 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.

48 The Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled for certain changes made using privileged/ administrative access rights to the application. Further no instance of audit trail feature being tampered with was noted in respect of accounting software. being tampered with was noted in respect of accounting software.

**49 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 (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the financial statements, 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 or previous 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 or previous year.

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

**per Pravin Tulsyan**
Partner
Membership Number: 108044

S.R. BATLIBOI & CO. LLP GURUGRAM

Place: Mumbai
Date: May 22, 2024

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

**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: Mumbai
Date: May 22, 2024

S.R. BATLIBOI & CO. LLP
Chartered Accountants

4th Floor, Office 405
World Mark - 2, Asset No. 8
IGI Airport Hospitality District, Aerocity
New Delhi - 110 037, India
Tel : +91 11 4681 9500

## INDEPENDENT AUDITOR'S REPORT

To the Members of Max Estates Limited

### Report on the audit of the Consolidated Ind AS Financial Statements

### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Max Estates Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Emphasis of Matter

We draw attention to note 45 of the consolidated Ind AS financial statements which states that the merger has been accounted from the Appointed date i.e. April 01, 2022 defined in the Composite Scheme of Amalgamation and Arrangement. However, being a common control business combination, Ind AS 103, Business Combinations requires the Company to account for the business combination from the combination date (i.e., the date on which control has been transferred) or from the earliest date presented in the financial statements, whichever is later. Therefore, comparative financial information for previous year ended March 31, 2022 has not been restated since the Scheme prevails over the applicable accounting requirements Our opinion is not modified in respect of this matter.

S.R. BATLIBOI & CO. LLP NEW DELHI

**Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. The Board's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

**Responsibilities of Management for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

**Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if,

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individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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**Other Matter**

(a) The comparative financial information for the year ended March 31, 2022, included in these consolidated Ind AS financial statements, have not been subjected to audit but have been approved by the Board of Directors of the Company.

(b) We did not audit the financial statements and other financial information, in respect of six subsidiaries, whose financial statements include total assets of Rs. 69,021.97 lakhs as at March 31, 2023, and total revenues of Rs. 4,290.84 lakhs and net cash inflows of Rs. 251.80 lakhs for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors. Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, 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 and the financial statements and other financial information certified by the Management.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

(a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

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(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, , incorporated in India, is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, , incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company and its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements – Refer note 34 to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended March 31, 2023.

iv. a)The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, and as disclosed in the note 47 to the consolidated Ind AS financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b)The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, and as disclosed in the note 47 to the consolidated Ind AS financial statements, no funds have been received by the respective Holding Company

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or any of such subsidiaries from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v) No dividend has been declared or paid during the year by the Holding Company and its subsidiaries, incorporated in India.

vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 01, 2023, for the Holding Company and its subsidiaries incorporated in India, hence reporting under this clause is not applicable.

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

S. R. BATLIBOI & CO. LLP NEW DELHI

**per Pravin Tulsyan**
Partner
Membership Number: 108044
UDIN: 23108044BGYZJA6816
Place of Signature: Gurugram
Date: August 18, 2023

**Annexure 1 referred to in paragraph 1 of "Report on other legal and regulatory requirements" of our report of even date**

**Re: Max Estates Limited (the "Holding Company")**

According to the information and explanations given to us and procedures performed by us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements except for following where the respective auditors have reported qualifications or adverse remarks in their audit report:

| S. No. | Name | CIN | Holding company/ subsidiary/ associate/ joint venture | Clause number of the CARO report which is qualified or is adverse |
|---|---|---|---|---|
| 1 | Max Square Limited | U70200UP2019PLC118369 | Subsidiary | Clause (xvii) |
| 2 | Max I Limited | U74999PB2016PLC045450 | Subsidiary | Clause (xvii) |
| 3 | Max Estates 128 Private Limited | U55101DL2006PTC151422 | Subsidiary | Clause (xvii) |
| 4 | Acreage Builders Private Limited | U70101HR2010PTC047012 | Subsidiary | Clause (xvii) |

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

S.R. BATLIBOI & CO. LLP NEW DELHI

**per Pravin Tulsyan**
Partner
Membership Number: 108044
UDIN: 23108044BGYZJA6816
Place of Signature: Gurugram
Date: August 18, 2023

**Annexure 2 to the Independent auditor's report of even date on the consolidated financial statements of Max Estates Limited**

**Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements of Max Estates Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

**Management's responsibility for Internal Financial Controls**

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's responsibility**

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

S.R. BATLIBOI & CO. LLP
NEW DELHI

**Meaning of Internal Financial Controls with reference to consolidated financial statements**

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

**Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements**

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

**Opinion**

In our opinion, the Group, which are companies incorporated in India, have maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Other matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to the subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary.

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

S.R. BATLIBOI & CO. LLP * NEW DELHI *

**per Pravin Tulsyan**
Partner
Membership Number: 108044
UDIN: 23108044BGYZJA6816
Place of Signature: Gurugram
Date: August 18, 2023

**Max Estates Limited**
**CIN:U70200PB2016PLC040200**
**Consolidated Balance Sheet as at March 31, 2023**

**(Rs. in Lakhs)**

| Particular | Notes | As at March 31, 2023 | As at March 31, 2022 (also refer note 46) |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 582.66 | 116.48 |
| Investment property | 3a | 1,40,508.93 | 89,672.35 |
| Other intangible assets | 4 | 333.05 | 3.45 |
| Right-of-use assets | 4b | 1,317.55 | - |
| Financial assets | | | |
| (i) Investments | 5(i) | 5,363.17 | - |
| (ii) Trade receivables | 5 (ii) | 968.61 | 63.78 |
| (iii) Other bank balances | 5 (iii) | 1,001.35 | 10.26 |
| (iv) Other financial assets | 5 (iv) | 2,997.87 | 245.06 |
| Deferred tax assets | 16 | 1,998.45 | 43.83 |
| Non-current tax assets | 6 | 1,552.71 | 793.33 |
| Other non current assets | 7 | 5,337.43 | 1,790.50 |
| | | **1,61,961.78** | **92,739.04** |
| **Current assets** | | | |
| Inventories | 8 | 38,691.83 | 1,375.52 |
| Financial assets | | | |
| (i) Investments | 9 (i) | 10,596.36 | 1,274.28 |
| (ii) Trade receivables | 9 (ii) | 578.06 | 193.31 |
| (iii) Cash and cash equivalents | 9 (iii) | 1,762.70 | 272.20 |
| (iv) Bank Balances other than (iii) above | 9 (iv) | 2,374.31 | 4,566.40 |
| (v) Other financial assets | 9 (v) | 4,665.46 | 1,268.01 |
| Other current assets | 10 | 2,088.39 | 849.20 |
| | | **60,757.11** | **9,798.92** |
| **Total assets** | | **2,22,718.89** | **1,02,537.96** |
| **Equity** | | | |
| Equity share capital | 11 | - | 7,791.00 |
| Shares pending for allotment | | 14,710.36 | - |
| Other equity | 12 | 1,06,410.14 | 53,095.73 |
| **Equity attributable to equity holders of parent company** | | **1,21,120.50** | **60,886.73** |
| Non-controlling interest | 42 | 4,266.94 | 3,423.27 |
| **Total equity** | | **1,25,387.44** | **64,310.00** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 13 | 75,081.26 | 28,335.38 |
| (ii) Lease liabilities | 4b | 3,488.11 | - |
| (iii) Other non current financial liabilities | 14 | 4,536.85 | 3,742.96 |
| Long term provisions | 15 | 169.33 | 72.94 |
| Deferred tax liabilities | 16 | 1,083.41 | 391.19 |
| | | **84,358.96** | **32,542.47** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 17 (i) | 7,358.04 | 3,176.68 |
| (ii) Trade payables | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | 17 (ii) | 501.79 | 96.52 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | 17 (ii) | 2,201.72 | 900.96 |
| (iii) Lease liabilities | 4b | 236.66 | - |
| (iv) Other current financial liabilities | 17 (iii) | 1,655.24 | 762.99 |
| Other current liabilities | 18 | 767.41 | 633.89 |
| Short term provisions | 19 | 251.63 | 114.45 |
| | | **12,972.49** | **5,685.49** |
| **Total liabilities** | | **97,331.45** | **38,227.96** |
| **Total equity and liabilities** | | **2,22,718.89** | **1,02,537.96** |

| | | | |
|---|---|---|---|
| **Summary of significant accounting policies** | 2 | | |
| **Other notes to accounts** | 3-47 | | |

As per our report of even date

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

per Pravin Tulsyan
Partner

Membership Number: 108044

S. R. BATLIBOI & CO. LLP * NEW DELHI *

Place : Gurugram
Date: 18/8/23

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

**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:

**Max Estates Limited**
**Consolidated Statement of Profit and Loss for the year ended March 31, 2023**

(Rs. in Lakhs)

| | Notes | For the year ended March 31, 2023 | For the year ended March 31, 2022 (also refer note 46) |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 20 | 10,734.20 | 6,928.87 |
| Other income | 21 | 2,393.63 | 464.60 |
| **Total income** | | 13,127.83 | 7,393.47 |
| **EXPENSES** | | | |
| Cost of land, plots, development rights, constructed properties and others | 22 | 1,015.55 | - |
| Change in inventories of constructed properties | 23 | 1,138.84 | 1,850.94 |
| Employee benefits expense | 24 | 1,537.73 | 347.49 |
| Finance costs | 25 | 1,861.87 | 1,616.92 |
| Depreciation and amortization expense | 26 | 1,490.82 | 1,068.14 |
| Other expenses | 27 | 3,874.82 | 1,664.90 |
| **Total expenses** | | 10,919.63 | 6,548.39 |
| **Profit before tax** | | **2,208.20** | **845.08** |
| **Tax expenses** | | | |
| Current income tax charge | 30 | 2,050.11 | - |
| Adjustment in respect of tax relating to earlier years | 30 | 4.17 | 77.82 |
| Deferred tax credit | 30 | (1,692.78) | 275.06 |
| **Total tax expense** | | **361.50** | **352.88** |
| **Profit after tax** | | **1,846.70** | **492.20** |
| Attributable to: | | | |
| Equity holders of the parent | | 1,901.49 | 499.89 |
| Non-controlling interests | | (54.79) | (7.69) |
| **Other comprehensive income not to be reclassified to profit or loss in subsequent years:** | | | |
| Re-measurement loss of defined benefit plans | 30 | 0.02 | 3.93 |
| Income tax effect | | (0.01) | (0.99) |
| **Net comprehensive income not to be reclassified to profit or loss in subsequent years:** | | **0.01** | **2.94** |
| **Other comprehensive income for the year, net of tax** | | **0.01** | **2.94** |
| **Total comprehensive income for the year** | | **1,846.71** | **495.14** |
| Attributable to: | | | |
| Equity holders of the parent | | 1,901.50 | 502.83 |
| Non-controlling interests | | (54.79) | (7.69) |
| **Earnings per equity share (Nominal value of share Rs.10/-)** | | | |
| Basic (Rs.) | 32 | 1.29 | 1.30 |
| Diluted (Rs.) | 32 | 1.29 | 0.64 |
| **Summary of significant accounting policies** | 2 | | |
| **Other notes to accounts** | 3-47 | | |

As per our report of even date

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

**per Pravin Tulsyan**
Partner

Membership Number: 108044

S. R. BATLIBOI & CO. LLP NEW DELHI

Place : Gurugram
Date: 18/8/23

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

**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:

**Max Estates Limited**
**Consolidated Statement of Cash Flows for the year ended March 31, 2023**

(Rs. in lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 (also refer note 46) |
|---|---|---|
| **Operating activities** | | |
| Profit before tax | 2,208.20 | 845.08 |
| **Adjustments to reconcile profit before tax to net cash flows:** | | |
| Depreciation and amortisation expense | 1,490.82 | 1,068.14 |
| Expense recognised on employee stock option scheme | 105.87 | - |
| Fair value gain on financial instruments at fair value through profit or loss | (13.78) | - |
| Net gain on sale of non- current investments | (944.14) | - |
| Loss on disposal of property, plant and equipment | - | 0.42 |
| Profit on derecognition of right of use assets | (135.97) | - |
| Gain on sale of financial instruments | (101.82) | - |
| Liabilities/provisions no longer required written back | - | (30.57) |
| Revenue from Rental (Equilisation as pre INDAS) | - | (176.41) |
| Interest income | (25.25) | (338.37) |
| Unwinding of interest on security deposit | (319.88) | - |
| Finance costs | 1,861.87 | 1,616.94 |
| **Operating profit before working capital changes** | **4,125.90** | **2,985.23** |
| **Working capital adjustments:** | | |
| Increase in trade and other receivables and prepayments | (436.37) | (296.64) |
| Decrease/(increase) in inventories | (37,299.88) | 1,886.95 |
| Increase/ (decrease) in provisions | - | 17.92 |
| Decrease/(increase) in current and non-current asset | (10,160.40) | (187.39) |
| (Decrease)/increase in current and non- current liability | (145.30) | 1,640.74 |
| Decrease in trade and other payables | 1,505.44 | (1,189.26) |
| Decrease in financial asset | - | (346.15) |
| **Cash generated from operations** | **(42,410.61)** | **4,511.42** |
| Income tax paid (net of refund) | (3,224.62) | (440.60) |
| **Net cash flows from operating activities** | **(45,635.23)** | **4,070.82** |
| | | |
| **Investing activities** | | |
| Proceeds from sale of property, plant and equipment | (2,096.87) | (10,841.98) |
| Purchase of property, plant and equipment and investment property (including intangible assets and capital advances) | (50,143.71) | (2,039.73) |
| Interest received | 1,190.35 | 357.79 |
| Net (investment)/redemption of deposits with remaining maturity for more than 3 months | 38,933.62 | 464.19 |
| (Purchase)/ sale of current investments (net) | (6,270.64) | (35.27) |
| Proceeds from sale of non current investments | 13,172.86 | - |
| **Net cash flows used in investing activities** | **(5,214.39)** | **(12,095.01)** |
| | | |
| **Financing activities** | | |
| Proceeds from issuance of equity share capital including security premium | 24.86 | - |
| Proceeds from issue of equity shares of subsidiary | 1,851.13 | - |
| Repayment of lease liability (including interest) | 886.26 | - |
| Proceeds from short term borrowings | 6,856.75 | 892.64 |
| Proceeds from long-term borrowings | 81,470.46 | 12,181.54 |
| Repayment of long-term borrowings | (34,724.58) | (2,804.05) |
| Interest paid | (4,236.05) | (2,471.84) |
| **Net cash flows from financing activities** | **52,128.83** | **7,798.29** |
| | | |
| Net increase/(decrease) in cash and cash equivalents | 1,279.21 | (225.90) |
| Add Merger adjustement | 211.29 | - |
| Cash and cash equivalents at the beginning of the year | 272.20 | 498.10 |
| **Cash and cash equivalents at the end of the year** | **1,762.70** | **272.20** |

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Max Estates Limited
Consolidated Statement of Cash Flows for the year ended March 31, 2023

(Rs. in lakhs)

Components of cash and cash equivalents:

| | As at March 31, 2023 | As at March 31, 2022 (also refer note 46) |
|---|---|---|
| **Balances with banks:** | | |
| On current accounts | 1,705.68 | 268.91 |
| Cash on hand | 57.02 | 3.28 |
| | 1,762.70 | 272.20 |

Summary of significant accounting policies 2
Other notes to accounts 3-47
The above cash flow statement has been prepared under the " Indirect Method" as set out in Indian Accounting Standard-7 , "Statement of cash flow".

As per our report of even date

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

per Pravin Tulsyan
Partner

Membership Number: 108044

S. R. BATLIBOI & CO. LLP NEW DELHI

Place : Gurugram
Date: 18/8/23

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

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:

**Max Estates Limited**
**Consolidated Statement of changes in equity for the year ended March 31, 2023**

**a) Equity share capital**

| Particulars | Nos. | (Rs. in Lakhs) |
|---|---|---|
| **Shares of Rs. 10/- each, issued, subscribed and fully paid** | | |
| **As at April 01, 2021** | 7,79,10,000 | 7,791.00 |
| Add: Shares issued for stock options exercised during the year (refer note 11) | | |
| **As at March 31, 2022*** | 7,79,10,000 | 7,791.00 |
| Add: Merger effect | (7,79,10,000) | (7,791.00) |
| **As at March 31, 2023** | - | - |

**b) Other equity**

(Rs. in Lakhs)

| Particulars | Other equity | | | | | | |
|---|---|---|---|---|---|---|---|
| | Capital reserve (refer note 12) | Securities premium (refer note 12) | Employee stock options outstanding (refer note 12) | Retained earnings (refer note 12) | Total other equity | Non-controlling interest (refer note 42) | Total |
| **As at April 01, 2021** | | - | 381.03 | (4,965.43) | (4,584.39) | 3,430.96 | (1,153.43) |
| Profit for the year | - | - | - | 499.89 | 499.89 | (7.69) | 492.19 |
| Other comprehensive income for the year | - | - | - | (3.93) | (3.93) | - | (3.93) |
| Expense recognized during the year | - | - | 20.17 | - | 20.17 | - | 20.17 |
| **As at March 31, 2022*** | - | - | 401.20 | (4,469.47) | (4,068.27) | 3,423.27 | (645.00) |
| Add: Merger effect | 13,042.52 | 50,084.05 | (239.92) | 45,759.07 | 1,08,645.72 | 1,013.91 | 1,09,659.63 |
| **As at April 01, 2022 (Post Merger Effect)** | 13,042.52 | 50,084.05 | 161.28 | 41,289.60 | 1,04,577.45 | 4,437.18 | 1,09,014.64 |
| Profit for the year | - | - | - | 1,901.49 | 1,901.49 | (54.79) | 1,846.70 |
| Other comprehensive income for the year | - | - | - | 0.01 | 0.01 | - | 0.01 |
| Less: adjustment on account of capital reduction in PCL (refer note 42) | - | (183.66) | - | - | (183.66) | - | (183.66) |
| Net movement in Non controlling interest (refer note 42) | - | - | - | - | - | (115.45) | (115.45) |
| Forfeiture of share option under Employee stock option scheme | - | - | (8.49) | 8.49 | - | - | - |
| Exercise of share option under Employee stock option scheme | - | 50.75 | (41.58) | - | 9.17 | - | 9.17 |
| Expense recognized during the year | - | - | 105.69 | - | 105.69 | - | 105.69 |
| **As at March 31, 2023** | 13,042.52 | 49,951.14 | 216.90 | 43,199.59 | 1,06,410.14 | 4,266.94 | 1,10,677.10 |

* also refer note 46

| | |
|---|---|
| **Summary of significant accounting policies** | 2 |
| **Other notes to accounts** | 3-47 |

As per our report of even date

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

per Pravin Tulsyan
Partner
Membership Number: 108044

S. R. BATLIBOI & CO. LLP * NEW DELHI *

Place: Gurugram
Date: 18/8/23

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

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

## 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, 2023. 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

During the year, the Company has completed the merger of Max Ventures and Industries Limited ( 'Transferor Company') (appointed date April 01, 2022). Pursuant to the scheme of merger 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. The comparative financial information for previous year ended March 31, 2022, has not been restated. Refer note 45 for further details related to merger.

The consolidated Ind AS financial statements were authorised for issue in accordance with a resolution by the Board of directors of the Company on August 18, 2023.

## 2 Significant 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.

**b) Basis of Consolidation**

The Consolidated Ind AS Financial Statements (CFS) comprises the financial statements of the Company and its subsidiaries as at March 31, 2023. 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 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., year ended March 31. 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.

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(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.

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 significant 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 settled within twelve months after the reporting period, or

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(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, 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:

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| 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 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 properly 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

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| | |
|---|---|
| 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.

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.

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**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 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

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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.

**(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**

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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 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

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-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 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.

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**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**
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

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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 medication is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount is reported in the 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 sei vices 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.

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**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).

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:

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▶ 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 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 realised 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

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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.

**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**

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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.

## l. Provision and Contingent liabilities

**Provisions**

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

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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**

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).

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**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 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**

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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.

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 date 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

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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 36)

Quantitative disclosures of fair value measurement hierarchy (note 36)

Financial instruments (including those carried at amortised cost) (note 5, 13, 14, 18)

**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 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 fulfiled and government grant is reduced by deferred income recognised.

## 2.3 Significant 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.

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**(a) Operating lease commitments - Group as lessee**

The Group has taken various commercial properties on leases. the Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Refer Note 4ii.

**Estimates and assumptions**

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

**(a) Taxes**

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The 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 31.

**(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 36 related to Fair value disclosures.

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## 2.4 RECENT ACCOUNTING PRONOUNCEMENTS:

### A. Amended standards adopted by the company

#### (i) Reference to the Conceptual Framework – Amendments to Ind AS 103

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standard" without significantly changing its requirements.

The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

These amendments had no impact on the financial statements of the Group as there were no contingent assets, liabilities or contingent liabilities within the scope of these amendments that arose during the period.

#### (ii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the statement of profit and loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.
The amendments are effective for annual reporting periods beginning on or after 1 April 2022. These amendments had no impact on the consolidated financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

#### (iii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Group as there were no modifications of the Group's financial instruments which were covered by amendment.

#### (iv) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it.

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The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services including both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract and costs of contract management and supervision). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

## B. Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective from 01 April 2023.

### (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 are effective for annual reporting periods beginning on or after 1 April 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.
The amendments are not expected to have a material impact on the Group financial statements.

### (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 amendments to Ind AS 1 are applicable for annual periods beginning on or after 1 April 2023. Consequential amendments have been made in Ind AS 107. The Group is currently revisiting their accounting policy information 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 to Ind AS 12 are applicable for annual periods beginning on or after 1 April 2023.
The Group is currently assessing the impact of the amendments.

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**Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023**

**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 Block** | | | | | | | |
| **April 1, 2021** | - | - | 1.02 | 9.79 | 38.51 | 95.65 | 144.98 |
| Additions | - | - | - | - | 20.82 | 35.61 | 56.43 |
| Disposals | - | - | - | - | (22.67) | - | (22.67) |
| **March 31, 2022*** | - | - | 1.02 | 9.79 | 36.67 | 131.27 | 178.74 |
| Add Merger Effect | 392.01 | 54.07 | 65.51 | 4.77 | 100.12 | 174.17 | 790.65 |
| Additions | 200.91 | - | 63.11 | 26.72 | 51.04 | 39.50 | 381.28 |
| Disposals | (383.66) | - | (67.20) | (6.08) | (38.07) | - | (495.01) |
| Add: adjustment for investment in new subsidiaries (refer note 29) | - | 15.36 | 2.81 | - | 1.70 | - | 19.87 |
| **March 31, 2023** | 209.26 | 69.43 | 65.25 | 35.20 | 151.46 | 344.93 | 875.53 |
| **Accumulated Depreciation** | | | | | | | |
| **April 1, 2021** | - | - | 0.28 | 6.49 | 28.31 | 23.90 | 58.97 |
| Depreciation for the year | - | - | 0.10 | 2.75 | 8.00 | 13.97 | 24.81 |
| Disposals for the year | - | - | - | - | (21.52) | - | (21.52) |
| **March 31, 2022*** | - | - | 0.38 | 9.24 | 14.78 | 37.87 | 62.26 |
| Add Merger Effect | 96.51 | 45.15 | 21.15 | 1.77 | 67.24 | 39.27 | 271.09 |
| Depreciation for the year | 39.84 | 0.37 | 9.77 | 4.78 | 26.03 | 37.84 | 118.63 |
| Disposals for the year | (120.49) | - | (25.29) | (4.22) | (24.02) | - | (174.02) |
| Add: adjustment for investment in new subsidiaries (refer note 29) | - | 12.45 | 2.08 | - | 0.36 | - | 14.90 |
| **March 31, 2023** | 15.86 | 57.97 | 8.09 | 11.57 | 84.39 | 114.98 | 292.86 |

| | Leasehold Improvements | Plant and equipment | Furniture and fixture | Office equipment | Computers and data processing units | Motor vehicles | Total |
|---|---|---|---|---|---|---|---|
| **Net carrying amount** | | | | | | | |
| As at March 31, 2023 | 193.40 | 11.45 | 57.16 | 23.63 | 67.07 | 229.95 | 582.66 |
| As at March 31, 2022* | - | - | 0.64 | 0.55 | 21.89 | 93.40 | 116.48 |

**Notes :**

**a) Property, plant and equipment (PPE) given as security**

Refer note no 13 for charge created on property, plant and equipment as security against borrowings

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**3A Investment property**

(Rs. in Lakhs)

| Particulars | Investment property | Land | Investment property (under development) | Total |
|---|---|---|---|---|
| **Gross Block** | | | | |
| **April 1, 2021** | 56,680.60 | - | 15,894.84 | 72,575.44 |
| Additions/ adjustments | 2,097.25 | - | 17,871.65 | 19,968.90 |
| Disposals/ adjustments | - | - | (99.40) | (99.40) |
| **March 31, 2022*** | 58,777.85 | - | 33,667.10 | 92,444.95 |
| Add Merger Effect | (3,228.49) | 8,874.50 | (5,612.37) | 33.64 |
| Additions/ adjustments | 1,735.61 | - | 50,279.72 | 52,015.33 |
| Disposals/ adjustments | - | - | (82.19) | (82.19) |
| **March 31, 2023** | 57,284.97 | 8,874.50 | 78,252.26 | 1,44,411.73 |
| **Accumulated Depreciation** | | | | |
| **April 1, 2021** | 1,732.03 | - | - | 1,732.03 |
| Depreciation charge for the year | 1,040.57 | - | - | 1,040.57 |
| Disposals/ adjustments | - | - | - | - |
| **March 31, 2022*** | 2,772.60 | - | - | 2,772.60 |
| **Add Merger Effect** | 31.37 | - | - | 31.37 |
| Depreciation charge for the year | 1,098.82 | - | - | 1,098.82 |
| Disposals/ adjustments | - | - | - | - |
| **March 31, 2023** | 3,902.79 | | - | 3,902.80 |
| * | | | | |
| **Net carrying amount** | | | | |
| **As at March 31, 2023** | 53,382.18 | 8,874.50 | 78,252.26 | 1,40,508.93 |
| **As at March 31, 2022*** | 56,005.25 | - | 33,667.10 | 89,672.35 |

Investment property as at March 31, 2023 includes property under construction at Sector 65 Gurugram under Acreage Builders Private Limited, a subsidiary company, property under construction at Sector 129 Noida under Max Square Limited, a subsidiary company and property under construction at Okhla, Delhi under Pharmax Corporation Limited, a subsidiary company. (Investment property as at April 01. 2022 included property under construction at Sector 129 Noida under Max Square Limited, a subsidiary company and property under construction at Okhla, Delhi under Pharmax Corporation Limited, a subsidiary company)

**i) For investment property under development, ageing as at March 31, 2023:**

| | Amount in investment property under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Max Square Limited | 12,975.06 | 9,513.80 | 5,891.34 | 11,101.58 | 39,481.78 |
| Acreage Builders Private Limited | 33,957.46 | - | - | - | 33,957.46 |
| Pharmax Corporation Limited | 3,347.21 | 1,465.82 | - | - | 4,813.03 |
| **Total** | 50,279.72 | 10,979.62 | 5,891.34 | 11,101.58 | 78,252.26 |

**ii) For investment property under development, ageing as at March 31, 2022*:**

| | Amount in investment property under development for a period of | | | | Total |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Max Square Limited | 11,221.97 | 7,134.88 | 13,544.43 | - | 31,901.28 |
| Pharmax Corporation Limited | 1,765.82 | - | - | - | 1,765.82 |
| **Total** | 12,987.79 | 7,134.88 | 13,544.43 | - | 33,667.10 |

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**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, the Group has capitalised Rs 3,297 57 lakhs (March 31, 2022- Rs 883 95 lakhs) under investment property Refer note 25

(Rs. in Lakhs)

| **(iii) Amount recognised in profit and loss for investment properties** | **March 31, 2023** | **March 31, 2022*** |
|---|---|---|
| Rental income | 5,187.56 | 3,588.03 |
| Less: Direct operating expenses generating rental income | (445.04) | (941.69) |
| **Profit from leasing of investment properties** | **4,742.52** | **2,646.34** |
| Less: depreciation expense | (1,098 82) | (1,040.57) |
| **Profit from leasing of investment properties after depreciation** | **3,643.70** | **1,605.77** |

**(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:** | **(Rs. in Lakhs)** |
|---|---|
| Opening balance as at April 01, 2021 | Rs 63,500 to 71,000 lakhs |
| Increase of Fair value | NA |
| Decline in fair value | NA |
| Closing balance as at March 31, 2022* | Rs 63,500 to 71,000 lakhs |
| Increase of Fair value | Rs 1000 lakhs |
| Decline in fair value | NA |
| Closing balance as at March 31, 2023 ** | Rs 64,500 to 72,000 lakhs |

** Other than Investment property (under development)
* also refer note 46

**Valuation models applied for valuation:**
Discounted cash flow method - net present value is determined based on projected cash flows discounted at an appropriate rate

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## 4. Other Intangible assets

(Rs. in Lakhs)

| Particular | Computer software | Total | Intangible assets under development |
|---|---|---|---|
| **Gross carrying amount** | | | |
| **April 1, 2021** | **17.43** | **17.43** | - |
| Additions | 0.42 | 0.42 | - |
| Disposals | | - | - |
| **March 31, 2022*** | **17.85** | **17.85** | - |
| Add Merger Effect | **8.23** | **8.23** | **12.95** |
| **As at April 01, 2022 (Post Merger Effect)** | **26.08** | **26.08** | **12.95** |
| Additions | 329.11 | 329.11 | - |
| Disposals | - | - | - |
| **March 31, 2023** | **355.19** | **355.19** | **12.95** |
| | | | |
| **Amortisation** | | | |
| **April 1, 2021** | **11.65** | **11.65** | - |
| Amortisation charge for the year | 2.75 | 2.75 | - |
| Disposals for the year | | - | - |
| **March 31, 2022*** | **14.40** | **14.40** | - |
| **Add Merger Effect** | 7.37 | 7.37 | **12.95** |
| **As at April 01, 2022 (Post Merger Effect)** | **21.77** | **21.77** | **12.95** |
| Amortisation charge for the year | 0.37 | 0.37 | - |
| Disposals for the year | - | - | - |
| **March 31, 2023** | **22.14** | **22.14** | **12.95** |
| | | | |
| **Net carrying amount** | | | |
| **March 31, 2023** | **333.05** | **333.05** | - |
| **March 31, 2022*** | **3.45** | **3.45** | - |

* also refer note 46

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**4b Right of use assets**

The Company has lease contracts for buildings from related parties. The Company's obligations under its leases are secured by the lessor's title to the leased assets

**The carrying amounts of right of use assets recognised and the movements during the year:**

(Rs. in Lakhs)

| Particulars | Building | Total |
|---|---|---|
| **April 1, 2021** | - | - |
| Additions | - | - |
| Depreciation expense | - | - |
| Less: adjustment for sale of stake in MSFL | - | - |
| **March 31, 2022**** | - | - |
| Add Merger Effect | **2,482.65** | **2,482.65** |
| **As at April 01, 2022 (Post Merger Effect)** | **2,482.65** | **2,482.65** |
| Additions | 1,153.43 | 1,153.43 |
| Adjustment on account of sub-lease* | (2,050.96) | (2,050.96) |
| Depreciation expense | (267.57) | (267.57) |
| **March 31, 2023** | **1,317.55** | **1,317.55** |

*During the year, the Company has sub-leased its premises and has assessed that this sub-lease fulfills the criteria of a finance lease as per Ind AS 116. Consequently, the Company has recognised lease receivable from sub-lease in its books and has de-recognised the Leasehold improvements as well as right of use assets related to the original lease. Consequently, an amount of Rs. 135.97 lakhs has been recognised as profit on de-recognition of right of use assets under the head 'Other income'

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

(Rs. in Lakhs)

| Particulars | Building | Total |
|---|---|---|
| **April 1, 2021** | | - |
| Additions | - | - |
| Accretion of interest | - | - |
| Payments | - | - |
| **March 31, 2022**** | - | - |
| **Add Merger Effect** | **2,838.51** | **2,838.51** |
| **As at April 01, 2022 (Post Merger Effect)** | **2,838.51** | **2,838.51** |
| Additions | 1,073.51 | 1,073.51 |
| Accretion of interest | 377.56 | 377.56 |
| Payments | (564.81) | (564.81) |
| **March 31, 2023** | **3,724.77** | **3,724.77** |

(Rs. in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022** |
|---|---|---|
| Non-current lease liabilities | 3,488.11 | - |
| Current lease liabilities | 236.66 | - |
| **Total** | **3,724.77** | - |

The details regarding the maturity analysis of lease liabilities as at March 31, 2023 and March 31, 2022 on actual rent payments as per schedule:

(Rs. in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022** |
|---|---|---|
| Within one year | 541.06 | - |
| After one year but not more than five years | 2,380.33 | - |
| More than five years | 1,837.03 | - |
| **Total** | **4,758.42** | - |

Considering the lease term of the leases, the effective interest rate for lease liabilities is 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:

(Rs. in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022** |
|---|---|---|
| Depreciation expense of right-of-use assets | 267.57 | - |
| Interest expense on lease liabilities | 377.56 | - |
| Rent (refer note 27) | 14.73 | - |
| **Total amount recognised in profit or loss** | **659.86** | - |

** also refer note 46

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5. Non-Current financial assets
(i) Investments

(Rs. in Lakhs)

| | As at March 31, 2023 | As at March 31, 2022# |
|---|---|---|
| **a) Investment in preference shares (valued at fair value through profit and loss) (unquoted)** | | |
| Azure Hospitality Private Limited<br>16,234,829 (March 31, 2022 - Nil) Series-C preference shares of nominal value Rs. 20 each fully paid up | 4,445.06 | - |
| **b) Smart Joules Private Limited (unquoted)**<br>232 (March 31, 2022 - Nil) Series - A Compulsorily Convertible Preference Shares of norminal value Rs. 10 each fully paid up* | 200.00 | - |
| **c) Aliferous Technologies Private Limited (unquoted)**<br>461 (March 31, 2022 - Nil) Compulsorily Covertible Preference Shares (Seed Series A1 CCPS) of Nominal Value Rs.100 each fully paid up** | 49.92 | - |
| **d) Investment in IAN Fund (unquoted)**<br>219,272.98 (March 31, 2022 - Nil) units of nominal value Rs. 100 each fully paid up | 219.27 | - |
| Investment others | | |
| **e) Birla Sun Life Cash Plus - Direct Plan *****<br>1,23,648.78 (March 31, 2022 - Nil) units of nominal value Rs. 100 each fully paid up | 448.92 | - |
| | 5,363.17 | - |
| **Non-Current** | 5,363.17 | - |
| **Aggregate value of unquoted investments** | 5,363.17 | - |

Note:
*0.001% Non cumulative Series A Compulsory convertible partcipating preference shares will be convertible into one equity share per preference share, maximum after ten years from the date of issue.
**0.001% Non cumulative Compulsory convertible preference shares will be convertible into one equity share per preference share, maximum after nineteen years from the date of issue. The Group has committed to invest further Rs. 49.90 lakhs towards these preference shares. Refer note 34B.
*** Pledged as security for Debt Service Reserve Account (DSRA) for borrowing

| | As at March 31, 2023 | As at March 31, 2022# |
|---|---|---|
| **(ii) Trade receivables** | | |
| Trade receivable (unsecured) | 968.61 | 63.78 |
| | 968.61 | 63.78 |

Trade Receivable Ageing
As at March 31, 2023

(Rs. in Lakhs)

| Particulars | Not due | Outstanding for following periods from due date of payment: Less than 6 months | 6 Months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| (I) Undisputed Trade receivables-considered good | 968.61 | - | - | - | - | - | 968.61 |
| (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** | **968.61** | - | - | - | - | - | **968.61** |

Trade Receivable Ageing
As at March 31, 2022#

(Rs. in Lakhs)

| Particulars | Not due | Outstanding for following periods from due date of payment: Less than 6 months | 6 Months - 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** |

(Rs. in Lakhs)

| Particulars | As at March 31, 2023 | As at March 31, 2022# |
|---|---|---|
| **(iii) Other bank balances** | | |
| Deposits with original maturity for more than 12 months | 1,001.35 | 10.26 |
| | 1,001.35 | 10.26 |
| **(iv) Other non current financial assets** | | |
| Security deposits {also refer note 39(b) for deposits made with related parties} | 496.14 | 245.06 |
| Rent receivable (Equalisation) | 116.98 | - |
| Lease Receivable (Refer Note 4b) | 2,384.75 | - |
| | 2,997.87 | 245.06 |
| **6. Non-current tax assets** | | |
| Advance income tax and tax deducted at source (Net) | 1,552.71 | 793.33 |
| | 1,552.71 | 793.33 |
| **7. Other non current assets** | | |
| **Uunsecured considered good unless otherwise stated** | | |
| Capital advances (Refer Note 34B) | 5,329.50 | 1,304.85 |
| Prepaid expenses | - | 404.58 |
| Balance with statutory authorities | 7.93 | - |
| Deferred guarantee fee | - | 81.07 |
| | 5,337.43 | 1,790.50 |

# also refer note 46

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**Max Estates Limited**
**Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023**

(Rs. in Lakhs)

| | | As at March 31, 2023 | As at March 31, 2022** |
|---|---|---|---|
| 8 | **Inventories (at cost or Net realisable value whichever is less)** | | |
| | Raw materials (construction materials) | 8.35 | 49.93 |
| | Plots and construction work in progress | 186.75 | 186.75 |
| | Finished goods | - | 1,138.84 |
| | Land | 38,496.73 | - |
| | | **38,691.83** | **1,375.52** |
| 9. | **Current financial assets** | | |
| | **(i) Other investment** | | |
| | **Quoted mutual funds (valued at fair value through profit and loss)** | | |
| | Axis Liquid Fund - Direct - Growth<br>Face value - Rs. 10 ( March 31, 2023 - Units - 60,057) (March 31, 2022 - Units - NIL) | 1,501.96 | - |
| | Aditya Birla Sun Life Liquid Fund - Direct - Growth<br>Face value - Rs. 10 (March 31, 2023 - Units - 4,41,477.23) (March 31, 2022 - Units - NIL) | 1,602.92 | - |
| | SBI Liquid Fund - Direct - Growth<br>Face value - Rs. 10 ( March 31, 2023 - Units - 42,629.04 ) (March 31, 2022 - Units - NIL) | 1,501.95 | - |
| | UTI Liquid Cash Plan - Direct - Growth<br>Face value - Rs. 10 ( March 31, 2023 - Units - 40,613.46 ) (March 31, 2022 - Units - NIL) | 1,502.17 | - |
| | DSP Liquid Fund - Direct - Growth<br>Face value - Rs. 10 (March 31, 2023 - Units - 76,003.98) (March 31, 2022 - Units - NIL) | 2,442.07 | - |
| | Birla Sun Life Cash Plus - Direct Plan<br>Face value - Rs. 10 Face value - Rs. 10 ( March 31, 2023 - Units - NIL )( March 31, 2022 - Units - 1,95,914.05) | - | 672.26 |
| | Tata Liquid Fund<br>Face value - Rs. 10 Face value - Rs. 10 ( March 31, 2023 - Units - 57,590.82 )( March 31, 2022 - Units - 43,053.20) | 2,045.29 | 602.02 |
| | | **10,596.36** | **1,274.28** |
| | **Aggregate value of unquoted investments** | - | - |
| | **Aggregate value of quoted investments** | 10,596.36 | 1,274.28 |
| | **Aggregate market value of quoted investments** | 10,596.36 | 1,274.28 |
| | **(ii) Trade receivables** | | |
| | (a) Trade Receivables considered good - Secured; | - | - |
| | (b) Trade Receivables considered good - Unsecured; | 578.06 | 193.31 |
| | (c) Trade Receivables which have significant increase in credit risk; and | - | - |
| | (d) Trade Receivables - credit impaired | - | - |
| | | **578.06** | **193.31** |

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.
Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days.
For terms and conditions relating to receivables from related parties, refer note 39

**Trade Receivable ageing**
**As at March 31, 2023**

(Rs. in Lakhs)

| Particulars | Not due | Outstanding for following periods from due date of payment: Less than 6 month | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables- considered good | 32.93 | 494.71 | 10.35 | 17.57 | 13.31 | 9.19 | 578.06 |
| (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** | **32.93** | **494.71** | **10.35** | **17.57** | **13.31** | **9.19** | **578.06** |
| Less: Allowance for credit loss | | | | | | | - |
| **Net Trade Receivables** | | | | | | | **578.06** |

**Trade Receivable Ageing**
**As at March 31, 2022****

(Rs. in Lakhs)

| Particulars | Not due | Outstanding for following periods from due date of payment: Less than 6 month | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| (i) Undisputed Trade receivables- considered good | - | 160.42 | 10.39 | 13.31 | 3.19 | 6.00 | 193.31 |
| (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** | - | **160.42** | **10.39** | **13.31** | **3.19** | **6.00** | **193.31** |
| Less: Allowance for credit loss | | | | | | | - |
| **Net Trade Receivables** | | | | | | | **193.31** |

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(Rs. in Lakhs)

| | As at March 31, 2023 | As at March 31, 2022** |
|---|---|---|
| **(iii) Cash and cash equivalents** | | |
| **Balances with banks:** | | |
| On current accounts | 1,705.68 | 268.91 |
| Cash on hand | 57.02 | 3.28 |
| | 1,762.70 | 272.20 |
| **(iv) Bank balances other than (iii) above** | | |
| **Deposits:** | | |
| Deposits with original maturity for less than 12 months | 2,374.31 | 4,566.40 |
| | 2,374.31 | 4,566.40 |
| **(v) Other current financial assets (unsecured considered good, unless otherwise stated)** | | |
| Interest accrued on deposits | 27.17 | - |
| Interest accrued on fixed deposits | 24.20 | - |
| Security deposits (refer note 36A) | 3,908.09 | 32.45 |
| Interest accrued on deposits and others | 90.56 | 189.33 |
| Other recoverables | 119.59 | - |
| Rent equalisation | 426.05 | 1,046.23 |
| Lease Receivable (Refer Note 4b) | 69.80 | - |
| | 4,665.46 | 1,268.01 |
| **Break up of financial assets at amortised cost** | | |
| **Non-current financial assets** | | |
| Trade receivables {refer note 5(ii)} | 968.61 | 63.78 |
| Other bank balances {refer note 5(iii)} | 1,001.35 | 10.26 |
| **Current financial assets** | | |
| Trade receivables {refer 9(ii)} | 578.06 | 193.31 |
| Cash and cash equivalents {refer 9(iii)} | 1,762.70 | 272.20 |
| Other bank balances {refer note 9(iv)} | 2,374.31 | 4,566.40 |
| Other current financial assets {refer 9(v)} | 4,665.46 | 1,268.01 |
| | 11,350.49 | 6,373.96 |

**10. Other current assets (unsecured considered good, unless otherwise stated)**

| | As at March 31, 2023 | As at March 31, 2022** |
|---|---|---|
| Other advances* | 561.05 | 71.76 |
| Prepaid expenses | 108.49 | 159.21 |
| Deferred guarantee fee | - | 21.60 |
| Balance with statutory authorities | 1,418.85 | 596.63 |
| | 2,088.39 | 849.20 |

*refer note 39(b) for advances to related parties
** also refer note 46

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Max Estates Limited
Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

**11. Equity share capital**

(Rs. in Lakhs)

| | As at March 31, 2023 | As at March 31, 2022# |
|---|---|---|
| **a) Authorized share capital**** | | |
| 150,000,000 (March 31, 2022# - 150,000,000) equity shares of Rs.10/- each | 15,000.00 | 15,000.00 |
| | 15,000.00 | 15,000.00 |
| **Issued, subscribed and fully paid-up*** | | |
| 77,910,000 (March 31, 2022# - 77,910,000) equity shares of Rs.10/- each fully paid up | - | 7,791.00 |
| **Total issued, subscribed and fully paid-up share capital** | - | 7,791.00 |

*Subsequent to the year end and upon the coming into effect of the Scheme of amalgamation, and in consideration of the transfer, 1 (one) equity shares of the face value of INR 10 each fully paid-up of the Company are required to be issued against every 1 (one) equity shares of INR 10 each fully paid-up held by the shareholders of Max Ventures and Industries Limited. Consequent to this, the Company shall issue 146,946,000 equity shares of INR 10 each fully paid-up for 146,946,000 equity shares of INR 10 each fully paid-up of Max Ventures and Industries Limited.

These shares have been disclosed as 'Share capital pending issuance' as at March 31, 2023 and as at April 01, 2022

**As an integral part of the scheme, and, upon the coming into effect of the scheme, the authorized share capital of the Company shall automatically stand increased, without any further act, instrument or deed on the part of the Company, such that upon the coming into effect of this scheme, the authorized share capital of the Company shall be INR 1,500,000,000/- divided into 150,000,000 equity shares of INR 10 each. Consequently, Clause V of the Memorandum of Association of the Company shall, upon the coming into effect of this scheme and without any further act or deed, be and stand altered, modified and substituted pursuant to section 13, 61 and 230 and 232 and other applicable provisions of the Act, as the case may be. Also refer note 45.

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

| Equity shares | March 31, 2023 | | March 31, 2022# | |
|---|---|---|---|---|
| | No. of shares | (Rs. in Lakhs) | No. of shares | (Rs. in Lakhs) |
| **At the beginning of the year** | 7,79,10,000 | 7,791 | 7,79,10,000 | 7,791.00 |
| **Add: Merger Adjustment** | (7,79,10,000) | (7,791) | - | - |
| Add: Shares issued for stock options exercised (Refer note no 35.1) | - | - | - | - |
| **At the end of the year** | - | - | 7,79,10,000 | 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 Company declares and pays dividends in Indian rupees. 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, 2023 | | March 31, 2022# | |
|---|---|---|---|---|
| | No. of shares | % held | No. of shares | % held |
| **Equity shares of Rs. 10 each fully paid-up** | | | | |
| Max Ventures and Industries Limited. | - | 0.00% | 7,79,09,994 | 99.99% |

**e) Details of shares held by holding company**

| Name of the Shareholder | March 31, 2023 | | March 31, 2022# | |
|---|---|---|---|---|
| | No. of shares | % held | No. of shares | % held |
| **Equity shares of Rs. 10 each fully paid-up** | | | | |
| Max Ventures and Industries Limited. | - | 0.00% | 7,79,09,994 | 99.99% |

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

The Company has issued 156,978 equity shares during the year ended March 31, 2023 and 322,586 equity shares during the year ended March 31, 2022# on exercise of options granted under the Employee Stock Option Plan 2016 of Max Ventures and Industries Limited. For details refer note 35.1.

**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, 2023 | Max Ventures and Industries Limited | - | - | 100% |
| March 31, 2022# | Max Ventures and Industries Limited | 7,79,09,994 | 99.99% | Nil |

# also refer note 46

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## 12. Other equity

(Rs. in Lakhs)

| | As at March 31, 2023 | As at March 31, 2022* |
|---|---|---|
| Capital reserve (refer note a below) | 13,042.52 | - |
| Securities premium (refer note b below) | 49,951.14 | - |
| Employee stock options outstanding (refer note c below) | 216.90 | 401.20 |
| Retained earnings (refer note d below) | 43,199.59 | (4,469.47) |
| Compulsorily Convertible Debentures (CCD) (refer note e below) | - | 57,164.00 |
| | **1,06,410.14** | **53,095.73** |

**Notes:**

| | | |
|---|---|---|
| **a) Capital reserve** | | |
| At the beginning of the year | - | - |
| Add : Merger Adjustment | 13,042.52 | - |
| | **13,042.52** | - |
| **b) Securities premium** | | |
| At the beginning of the year | - | - |
| Add : Merger Adjustment | 50,084.05 | - |
| Add - Exercise of share option under Employee stock option scheme | 50.75 | - |
| Less: adjustment on account of capital reduction in PCL (refer note 42) | (183.66) | - |
| | **49,951.14** | - |
| **c) Employee stock options outstanding** | | |
| At the beginning of the year | 401.20 | 381.03 |
| Add : Merger Adjustment | (239.92) | - |
| Add: expense recognized during the year | 105.69 | 20.17 |
| Less: Exercise of share option under Employee stock option scheme | (41.58) | - |
| Less: Forfeiture of share option under Employee stock option scheme | (8.49) | - |
| | **216.90** | **401.20** |
| **d) Retained earnings (attributable to equity holders of the parent)** | | |
| At the beginning of the year | (4,469.47) | (4,965.43) |
| Add : Merger Adjustment | 45,759.07 | - |
| Profit for the year | 1,901.49 | 499.89 |
| Forfeiture of share option under Employee stock option scheme | 8.49 | - |
| Equity option of CCD | - | - |
| Re-measurement of post employment benefit obligation (net of tax) (item of OCI) | 0.01 | (3.93) |
| | **43,199.59** | **(4,469.47)** |
| **e) Compulsorily Convertible Debentures (CCD)** | | |
| At the beginning of the year | **57,164.00** | 57,164.00 |
| Less : Merger Adjustment | (57,164.00) | - |
| **At the end of the year** | - | **57,164.00** |

**a) Capital reserve**
The Group recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve

**b) Securities premium**
Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**c) Employee stock options outstanding**
The employee stock options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

**d) 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.

* also refer note 46

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**13. Borrowings**

(Rs. in Lakhs)

| | As at March 31, 2023 | As at March 31, 2022 (also refer note 46) |
|---|---|---|
| **Non-current borrowings :** | | |
| **From banks** | | |
| Term loans (secured) [refer note (i) to (ix) below] | 67,301.75 | 24,873.08 |
| Vehicle loans (secured) [refer note (x) below] | 30.19 | 31.34 |
| **Others** | | |
| Debt portion of compulsory convertible debentures [refer note (xi) below] | 7,749.32 | 3,430.96 |
| **Current maturity of long term borrowings :** | | |
| Term loans (secured) [refer note (i) to (ix) below] | 1,081.06 | 509.00 |
| Vehicle loans (secured) [refer note (x) below] | 17.61 | - |
| **Total** | **76,179.93** | **28,844.38** |
| Less: amount disclosed under "current financial liabilities" [refer note 18(i)] | 1,098.67 | 509.00 |
| **Total** | **75,081.26** | **28,335.38** |
| Aggregate Secured loans | 68,430.61 | 25,413.42 |
| Aggregate Unsecured loans | 7,749.32 | 3,430.96 |

**Term loan from banks :**

i) Term loan facility from ICICI Bank Limited amounting to NIL (March 31, 2022: Rs. 7,932.18 lakhs) is secured by way of exclusive charge of mortgage/hypothecation/assignment/security interest/charge/pledge upon following (both present and future) on:

1 Pari-passu charge over project developed on the property;
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 30% of shareholding of the company (Max Towers) being held by Max Estates 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 2 times during the entire tenure of facility on outstanding loan amount

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ii) Term loan facility from ICICI Bank Limited amounting to Rs. 10218.74 lakhs (March 31, 2022: Rs. 3,793.64 lakhs) is secured by way of exclusive charge of mortgage/hypothecation/assignment/security interest/charge/pledge upon following (both present and future) on:

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

iii) The subsidiary company has fully repaid term loan from ICICI Bank mentioned in point (i) above during the year. The subsidiary has taken secured term loan facility for Rs. 24,603.24 lakhs loan from HDFC Bank Limited at an effective weighted average rate of 7.91% . The loan is repayable in 204 installments commencing from 1 month from the first drawdown date. An exclusive charge by way of mortgage / hypothecation / assignment / security interest / charge / pledge upon following (both present and future) on:

a) 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.
b) The Debt Service Reserve Account 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.
c) Minimum Debt Service Coverage Ratio of 1.3x to be maintained, to be tested on 31st March and 30th September every year.
d) Bank guarantee of Rs. 5,000 lakhs to be issued from Max Estates Ltd. which will be cash collateralized by 50% in case National Company Law Tribunal Order comes in favour of Max Estates Limited
e) Minimum security cover of 1.54x implying maximum Loan to Value of 65% to be maintained throughout the tenor of the facility.

iv) Term loan facility from IndusInd Bank Limited amounting to NIL (March 31, 2022: Rs. 12,863.68 lakhs) is secured by exclusive charge by way of mortgage/hypothecation/assignment/security interest / charge/pledge upon following (both present and future) on:

1 Equitable mortgage on Project land;
2 All present and future current assets, including lease rental receivables, parking rentals, Common Area Maintainence income, security deposit, sales receivable, any income generated pertaining to the project
3 The escrow account alongwith all monies credited/deposited therein
4 The Debt Service Reserve Account (DSRA)
5 30% of shares to be pledged by the borrower company (Max Square Limited)
6 Corporate guarantee from Max Estates Limited

v) **Axis Bank Limited (Secured)**
The subsidiary company has fully repaid term loan from Indusind Bank mentioned in point (iii) above during the year. The subsidiary has taken secured term loan facility for Rs. 21,998.13 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 lakhs 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 Axis 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
e) Corporate guarantee of Max Estates Limited
f) Debt service reserve account (DSRA) - 3 months interest to be created
g) Borrower to open Escrow account with IBL
h) Debt : equity of 1.371x to be maintained throughout the facility. Any cost overrun to be funded through additional equity from the promoters.

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**Repayment terms:-**
Loan will be payable in bullet installment on maturity at December 31, 2025

vi) Term loan facility from IDFC First Bank Limited amounting to Rs. 4,016.20 lakhs (March 31, 2022: Rs. 792.57 lakhs) is secured by exclusive charge by way of mortgage/ hypothecation/ assignment/ security interest/ charge/pledge upon following (both present and future) on:

1 Equitable mortgage on Project land;
2 All present and future current assets, including lease rental receivables, parking rentals, CAM income, security deposit, sales receivable, any income generated pertaining to the project
3 The escrow account alongwith all monies credited/deposited therein
4 The DSRA
5 30% of shares to be pledged by the borrower company (Pharmax Corporation Limited)
6 Corporate guarantee from Max Estates Limited

vii) As per the terms of loan agreements entered by the Group with its lenders, the Group is required to meet certain financial and non-financial covenants such as Debt service coverage ratio, Debt to Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) ratio etc. In case of non-compliance with any of these covenants the non-compliance would be treated as event of default giving lender a right to charge either penal interest or recall the loan or both. During the year, there was no default in meeting any of the covenants.

viii) The Company has taken secured lean loan facility for Rs.14,839.09 Lakhs loan from Aditya Birla Finance Limited.
**I) Primary and collateral security:**

a) Exclusive charge on by way of equitable mortgage on project land admeasuring 10 acres owned by the borrower situated al Sector 128, Noida for total debt facility amount of wp to Rs. 150 cr (1st Pari- passu to be shared with incoming lender.
b) Corporate Guarantee of Max Ventures & Industries Limited.
c) First charge on DSRA with Aditya Birla Sun Life Mutual Fund.
d) Debt service reserve account (DSRA) - 3 months interest to be created

**ii) Repayment terms:-**
Loan will be payable in bullet installment on maturity at September 30, 2025

**Vehicle loan (secured) :**
ix) Vehicle loans amounting to Rs. 30.19 lakhs (March 31, 2022: Rs. 47.80 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.

**Others:**
x) **i) Compulsorily Convertible Debentures (Unsecured)**
*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 -
- 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
- 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 -
- No interest shall be payable unless the Company has surplus cash flows in the financial year
- 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

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(Rs. in Lakhs)

| | | As at March 31, 2023 | As at March 31, 2022 (also refer note 46) |
|---|---|---|---|
| **14.** | **Other non current financial liabilities** | | |
| | Security deposits | 3,315.14 | 2,380.36 |
| | Interest accrued on Compulsorily convertible debentures(refer note 13(xi)) | 1,192.36 | 1,190.50 |
| | Deferred liabilities | 29.35 | - |
| | Unearned Financial Guarantee Fees | - | 25.10 |
| | Deferred Finance Income (Security deposit) | - | 147.00 |
| | | 4,536.85 | 3,742.96 |
| **15.** | **Long term provision** | | |
| | **Provision for employee benefits** | | |
| | Provision for gratuity (refer note 35) | 169.33 | 72.94 |
| | | 169.33 | 72.94 |
| **16.** | **Deferred tax (liabilities)/assets** | | |
| | **Deferred tax liabilities** | | |
| | Accelerated depreciation for tax purposes | (1,083.41) | (391.19) |
| | **Gross deferred tax liabilities (a)** | (1,083.41) | (391.19) |
| | **Deferred tax assets** | | |
| | Expenses allowable on payment basis | 768.19 | - |
| | Other items giving rise to temporary differences | 886.29 | 43.83 |
| | Unabosorbed depreciation/losses | 343.97 | - |
| | **Gross deferred tax assets (b)** | 1,998.45 | 43.83 |
| | **Deferred tax asset/(liabilities) (net)** | 915.04 | (347.36) |
| | **Disclosed as** | | |
| | Deferred tax liabilities | (1,083.41) | (391.19) |
| | Deferred tax asset | 1,998.45 | 43.83 |
| | | 915.04 | (347.36) |

| | | As at March 31, 2023 | As at March 31, 2022 (also refer note 46) |
|---|---|---|---|
| **17.** | **Current financial liabilities** | | |
| | **(i) Borrowings** | | |
| | Current maturity of long term borrowings | 1,098.67 | 509.68 |
| | Short term borrowings* | 6,259.37 | 2,667.00 |
| | | 7,358.04 | 3,176.68 |

*Short term borrowings includes loan taken in one of the subsidiary companies, which will be repaid during the financial year 2023-24 from the proceeds of residential project and there is no hypothecation for such borrowings

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**(ii) Trade payables**

| | As at March 31, 2023 | (Rs. in Lakhs) As at March 31, 2022 (also refer note 46) |
|---|---|---|
| Total outstanding dues of micro enterprises and small enterprises (MSME) | 501.79 | 96.52 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises # | 2,201.72 | 900.96 |
| | 2,703.51 | 997.48 |

# Trade payables include due to related parties. Refer note 39 (b) for amount due to related parties.

**Terms and conditions of the above:**
Trade payables are non-interest bearing and are normally settled on 0 - 180 day terms

| March 31, 2023 | Not due | Outstanding for following periods from due date of payment: Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| MSME | 1.15 | 500.64 | - | - | - | 501.79 |
| Others | 677.70 | 978.25 | 207.60 | 146.70 | 191.47 | 2,201.72 |
| Disputed dues-MSME | - | - | - | - | - | - |
| Disputed dues-Others | - | - | - | - | - | - |
| **Total** | **678.85** | **1,478.89** | **207.60** | **146.70** | **191.47** | **2,703.51** |

| March 31, 2022(also refer note 46) | Not due | Outstanding for following periods from due date of payment: Less than 1 year | 1-2 Years | 2-3 Years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| MSME | - | 96.52 | - | - | - | 96.52 |
| Others | - | 550.29 | 158.91 | 90.13 | 101.63 | 900.96 |
| Disputed dues-MSME | - | - | - | - | - | - |
| Disputed dues-Others | - | - | - | - | - | - |
| **Total** | - | **646.81** | **158.91** | **90.13** | **101.63** | **997.48** |

| | As at March 31, 2023 | (Rs. in Lakhs) As at March 31, 2022 (also refer note 46) |
|---|---|---|
| **(iii) Other current financial liabilities** | | |
| Security deposits | 123.46 | 76.15 |
| Capital creditors | 761.15 | 533.02 |
| Interest accrued | 534.34 | 13.34 |
| Deferred liabilities | 161.83 | - |
| Deferred Guarantee Income | - | 43.56 |
| Deferred Finance Income (Security deposit) | - | 96.92 |
| Others | 74.46 | - |
| | 1,655.24 | 762.99 |
| **18. Other current liabilities** | | |
| Advance from customers | 18.75 | 255.71 |
| Deferred finance income | 28.84 | - |
| Statutory dues | 712.25 | 378.18 |
| Others | 7.57 | - |
| | 767.41 | 633.89 |
| **19. Short term provision** | | |
| **Provision for employee benefits** | | |
| - Provision for leave encashment | 249.73 | 113.69 |
| - Provision for gratuity (refer note 35) | 1.90 | 0.75 |
| | 251.63 | 114.44 |

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**20. Revenue from operations**

| | For the year ended March 31, 2023 | For the year ended March 31, 2022# |
|---|---|---|
| | | (Rs. in Lakhs) |
| **Revenue from operations** | | |
| Revenue from sale of constructed properties, lease income and facility management | 9,917.19 | 6,928.87 |
| **Total** | **9,917.19** | **6,928.87** |
| **Revenue from services** | | |
| Income from shared services {refer note 39(a)} | 817.01 | - |
| **Total** | 10,734.20 | 6,928.87 |

**Performance obligation**
The performance obligation is satisfied upon completion of the services/ sale of property.

**21. Other income**

| | | |
|---|---|---|
| **Interest income on** | | |
| - on fixed deposits * | 563.95 | 356.25 |
| - on security deposit * | 319.88 | - |
| Profit on derecognition of Right of use asset | 135.97 | - |
| Gain on mutual fund investments | 101.82 | 4.28 |
| Fair value gain on financial instruments at fair value through profit or loss | 13.78 | - |
| Liabilities/provisions no longer required written back | - | 30.57 |
| Other non-operating income | - | 14.69 |
| Gain on stake sale of investment {refer note 28} | 944.14 | - |
| Interest others | 149.06 | - |
| Miscellaneous income | 165.03 | 58.81 |
| | 2,393.63 | 464.60 |

* on financial assets at amortised cost

**22. Cost of land, plots, development rights, constructed properties and others**

| | For the year ended March 31, 2023 | For the year ended March 31, 2022# |
|---|---|---|
| | | (Rs. in Lakhs) |
| Inventories at beginning of year | 49.93 | 85.94 |
| Construction Materials | - | 14.94 |
| Civil Construction Work | 981.33 | 21.07 |
| Less: inventory at the end of year | 15.70 | 49.93 |
| Cost of land, plots, development rights, constructed properties and others | 1,015.55 | - |

**23. Change in inventories of constructed properties**

| | | |
|---|---|---|
| **a) Inventories at the end of the year** | | |
| Work in progress- | | |
| Real Estate | 186.75 | 1,325.59 |
| | 186.75 | 1,325.59 |
| **b) Inventories at the beginning of the year** | | |
| Work in progress- | | |
| Real Estate | 1,325.59 | 3,176.54 |
| | 1,325.59 | 3,176.54 |
| **Net decrease in inventories of constructed properties (b-a)** | 1,138.84 | 1,850.94 |

\# also refer note 46

**[This space has been intentionally left blank]**

**24. Employee benefits expense**

| | For the year ended March 31, 2023 | (Rs. in Lakhs) For the year ended March 31, 2022 (also refer note 46) |
|---|---|---|
| Salaries, wages and bonus | 1,230.64 | 253.23 |
| Contribution to provident and other funds (refer note 35.2) | 94.76 | 34.35 |
| Employee stock option scheme* (refer note 35.1) | 103.17 | 39.57 |
| Gratuity expense (refer note 35) | 40.56 | 12.87 |
| Staff welfare expenses | 68.60 | 7.48 |
| | **1,537.73** | **347.49** |

*net of amount capitalised in Investment Property under development Rs. 12.65 lakhs (March 31, 2022: Rs. 9.61 Lakhs)

**25. Finance costs**

| | | |
|---|---|---|
| Interest expense on Term Loan | 4,541.68 | 2,449.72 |
| Interest on lease liabilities (refer note 4b) | 377.56 | - |
| Interest on others | 110.08 | - |
| Bank charges | 130.12 | 51.15 |
| | **5,159.44** | **2,500.87** |
| Less: Finance cost capitalised (refer note 3a) | (3,297.57) | (883.95) |
| | **1,861.87** | **1,616.92** |

**26. Depreciation and amortization expense**

| | | |
|---|---|---|
| Depreciation of tangible assets and investment property (refer note 3 and 3a) | 1,222.88 | 1,065.39 |
| Depreciation of right-of-use assets (refer note 4b) | 267.57 | - |
| Amortization of intangible assets (refer note 4) | 0.37 | 2.75 |
| | **1,490.82** | **1,068.14** |

**27. Other expenses**

| | | |
|---|---|---|
| Rent | 14.73 | 256.15 |
| Insurance expenses | 60.62 | 35.95 |
| Rates and taxes | 187.58 | 117.56 |
| Repairs and maintenance: | | |
| Building | 1,526.46 | 10.49 |
| Others | 258.50 | 163.77 |
| Facility Management Charges | - | 64.94 |
| Travelling and conveyance | 133.18 | 18.83 |
| Communication costs | 17.42 | 2.58 |
| Legal and professional | 948.22 | 483.86 |
| Directors' sitting fees {refer note no 39(a)} | 70.32 | 5.48 |
| Membership & subscription | - | 24.52 |
| Printing and stationery | - | 0.51 |
| Advertisement and sales promotion | 330.13 | 448.94 |
| Brokerage | 77.26 | - |
| Loss on sale of property, plant and equipment (net) | - | 0.42 |
| Corporate Social Responsibility (CSR) expenditure (refer note no 40) | 39.79 | 10.07 |
| Miscellaneous expenses | 210.61 | 20.85 |
| | **3,874.82** | **1,664.90** |

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## 28 Discontinued Operations

The Board of Directors of the Company, in its meeting dated November 14, 2021, had approved the divestment of remaining 51% shareholding in Max Speciality Films Limited (MSFL), a subsidiary of the Company to Toppan Inc., a 49% strategic partner in MSFL, in two separate tranches at an enterprise value of INR 135,000 lakhs, subject to customary closing conditions, including but not limited to shareholder or other approvals. The shareholder approval for the aforesaid transaction was received on December 16, 2021. Pursuant to this, on February 01, 2022, 41% shareholding representing 17,189,600 shares in MSFL, were transferred by the Company for a total consideration of INR 49,442 lakhs. Hence, MSFL ceased to be a subsidiary of the Company w.e.f. February 01, 2022.

As per the executed agreement, the remaining 10% shareholding representing 4,192,585 shares in MSFL were transferred on March 28, 2023, for an aggregate consideration of INR 13,172.88 lakhs. Since the investment was already carried at fair value, thus, this did not have any significant impact on the profit for the year ended March 31, 2023, except for interest recognized during the year.

### (a) The results of discontinued operations for the period/year are presented below:

(Rs. in Lakhs)

| | For the period ended March 31, 2023 | For the year ended March 31, 2022# |
|---|---|---|
| **Revenue** | | |
| Revenue from operations | - | 1,26,984.14 |
| Other Income | - | 1,029.34 |
| **Total income (I)** | - | **1,28,013.48** |
| Cost of materials consumed | - | 83,266.01 |
| Increase/ decrease in inventories of finished goods and work in progress | - | (816.89) |
| Employee benefits expense | - | 3,830.98 |
| Finance Costs | - | 2,175.91 |
| Depreciation & amortisation expense | - | 3,215.94 |
| Other expenses | - | 14,517.31 |
| **Total expense (II)** | - | **1,06,189.26** |
| **Profit before tax** | - | **21,824.22** |
| **Tax expense** | | |
| Current tax | - | 3,840.18 |
| Adjustment of tax relating to earlier periods | - | |
| Deferred tax charge | - | 3,468.15 |
| **Total income tax expense** | - | 7,308.33 |
| **Profit after tax** | - | **14,515.89** |

# also refer note 46

29 The subsidiaries follow financial year as accounting year. The financial statements of Max Estates 128 Private Limited, Mas Estates Gurgaon Limited and Acreage Builders Private Limited have been consolidated from the date of incorporation/acquisition of these entities till the date of their deconsolidation (as applicable). 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 | |
|---|---|---|---|---|
| | | | March 31, 2023 | March 31, 2022 (also refer note 46) |
| Max I. Limited | Making investments in various companies and primarily engaged in growing and nurturing these business investments | India | 100% | - |
| Max Asset Services Limited | Facility management services for commerical real estate | India | 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% | 85% |
| Max Towers Private Limited | Construction and development of residential and commercial properties | India | 100% | 100% |
| Max Estates 128 Private Limited (w.e.f. June 17, 2022) | Construction and development of residential and commercial properties | India | 100% | - |
| Mas Estates Gurgaon Limited (w.e.f. September 05, 2022) | Construction and development of residential and commercial properties | India | 100% | - |
| Acreage Builders Private Limited (w.e.f. October 27, 2022) | Construction and development of residential and commercial properties | India | 100% | - |

**30 Income taxes**

(Rs. in Lakhs)

| | For the year ended March 31, 2023 | For the year ended March 31, 2022# |
|---|---|---|
| **(a) Income tax expense in the statement of profit and loss comprises :** | | |
| **Current Income Tax** | | |
| Current income tax charge | 2,050.11 | - |
| Adjustment in respect of current income tax of previous year | 4.17 | 77.82 |
| **Deferred Tax** | | |
| Relating to origination and reversal of temporary differences | (1,692.78) | 275.06 |
| **Income tax expense reported in the statement of profit or loss** | 361.50 | 352.88 |

**31 Components of Other comprehensive income (OCI) (Retained earnings)**

| | | |
|---|---|---|
| Re-measurement (gains)/ losses on defined benefit plans (refer note: 34.0 ) | 0.02 | 3.93 |
| Income tax related to items recognized in OCI during the year | (0.01) | (0.99) |
| **Income tax related to items recognized in OCI during the year** | 0.01 | 2.94 |

**32 Earnings per share (EPS)**

| | For the year ended March 31, 2023 | For the year ended March 31, 2022# |
|---|---|---|
| **Profit after tax (Rs. in Lakhs)** | 1,901.49 | 499.89 |
| Weighted average number of equity shares outstanding during the year (Nos.)* | 14,70,60,581 | 7,79,10,000 |
| **Basic earnings per share (Rs.)** | 1.29 | 1.30 |
| Weighted average number of equity shares outstanding for dilutive earnings per share (Nos) | 14,77,96,024 | 7,79,10,000 |
| **Diluted earnings per share (Rs.)** | 1.29 | 0.64 |
| **Profit/(Loss) for the year** | | |
| Equity holders of parent company | 1,846.70 | 492.20 |
| Weighted average number of equity shares outstanding during the year (Nos.) | 14,70,60,581 | 7,79,10,000 |
| **Basic earnings per share (Rs.)** | 1.26 | 0.64 |
| Weighted average number of equity shares outstanding for dilutive earnings per share (Nos) | 14,77,96,024 | 7,79,10,000 |
| **Diluted earnings per share (Rs.)** | 1.25 | 0.63 |
| **Weighted average number of equity shares outstanding during the year for diluted earnings per share (Nos)** | | |
| Weighted average number of equity shares outstanding during the year (Nos.) | 14,70,60,581 | 7,79,10,000 |
| Add: ESOPs | 7,35,443 | - |
| | 14,77,96,024 | 7,79,10,000 |

# also refer note 46
*Shares pending issuance have been included in the computation of Basic Earning per share as per guidance given in Ind AS 33 'Earnings per share'.

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**33 Income Tax**

The major components of income tax expense for the year ended March 31, 2023 and March 31, 2022# are :

**Statement of profit and loss :**

(Rs. in Lakhs)

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022# |
|---|---|---|
| **Current income tax :** | | |
| Current tax | 2,050.11 | - |
| Adjustment of tax relating to earlier years | 4.17 | 77.82 |
| **Deferred tax :** | | |
| Relating to origination and reversal of temporary differences | (1,692.78) | 275.06 |
| **Income tax expense reported in the statement of profit and loss** | **361.50** | **352.88** |

**OCI section :**

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

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022# |
|---|---|---|
| Net (gain) on remeasurements of defined benefit plans | (0.01) | (0.99) |
| Income tax effect on cost of hedging reserve | - | - |
| **Tax related to items recognized in OCI during the year** | **(0.01)** | **(0.99)** |

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2023 and year ended March 31, 2022#:

| Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022# |
|---|---|---|
| Accounting profit before tax from continuing operations | 2,208.20 | 845.08 |
| **Accounting profit before income tax** | **2,208.20** | **845.08** |
| At India's statutory income tax rate of 25.17% | 977.41 | 212.68 |
| **Non-Taxable Income for tax purposes:** | | |
| Others | (801.86) | |
| **Non-deductible expenses for tax purposes:** | | |
| Other non-deductible expenses | 14.49 | 8.81 |
| Tax relating to earlier years | - | 77.82 |
| **Others** | | |
| Items taxed at different rate | 155.35 | - |
| Others | 66.72 | 59.06 |
| Losses of subsidiary not being considered for deferred tax | (50.61) | (5.49) |
| **At the effective income tax rate** | **361.50** | **352.88** |
| Income tax expense reported in the statement of profit and loss | 361.50 | 352.88 |
| **Total tax expense** | **361.50** | **352.88** |

#refer note 46

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**Deferred tax relates to the following:**

| | March 31, 2023 | March 31, 2022# |
|---|---|---|
| **Deferred tax liabilities** | | |
| Accelerated depreciation for tax purposes | (1,083.41) | (885.76) |
| **Gross deferred tax liabilities (a)** | **(1,083.41)** | **(885.76)** |
| **Deferred tax assets** | | |
| Expenses allowable on payment basis | 768.19 | - |
| Other items giving rise to temporary differences | 886.29 | 43.83 |
| Unabosorbed depreciation/losses | 343.97 | 494.57 |
| **Gross deferred tax assets (b)** | **1,998.45** | **538.40** |
| **Deferred tax (liabilities)/asset (net)** | **915.04** | **(347.36)** |
| **Disclosed as:** | | |
| Deferred tax liabilities | (1,083.41) | (391.19) |
| Deferred tax asset | 1,998.45 | 43.83 |
| | **915.04** | **(347.36)** |

**Reconciliation of deferred tax liabilities (net):**

| Particulars | March 31, 2023 | March 31, 2022# |
|---|---|---|
| **Opening balance at the beginning of year** | 347.36 | (5.52) |
| Add Merger Adjustment | 1,596.31 | - |
| Tax on equity component of CCD | (1,165.94) | - |
| Tax expense/(income) during the year recognised in the statement of profit or loss | (1,692.78) | 352.88 |
| Tax expense/(income) during the year recognised in OCI | 0.01 | - |
| **Net balance** | **(915.04)** | **347.36** |
| **Closing balance at the end of year** | **(915.04)** | **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.

# also refer note 46

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## 34 Commitments and contingencies

### A. Contingent liabilities not provided for

(Rs. in Lakhs)

| S. No. | Particulars | As at March 31, 2023 | As at March 31, 2022# |
|---|---|---|---|
| i. | Bank guarantee {Refer note (a)} | 5,000.00 | 5,000.00 |
| ii. | Uttarakhand VAT case | 21.24 | 21.24 |

**Note:**

a. The Group has given a bank guarantee of Rs. 5,000 lakhs issued by HDFC Bank Limited (March 31, 2022: Rs. 5,000 lakhs issued by ICICI Bank Limited) in favour of Piramal Enterperises 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 Capital and other commitments

**a. Capital commitment**

(Rs. in Lakhs)

| | As at March 31, 2023 | As at March 31, 2022# |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not provided for* | 28,953.51 | 7,712.12 |
| Less: Capital advances (refer note 7) | (5,456.78) | (643.26) |
| **Net capital commitment for acquisition of capital assets** | **23,496.73** | **7,068.86** |

**b. Other commitment**

During the earlier year, the Group had invested Rs.49.92 lakhs (March 31, 2022: Nil) in 0.001% non cumulative compulsory convertible preference shares of Aliferous Technologies Private Limited. The Group has committed to invest further Rs.49.90 lakhs (March 31, 2022: Nil) towards these preference shares.

*Capital commitment includes an amount of INR 17,600 lakhs (March 31, 2022: Nil) , being the remaining amount payable for purchase of 2 land parcels situated in Sector 129, Noida (U.P.), India ("Land Parcels"), which were auctioned by Axis Bank Limited. The acquisition is subject to customary statutory approvals. The cost of acquisition of aforesaid Land Parcels is ~ INR 22,000 lakhs. The Company had paid the amount of INR 4,400 lakhs till March 31, 2023 (March 31, 2022: Nil), which is disclosed under the head capital advances in the consolidated financial statements.

# also refer note 46

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## 35 Gratuity

The Group has a defined benefit gratuity plan. Under Gratuity Plan, every employee who has completed five years or more of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The gratuity plan is governed by the Payment of Gratuity Act, 1972.

**Description of risk exposures**
Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such the Company is exposed to various risks as follows:
i) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

ii) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
iii) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
iv) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability

The following table summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the respective plans :

| | March 31, 2023 | March 31, 2022# |
|---|---|---|
| **a) Reconciliation of opening and closing balances of defined benefit obligation** | | |
| Defined benefit obligation at the beginning of the year | 73.69 | 56.99 |
| Merger Agjustment | 63.50 | - |
| Less - adjustment on account of stake sale in Max Speciality Films Limited (refer note 28) | | - |
| Interest costs | 1.98 | 3.84 |
| Current service cost | 38.58 | 9.03 |
| Benefit paid | (6.54) | (0.10) |
| Remeasurement of (gain)/loss in other comprehensive income | | |
| Actuarial changes arising from changes in demographic assumptions | | - |
| Actuarial changes arising from changes in financial assumptions | 0.02 | 3.93 |
| Actuarial changes arising from changes in experience adjustments | | - |
| **Defined benefit obligation at year end** | **171.23** | **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 | - | - |
| Less - adjustment on account of stake sale in Max Speciality Films Limited (refer note 28) | - | - |
| **Fair value of plan assets at year end** | - | - |
| **c) Net defined benefit (liability)/ asset recognized in the balance sheet** | | |
| Fair value of plan assets | - | - |
| Present value of defined benefit obligation | (171.23) | (73.69) |
| **Amount recognized in balance sheet - (liability)/ asset** | **(171.23)** | **(73.69)** |
| **Current** | (1.90) | (0.75) |
| **Non current** | (169.33) | (72.94) |
| | **(171.23)** | **(73.69)** |
| **d) Other comprehensive income** | | |
| Actuarial changes arising from changes in financial assumptions | 0.02 | 3.93 |
| Actuarial changes arising from changes in experience adjustments | | - |
| Capitalised as investment property/cost of goods sold | | - |
| | **0.02** | **3.93** |
| **e) Net defined benefit expense (recognized in the statement of profit and loss for the year)** | | |
| Current service cost | 15.26 | 5.37 |
| Interest cost on benefit obligation | 21.64 | 7.50 |
| Expected return on plan assets | 0.74 | - |
| Capitalised as investment property / cost of goods sold | 2.92 | - |
| **Net defined benefit expense debited to statement of profit and loss** | **40.56** | **12.87** |

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f) **Principal assumptions used in determining defined benefit obligation**

| **Assumption particulars** | **As At March 31, 2023** | **As At March 31, 2022#** |
|---|---|---|
| Discount rate | 7.26% | 7.26% |
| Future Salary Increases | 10.00% | 10.00% |
| Mortality Rate (% of IALM 12-14) | 100.00% | 100.00% |

g) **Quantitative sensitivity analysis for significant assumptions is as below:**

| Increase / (decrease) on present value of defined benefits obligations at the end of the period/year | **March 31, 2023** | **March 31, 2022#** |
|---|---|---|
| Discount rate | | |
| Increase by 0.50% | (8.71) | (40.08) |
| Decrease by 0.50% | 9.57 | 45.09 |
| Salary growth rate | | |
| Increase by 0.50% | 7.00 | 41.06 |
| Decrease by 0.50% | (6.44) | (36.90) |

h) **Maturity profile of defined benefit obligation (valued on undiscounted basis)**

| | **March 31, 2023** | **March 31, 2022#** |
|---|---|---|
| Within the next 12 months (next annual reporting period) | 2.29 | 0.60 |
| Between 2 and 5 years | 13.40 | 1.96 |
| Beyond 5 Years | 155.54 | 71.13 |
| **Total expected payments** | 171.23 | 73.69 |

# also refer note 46

i) The average duration of the defined benefit plan obligation at the end of the reporting period is 7- 21 years (March 31, 2022#: 7 - 21 years)

j) The Group expects to contribute Rs Nil (March 31, 2022: Nil) to the planned assets during the next financial year.

k) 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.

l) 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.

m) 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.

n) **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.

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**35.1 Employee Stock Option Plan**

**Employee Stock Option Plan – 2006 ("the 2006 Plan"):**

The Max Ventures and Industries Limited had constituted an Employee Stock Option Plan - 2016 which had 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, 2023 | | March 31, 2022# | |
|---|---|---|---|---|
| | Number of options | Weighted Average exercise price (Rs.) | Number of options | Weighted Average exercise price (Rs.) |
| Outstanding at the start of the year | - | - | - | - |
| Add- Adjustment on account of merger (refer note 37) | 8,29,156 | 17.83 | - | - |
| **Outstanding at the start of the year (post merger effect)** | 8,29,156 | 17.83 | - | - |
| Option grant during the year | 2,97,538 | 53.87 | - | - |
| Forfeited during the year | 75,740 | 12.90 | - | - |
| Exercised during the year | 1,56,978 | 15.84 | - | - |
| Outstanding at the end | 8,93,976 | 30.59 | - | - |
| Exercisable at the end | 88,962 | 13.99 | - | - |

For options exercised during the year, the weighted average share price at the exercise date was 15.84 (March 31, 2022: Nil) per share.

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2023 and March 31, 2022 are as follows:

| Date of grant | March 31, 2023 | | March 31, 2022# | |
|---|---|---|---|---|
| | Number of options | Weighted average remaining life in years | Number of options | Weighted average remaining life in years |
| 04-06-2020 (Grant Type III) | 4,87,528 | 1.17 | - | - |
| 02-07-2021 (Grant Type IV) | 96,231 | 2.17 | - | - |
| 02-07-2021 (Grant Type V) | 12,679 | 2.17 | - | - |
| 25-07-2022 (Grant Type VI) | 2,85,299 | 3.32 | - | - |
| 08-11-2022 (Grant Type VII) | 12,239 | 3.61 | - | - |

During the year ended March 31, 2023, 1,56,978 (March 31, 2022 - Nil) number of stock options were exercised by the aforesaid option holders. The 2016 Plan 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. Further, the erstwhile holding company extended the ESOP plan to directors and employees of its subsidiaries by obtaining approval of the shareholders in its annual general meeting held on September 24, 2019. The 2016 Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors.

The 2016 Plan 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.

Upon the coming into effect of the Scheme, the Transferee Company shall take necessary steps to formulate stock option schemes by adopting the MVIL ESOP Plan of the Transferor Company. All stock options under the MVIL ESOP Plan which have not been granted as of the Effective Date, shall lapse automatically without any further act, instrument or deed by the Transferor Company, the employee or the Transferee Company and without any approval or acknowledgement of any third party. In respect of the stock options granted by the Transferor Company under the MVIL ESOP Plan to the employees of the Transferor Company who are proposed to be transferred as part of this Scheme to the Transferee Company, which have been granted (whether vested or not) but have not been exercised as on the Record Date ("Eligible Employees"), the Transferee Company shall grant 1 (one) employee stock options of Transferee Company under a new employee stock option scheme created by the Transferee Company in lieu of every 1 (one) stock option (whether vested or unvested) held by such Eligible Employees under the MVIL ESOP Plan in accordance with the Amalgamation Share Entitlement Ratio mentioned in the Scheme (i.e. 1:1) and the existing stock options held by them under the MVIL ESOP Plan shall stand cancelled. The terms and conditions of the new stock option plan of the Transferee Company shall not be less favourable than those provided under the MVIL ESOP Plan.

# also refer note 46

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**35.2 Provident fund**

The Holding Company is participating in a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its affiliates, which is managed by Max Financial Services Limited. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per Ind AS-19.

The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central government under the Employees Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Group.

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation for "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max Financial Services Limited and its affiliates based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2023 and March 31, 2022 as per the actuarial valuation of active members are as follows:

(Rs. in Lakhs)

| | March 31, 2023 | March 31, 2022# |
|---|---|---|
| Plan assets at year end at fair value | 701.66 | - |
| Present value of defined benefit obligation at year end | 697.56 | - |
| Surplus as per actuarial certificate | 4.10 | - |
| **Shortfall recognized in balance sheet** | - | - |
| Active members as at year end (Nos) | 8 | - |

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

| | March 31, 2023 | March 31, 2022# |
|---|---|---|
| Discount rate | 7.20% | - |
| Yield on existing funds | 8.15% | - |
| Expected guaranteed interest rate | 8.15% | - |

Contribution to Defined benefit Plan, recognized as expense for the year is as under:

| | March 31, 2023 | March 31, 2022# |
|---|---|---|
| Employer's Contribution towards Provident Fund (PF) | 33.52 | - |
| | 33.52 | - |

#refer note 46

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36 The Company has executed a Binding Memorandum of Understanding ('MOU') on February 03, 2023, with New York Life Insurance Company, for investment of Rs. 28,571.90 lakhs in Acreage Builders Private Limited, a wholly owned subsidiary of Max Estates Limited. Max Estates Limited and New York Life Insurance Company shall be 51:49 shareholders in Acreage Builders Private Limited.

36 A Max Estates Gurgaon Limited(MEGL), a wholly owned subsidiary of Max Estates Limited, has entered into a Joint Development Agreement for the development of land parcels. MEGL has paid to the land owners a sum of Rs 4900 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 land owners.

36 B (a) The Company has executed a Share Purchase Agreement on June 04, 2022, for acquisition of 100% equity share capital of Max Estates 128 Private Limited (formerly Accord Hotels and Resorts Private Limited) for a total consideration of INR 30,600 lakhs. The ~10-acre land parcel will be used for the purpose of developing a mixed-use residential community.

(b) The Company has executed a Share Purchase Agreement on September 06, 2022, for acquisition of 100% equity share capital of Acreage Builders Private Limited for a total enterprise value of INR 32,500 lakhs. The reason to acquire Acreage Builders Private Limited is to use its asset i.e. a 6.24 acre land with a license to develop commercial project over an area measuring 7.15 acres, located at Golf Course Extension Road, Gurugram. The potential leasable area of the commercial project is ~1.6 million sq. ft.

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:

(Rs. in Lakhs)

| Category | Carrying value | | Fair value | |
|---|---|---|---|---|
| | March 31, 2023 | March 31, 2022# | March 31, 2023 | March 31, 2022# |
| **Financial asset at amortized cost** | | | | |
| **Non-Current** | | | | |
| Financial assets (refer note no 5(iii)) | 1,001.35 | 10.26 | 1,001.35 | 10.26 |
| **Current** | | | | |
| Other-current financial assets (refer note no 9(v)) | 4,665.46 | 1,268.01 | 4,665.46 | 1,268.01 |
| **Financial asset measured at fair value** | | | | |
| **Non-Current** | | | | |
| Investments (refer note no 5(i)) | 5,363.17 | - | 5,363.17 | - |
| **Current** | | | | |
| Current investments (refer note no 9(i)) | 10,596.36 | 1,274.28 | 10,596.36 | 1,274.28 |
| **Financial liabilities at amortized cost** | | | | |
| Non-Current borrowings (refer note 13) | 75,081.26 | 28,335.38 | 75,081.26 | 28,335.38 |
| Current borrowings (refer note 17(i)) | 7,358.04 | 3,176.68 | 7,358.04 | 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, 2023 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, 2023**

(Rs. in Lakhs)

| Particulars | Carrying value March 31, 2023 | Fair value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Other non-current financial assets (refer note no 5(iii)) | 1,001.35 | - | - | 1,001.35 |
| Other-current financial assets ( refer note no 9(v)) | 4,665.46 | - | - | 4,665.46 |
| Non-Current investments (refer note no 5(i)) | 5,363.17 | - | - | 5,363.17 |
| Current investments (refer note no 9(i)) | 10,596.36 | 10,596.36 | - | - |

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

(Rs. in Lakhs)

| Particulars | Carrying value March 31, 2022# | Fair value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Other non-current financial assets (refer note no 5(iii)) | 10.26 | - | - | 10.26 |
| Other-current financial assets (refer note no 9(v)) | 1,268.01 | - | - | 1,268.01 |
| Current investments (refer note no 9(i)) | 1,274.28 | 1,274.28 | - | - |

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**(iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2023**

(Rs. in Lakhs)

| Particulars | Carrying value March 31, 2023 | Fair value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Non-Current borrowings including current maturities (refer note 13) | 75,081.26 | - | - | 75,081.26 |
| Current borrowings (refer note 17(i)) | 7,358.04 | - | - | 7,358.04 |

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

(Rs. in Lakhs)

| Particulars | Carrying value March 31, 2022# | Fair value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Non-Current borrowings including current maturities (refer note 13) | 28,335.38 | - | - | 28,335.38 |
| Current borrowings (refer note 17(i)) | 3,176.68 | - | - | 3,176.68 |

Reconciliation of fair value measurement of investment in unquoted equity shares/debentures/preference shares/venture capital fund measured at FVTPL (Level III)

| Particulars | (Rs. In Lakhs) |
|---|---|
| As at April 1, 2021 | - |
| Purchase | - |
| Sales | - |
| As at March 31, 2022# | - |
| Add: Merger adjustment | 17,136.64 |
| Purchase | 448.92 |
| Sales | (7.43) |
| Sales of remaining stake in MSFL (Refer Note 28) | (12,214.97) |
| As at March 31, 2023 | 5,363.16 |

The significant unobservable inputs used in the fair value measurement categorised with Level 3 of the fair value hierarchy together with quantitative sensitivity analysis as on March 31, 2023 and March 31, 2022.

**Description of significant unobservable inputs to valuation:**

| Particulars | Valuation technique | Significant unobservable inputs | Increase/decrease in rate | March 31, 2023 | March 31, 2022# |
|---|---|---|---|---|---|
| Unquoted preference shares and equity shares of Azure Hospitality Private Limited | DCF | Discount rate | 1% | Increase in Discount rate by 1% leads to profit lower by Rs. 644.44 lakhs and decrease in discount rate by 1% leads to profit higher by Rs. 712.45 lakhs | Increase in Discount rate by 1% leads to profit lower by Rs. 644.44 lakhs and decrease in discount rate by 1% leads to profit higher by Rs. 712.45 lakhs |
| Unquoted preference shares and equity shares of Azure Hospitality Private Limited | DCF | Discount rate | 1% | Increase in Discount rate by 1% leads to profit lower by Rs. 644.44 lakhs and decrease in discount rate by 1% leads to profit higher by Rs. 712.45 lakhs | Increase in Discount rate by 1% leads to profit lower by Rs. 644.44 lakhs and decrease in discount rate by 1% leads to profit higher by Rs. 712.45 lakhs |

The IAN Fund is a fund holding units in seed and early stage start-up companies and many of the such companies has recently started operations and Investment in Smart Joules Private Limited and Aliferous Technologies Private Limited has not undergone and significant change. The change in the valuation by 1% does not have material impact on the Group, hence not presented above separately.

# also refer note 46

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**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, 2023 and 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 |
| | | | | |
| **March 31, 2023** | | | | |
| Interest bearing borrowings | 7,358.04 | 75,081.26 | - | 82,439.30 |
| Trade payable | 2,703.51 | - | - | 2,703.51 |
| Other financial liabilities | 1,655.24 | - | - | 1,655.24 |
| | | | | |

**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, 2023 | As at March 31, 2022# |
|---|---|---|---|
| (i) Non-Current borrowings | 13 | 75,065.32 | 28,319.44 |
| (ii) Short-term borrowings | 17 (i) | 7,358.04 | 3,176.68 |
| (iii) Current maturity of long term borrowings | 17 (i) | 7,358.04 | 3,176.68 |
| Processing fees adjusted from borrowings | | 15.94 | 15.94 |
| | | 89,797.35 | 34,688.73 |

**Reconciliation of other financial liability**

| | Note no | As at March 31, 2023 | As at March 31, 2022# |
|---|---|---|---|
| Other financial liabilities | 17 (i) | 1,655.24 | 762.99 |
| | | 1,655.24 | 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, 2023, March 31, 2022 is the carrying amounts as illustrated in note 5 and 9.

**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, 2023 and 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, 2023, and March 31, 2022.
# also refer note 46

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**38A Disclosure pursuant to amendment to Ind AS 7 (Statement of Cash flows)**

(Rs. in Lakhs)

| Particulars | Opening balance April 1, 2022 | Cash flows | | Non-cash transactions | | | Closing balance March 31, 2023 |
|---|---|---|---|---|---|---|---|
| | | Proceeds | Repayment | Processing cost | New leases | Merger Adjustment | |
| Term loans from banks | 24,364.08 | 81,449.29 | (38,960.63) | (807.31) | - | 1,256.32 | 67,301.75 |
| Vehicle loans | 31.34 | 21.17 | - | - | - | (22.32) | 30.19 |
| Short term borrowings | 3,176.68 | 6,856.75 | - | (8.39) | - | (2,667.00) | 7,358.04 |
| Current lease liabilities | - | 103.26 | - | - | - | 133.40 | 236.66 |
| Non-current lease liabilities | - | 783.00 | - | - | - | 2,705.11 | 3,488.11 |
| **Total liabilities from financing activities** | **27,572.10** | **89,213.47** | **(38,960.63)** | **(815.70)** | **-** | **1,405.52** | **78,414.75** |

(Rs. in Lakhs)

| Particulars | Opening balance April 1, 2021 | Cash flows | | Non-cash transactions | | | Closing balance March 31, 2022# |
|---|---|---|---|---|---|---|---|
| | | Proceeds | Repayment | Processing cost | New leases | Merger Adjustment | |
| Term loans from banks | 14,979.25 | 12,181.54 | 2,796.71 | - | - | - | 24,364.08 |
| Vehicle loans | 38.68 | - | 7.34 | - | - | - | 31.34 |
| Short term borrowings | 2,284.04 | 892.64 | - | - | - | - | 3,176.68 |
| Current lease liabilities | - | - | - | - | - | - | - |
| Non-current lease liabilities | - | - | - | - | - | - | - |
| **Total liabilities from financing activities** | **17,301.97** | **13,074.18** | **2,804.05** | **-** | **-** | **-** | **27,572.10** |

# also refer note 46

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## 39 Related party disclosures

| | |
|---|---|
| Key management personnel | Mr. Dinesh Kumar Mittal (Director)<br>Mr. Sahil Vachani (Managing Director)<br>Mr. Nitin Kumar Kansal (Chief Financial Officer) |
| Other Non-Executive/ Independent Directors | Mr. Analjit Singh (Director)<br>Mr. Rishi Raj<br>Mr. Ankit Jain<br>Ms. Kiran Sharma<br>Mr. Niten Malhan |
| Relatives of Key Management personnel | Ms. Piya Singh (Daughter of Mr.Analjit Singh - Director) |
| Entities controlled or jointly controlled by person or entities where person has significantly influence | Piveta Estates Private Limited<br>Siva Realty Ventures Private Limited<br>Max Life Insurance Company Limited<br>Antara Senior Living Limted<br>Antara Purukul Senior Living Limited<br>Max India Limited<br>Max India Foundation<br>Max Financial Services Limited<br>Max I Limited*<br>Max Ventures and Industries Limited*<br>Max Asset Services Limited*<br>Riga Foods LLP<br>M/s Analjit Singh (HUF)<br>Trophy Estates Private Limited<br>Max Ateev Limited<br>New York Life Insurance Company<br>RV Legal<br>Topline Electronics Private Limited<br>Delhi Guest House Private Limited<br>Max Ventures Investment Holding Private Limited<br>SKA Diagnostics Private Limited<br>Vanavastra Private Limited<br>Max One Distribution And Services Limited<br>Max Skill First Limited<br>Max Learning Ventures Limited<br>Routes 2 Roots<br>Antara Care Homes Limited |
| Employee benefit Trust | Max Financial Services Limited Employees' Provident Fund Trust<br>Max Speciality Films Limited Employees Group Superannuation Trust |

*till March 31, 2022

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Max Estates Limited
Notes to Consolidated Ind AS Financial Statements for the year ended March 31, 2023

39 (a) Details of transactions and balance outstanding with related parties

(Rs. in Lakhs)

| S.No | Nature of transaction | Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 (also refer note 46) |
|---|---|---|---|---|
| 1 | Reimbursement of expenses (Paid to) | New Delhi House Services Limited | 5.56 | - |
| | | Max Life Insurance Company Limited | 10.33 | - |
| | | Antara Senior Living Limited | 8.85 | - |
| | | RIGA Foods LLP | 17.13 | - |
| | | Max Asset Services Limited | - | 32.99 |
| | | RV Legal | 1.50 | - |
| | | Nitin Kumar | 0.13 | - |
| | | Kiran Sharma | 1.20 | - |
| | | **Total** | **44.70** | **32.99** |
| 2 | Income from shared services | Antara Senior Living Limited | - | 125.85 |
| | | Max India Limited | 50.00 | - |
| | | **Total** | **50.00** | **125.85** |
| 3 | Insurance expense | Max Life Insurance Company Limited | - | 21.33 |
| | | **Total** | - | **21.33** |
| 4 | Rent expense (Paid to) | Delhi Guest House Private Limited | 60.00 | - |
| | | SKA Diagnostics Private Limited | 37.44 | - |
| | | Max Life Insurance Company Limited | 447.48 | 256.10 |
| | | **Total** | **544.92** | **256.10** |
| 5 | Expenditure on corporate social responsibility | Max India Foundation | 20.00 | - |
| | | **Total** | **20.00** | - |
| 6 | Contribution to employee benefit trust | Max Financial Services Limited Employees' Provident Fund Trust | 65.38 | - |
| | | **Total** | **65.38** | - |
| 7 | Key managerial remuneration - Short term employement benefits | Sahil Vachani | 153.09 | - |
| | | Nitin Kumar Kansal | 76.94 | - |
| | | Ankit Jain | 34.09 | - |
| | | **Total** | **264.12** | - |
| 8 | Key managerial remuneration - Post employement benefits* | Sahil Vachani | 7.88 | - |
| | | Nitin Kumar Kansal | 5.04 | - |
| | | Ankit Jain | 1.49 | - |
| | | **Total** | **14.41** | - |
| 9 | Directors' sitting fees paid to Directors of Holding Company | Analjit Singh | 6.00 | - |
| | | K.N Murthy | 11.00 | - |
| | | D.K Mittal | 19.00 | - |
| | | Gauri Padmanabhan | 14.00 | - |
| | | Kiran Sharma | 0.45 | - |
| | | Niten Malhan | 17.00 | - |
| | | **Total** | **67.45** | - |
| 10 | Repair & Maintenance | Delhi Guest House Private Limited | 17.95 | - |
| | | New Delhi House Services Limited | 44.35 | - |
| | | **Total** | **180.20** | - |
| 11 | CCD interest Paid | New York Life Insurance Company | 766.92 | 686.19 |
| | | **Total** | **766.92** | **686.19** |
| 12 | Security deposit (received) | Routes 2 Roots | - | 0.40 |
| | | Max Asset Services Limited | - | 0.90 |
| | | Max Learning Ventures Private Limited | - | 23.87 |
| | | Antara Senior Living Limited | 7.87 | - |
| | | Max Financial Services Limited | 5.03 | - |
| | | Max India Limited | 17.58 | - |
| | | **Total** | **30.48** | **25.17** |
| 13 | Security deposit (given) | Max Life Insurance Company Limited | 76.41 | - |
| | | **Total** | **76.41** | - |
| 14 | Revenue from Auditorium Rental and Food Charges | Antara Senior Living Limited | 8.07 | - |
| | | Max Financial Services Limited | 0.34 | - |
| | | Max India Limited | 0.34 | - |
| | | Max Learning Ventures Limited | 0.26 | - |
| | | Max Speciality Films Limited | 0.25 | - |
| | | **Total** | **9.26** | - |
| 15 | Revenue from Extra Hours Operation Charges | Antara Senior Living Limited | 0.45 | - |
| | | Max India Limited | 0.26 | - |
| | | Max Learning Ventures Limited | 0.10 | - |
| | | **Total** | **0.81** | - |
| 16 | Management Fee | Analjit Singh | 225.00 | - |
| | | **Total** | **225.00** | - |
| 17 | Revenue from Lease Rent | Antara Care Homes Limited | 0.66 | - |
| | | Antara Senior Living Limited | 1.32 | - |
| | | Max Ateev Limited | 0.20 | - |
| | | Max Learning Ventures Limited | 0.24 | - |
| | | Max Skill First Limited | 0.66 | - |
| | | Siva Realty Ventures Private Limited | 66.00 | - |
| | | **Total** | **69.08** | - |
| 18 | Revenue from Maintenance Charges | Antara Senior Living Limited | 29.74 | - |
| | | Max Financial Services Limited | 22.59 | - |
| | | Max India Limited | 31.49 | - |
| | | Max Life Insurance Company Limited | 6.23 | - |
| | | Routes 2 Roots | 4.54 | - |
| | | **Total** | **94.59** | - |
| 19 | Revenue from Rental | Topline Electronics Private Limited | 42.23 | - |
| | | Antara Senior Living Limited | 5.20 | - |
| | | RIGA Foods LLP | 21.50 | - |
| | | Routes 2 Roots | 23.57 | - |
| | | **Total** | **92.50** | - |

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39 (a) **Details of transactions and balance outstanding with related parties**

(Rs. in Lakhs)

| S.No | Nature of transaction | Particulars | For the year ended March 31, 2023 | For the year ended March 31, 2022 (also refer note 46) |
|---|---|---|---|---|
| 20 | **Revenue from DG Charges** | Antara Senior Living Limited | 0.43 | - |
| | | Max Financial Services Limited | 0.40 | - |
| | | Max India Limited | 1.54 | - |
| | | Max Learning Ventures Limited | 0.17 | - |
| | | Routes 2 Roots | 0.18 | - |
| | | **Total** | **2.72** | - |
| 21 | **Revenue from Electricity Charges** | Antara Senior Living Limited | 6.48 | - |
| | | Max Financial Services Limited | 4.94 | - |
| | | Max India Limited | 4.94 | - |
| | | Max Learning Ventures Limited | 3.26 | - |
| | | Routes 2 Roots | 2.78 | - |
| | | **Total** | **22.40** | - |
| 22 | **Revenue from Miscellaneous Charges** | Antara Senior Living Limited | 0.37 | - |
| | | Max India Limited | 0.01 | - |
| | | Max Learning Ventures Limited | 0.01 | - |
| | | Riga Foods LLP | 0.55 | - |
| | | Routes 2 Roots | 0.02 | - |
| | | **Total** | **0.96** | - |
| 23 | **Revenue from Other Charges** | Max Learning Ventures Limited | 58.90 | - |
| | | Vanavastra Private Limited | - | 8.97 |
| | | Routes 2 Roots | 1.17 | 1.08 |
| | | **Total** | **60.07** | **10.05** |
| 24 | **Issue of Compulsory Convertible Debentures** | New York Life Insurance Company | 5,390.47 | - |
| | | **Total** | **5,390.47** | - |
| 25 | **Reimbursement of expenses (Paid to)** | Max Ventures and Industries Limited | - | 127.85 |
| | | Max Life Insurance Co. Limited | - | 2.43 |
| | | Antara Purukul Senior Living Limited | - | 0.10 |
| | | Max Towers Private Limited | - | 2.33 |
| | | New Delhi House Services Limited | - | 3.98 |
| | | Mr Saket Gupta | - | 0.01 |
| | | RIGA Foods LLP | - | 0.32 |
| | | Mr. Rishiraj | - | 0.99 |
| | | Mr. Nitin Kumar | - | 0.01 |
| | | **Total** | - | **138.03** |
| 26 | **Shared Services charges (paid to)** | Max Ventures and Industries Limited | - | 389.91 |
| | | **Total** | - | **389.91** |
| 27 | **Performace Guarentee Received** | Max Asset Services Limited | - | 86.68 |
| | | **Total** | - | **86.68** |
| 28 | **Rent received** | Max Asset Services Limited | - | 78.43 |
| | | Antara Senior Living Limted | - | 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** |
| 29 | **Revenue from Covid Vaccination Charges** | Max Ventures and 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 Limted | - | 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 Limited | - | 1.49 |
| | | Piveta Estates Private Limited | - | 0.04 |
| | | Max Speciality Films Limited | - | 0.09 |
| | | Max Asset Services Limited | - | 1.82 |
| | | Sahil Vachani | - | 0.62 |
| | | Max Bupa Health Insurance Company Limited | - | 0.66 |
| | | **Total** | - | **16.97** |
| 30 | **Loan repayment** | Max Ventures and Industries Limited | - | 1,685.00 |
| | | **Total** | - | **1,685.00** |
| 31 | **Corporate Social Responsibility** | Max India Foundation | - | 10.07 |
| | | **Total** | - | **10.07** |
| 32 | **Brokerage Income** | Trophy Estates Private Limited | - | 50.11 |
| | | Mr Analjit Singh | - | 58.48 |
| | | Analjit Singh HUF | - | 10.15 |
| | | **Total** | - | **118.74** |
| 33 | **Project Management Consultancy (rendered to)** | Max India Limited | - | 20.00 |
| | | **Total** | - | **20.00** |
| 34 | **Guarantee Fees** | Max Ventures and Industries Limited | - | 26.61 |
| | | **Total** | - | **26.61** |
| 35 | **Loan taken** | Max Ventures and Industries Limited | - | 1,092.00 |
| | | **Total** | - | **1,092.00** |
| 36 | **Interest on Unsecured Loan (Paid to)** | Max Ventures and Industries Limited | - | 268.65 |
| | | **Total** | - | **268.65** |
| 37 | **Issue of Equity Share Capital** | New York Life Insurance Company | 5,390.47 | - |
| | | **Total** | **5,390.47** | - |

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39 (b) Balances outstanding at the year end

(Rs. in Lakhs)

| S.No | Nature of transaction | Particulars | As at March 31, 2023 | As at March 31, 2022 (also refer note 46) |
|---|---|---|---|---|
| 1 | Statutory dues payable | Max Financial Services Limited Employees' Provident Fund Trust | 4.95 | - |
| | | **Total** | **4.95** | - |
| 2 | Trade Receivables | Max Ventures Private Limited | 3.19 | - |
| | | Piveta Estates Private Limited | 6.29 | - |
| | | Antara Senior Living Limited | 2.27 | - |
| | | Max One Distribution and Services Limited | 0.03 | - |
| | | Max Skill First Limited | 0.28 | - |
| | | Siva Realty Ventures Private Limited | 0.09 | - |
| | | RIGA Foods LLP | 3.53 | - |
| | | Routes 2 Roots | 2.34 | 1.93 |
| | | Max Ventures Investment Holdings Private Limited | 23.20 | - |
| | | Max One Distribution And Services Limited | - | 0.03 |
| | | Max Towers Private Limited | - | 18.19 |
| | | The Unstuffy Hotel Co Limited | - | 13.02 |
| | | Antara Senior Living Limted | - | 1.95 |
| | | Max Skill First Limited | - | 0.34 |
| | | Max Learning Ventures Limited | - | 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 |
| | | Max Learning Ventures Limited | 20.06 | - |
| | | **Total** | **61.28** | **169.39** |
| 3 | Other Receivables | Piveta Estates Private Limited | 2.83 | - |
| | | Max Life Insurance Company Limited | 1.70 | - |
| | | Antara Care Homes Limited | 0.69 | - |
| | | Antara Senior Living Limited | 0.57 | - |
| | | Rishiraj | 2.50 | - |
| | | Max Learning Ventures Limited | 0.28 | - |
| | | Max Ventures Private Limited | 5.46 | - |
| | | Max Square Limited | - | 16.82 |
| | | Antara Purukul Senior Living Limited | 0.36 | - |
| | | Siva Realty Ventures Private Limited | 0.07 | - |
| | | **Total** | **14.46** | **16.82** |
| 4 | Advance to party | Max India Foundation | 5.00 | 39.93 |
| | | SKA Diagnostics Private Limited | 0.25 | 1.12 |
| | | **Total** | **5.25** | **41.05** |
| 5 | Security deposit made | SKA Diagnostics Private Limited | 15.00 | 12.50 |
| | | Max Life Insurance Company Limited | 244.30 | 167.89 |
| | | Delhi Guest House Private Limited | 9.38 | 15.00 |
| | | **Total** | **268.67** | **195.39** |
| 6 | Security deposit (receivable) | Antara Senior Living Limited | 7.87 | - |
| | | Vanavastra Private Limited | 18.11 | 10.59 |
| | | Routes 2 Roots | 5.40 | 3.94 |
| | | Topline Electronics Private Limited | 10.56 | - |
| | | Max Ventures Investment Holdings Private Limited | 1.58 | - |
| | | Max India Limited | 7.87 | - |
| | | Max Financial Services Limited | 5.03 | - |
| | | Max Learning Ventures Limited | 23.87 | - |
| | | **Total** | **80.29** | **14.53** |
| 7 | Trade payables | Max India Limited | 60.50 | - |
| | | Max Skill First Limited | 0.25 | - |
| | | Vana Enterprises Limited | 1.91 | - |
| | | Max Financial Services Limited | 34.83 | - |
| | | Antara Senior Living Limited | 2.08 | - |
| | | 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 |
| | | Max Learning Ventures Limited | 2.27 | - |
| | | Gauri Padmanabhan | 1.80 | - |
| | | RIGA Foods LLP | 0.64 | - |
| | | Routes 2 Roots | 0.90 | - |
| | | **Total** | **105.18** | **114.86** |
| 8 | Compulsorily convertible debentures | New York Life Insurance Company | 5,116.97 | 3,430.96 |
| | | **Total** | **5,116.97** | **3,430.96** |
| 9 | Equity Share Capital Issued | New York Life Insurance Company | 539.05 | 3,430.96 |
| | | **Total** | **539.05** | **3,430.96** |
| 10 | Loan Receivables | Max Towers Private Limited | - | 187.55 |
| | | Pharmax Corporation Limited | - | 3,159.22 |
| | | **Total** | - | **3,346.77** |
| 11 | Guarantee Fees | Max Ventures and Industries Limited | | 144.29 |
| | | **Total** | - | **144.29** |
| 12 | Security Deposit (Received) | Max Asset Services Limited | - | 414.38 |
| | | Routes 2 roots | - | 4.38 |
| | | Max Learning Ventures Private Limited | - | 23.87 |
| | | **Total** | - | **442.63** |
| 13 | Loan outstanding | Max Ventures and Industries Limited | - | 2,667.00 |
| | | **Total** | - | **2,667.00** |
| 14 | Compulsorily convertible debentures | Max Ventures and Industries Limited | - | 57,164.00 |
| | | **Total** | - | **57,164.00** |
| 15 | Interest accrued but not due on CCD | New York Life Insurance Company | 1,848.35 | 1,190.50 |
| | | **Total** | **1,848.35** | **1,190.50** |

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**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. 39.79 lakhs (March 31, 2022# Rs. 10.02 lakhs)

(Rs. in Lakhs)

| Sr. No. | Particulars | For the year ended March 31, 2023 | | | For the year ended March 31, 2022# | | |
|---|---|---|---|---|---|---|---|
| | | In cash | Yet to be paid in cash | Total | 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 programms | - | - | - | - | - | - |
| | h) Others | 39.79 | - | 39.79 | 10.07 | - | 10.07 |
| | **Total** | **39.79** | **-** | **39.79** | **10.07** | **-** | **10.07** |

There are no ongoing projects as at March 31, 2023 and March 31, 2022#
# also refer note 46

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**41 Segment reporting**

For management purposes, based on the guiding principles given in IND AS 108 on "Operating Segments" the Group's business segments include real estate and allied businesses . During the current period, the Chief Operating Decision Maker (CODM) of the Company has re-assessed the business segments, whereby Real Estate, Facility Management and Business Investments have been combined as "Real Estate & Others". This was primarily driven by the fact that all these three segments were related to Real estate activities.

The Management reviews the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

| PARTICULARS | Year ended | |
|---|---|---|
| | 31.03.2023 | 31.03.2022 # |
| | Audited | Unaudited |
| **A. Segment Revenue** | | |
| Real Estate & Others | 10,734.20 | 6,928.87 |
| **Revenue** | **10,734.20** | **6,928.87** |
| **B. Segment Results** | | |
| Profit before finance cost and tax from each segment | | |
| Real Estate & Others | 4,070.07 | 2,462.00 |
| **Total** | **4,070.07** | **2,462.00** |
| Less: adjustments: | | |
| Finance cost | 1,861.87 | 1,616.92 |
| **Profit before tax** | **2,208.20** | **845.08** |
| **C. Segment Assets** | | |
| Real Estate & Others | 2,20,571.72 | 1,01,700.80 |
| **Total** | **2,20,571.72** | **1,01,700.80** |
| Unallocated assets | 1998.45 | 837.16 |
| **Total** | **2,22,570.17** | **1,02,537.96** |
| **D. Segment Liabilities (including borrowings)** | | |
| Real Estate & Others | 96,248.04 | 37,836.77 |
| **Total** | **96,248.04** | **37,836.77** |
| Unallocated liabilities (excluding Non-controlling interest) | 1,083.41 | 391.19 |
| **Total** | **97,331.45** | **38,227.96** |

**Adjustments and eliminations**

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis. Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

The following table shows the distribution of the Group's consolidated revenue by geographical market, regardless of where the goods were produced.

**(Rs. in Lakhs)**

| **Gross Revenue** | **For year ended March 31, 2023** | **For year ended March 31, 2022#** |
|---|---|---|
| i. within India | 10,734.20 | 6,928.87 |
| ii. Outside India | - | - |
| | **10,734.20** | **6,928.87** |

The revenue from external customers does not include revenue from any one customer which is equal to 10% or more of entity's revenue.

| Trade receivables | As at March 31, 2023 | As at March 31, 2022# |
|---|---|---|
| | | **(Rs. in Lakhs)** |
| i. within India | 1,546.67 | 257.09 |
| ii. Outside India | - | - |
| **Total Trade receivables (Gross)** | **1,546.67** | **257.09** |
| Less: Provision for doubtful receivables | - | - |
| **Trade receivables** | **1,546.67** | **257.09** |

The Group has common property, plant and equipment (PPE) for manufacturing goods for domestic market and overseas market. Hence, separate figures for PPE/additions to PPE cannot be furnished.

b) Non-current assets other than investments, tax assets, net defined benefit assets (relating to post-employment benefit plans), and rights arising under insurance contracts:

| | As at March 31, 2023 | As at March 31, 2022# |
|---|---|---|
| | | **(Rs. in Lakhs)** |
| i. within India | 1,51,046.68 | 91,690.39 |
| ii. outside India | - | - |
| | 1,51,046.68 | 91,690.39 |

# also refer note 46

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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, 2023 is provided below:

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

| | Max Square Limited | | Pharmax Corporation Limited | |
|---|---|---|---|---|
| **Particulars** | **March 31, 2023** | **March 31, 2022#** | **March 31, 2023** | **March 31, 2022#** |
| Proportion of equity interest held by non-controlling interests | 49.00% | 49.00% | - | 14.83% |

**b) Information regarding non-controlling interest**

**(Rs. in Lakhs)**

| | Max Square Limited | | Pharmax Corporation Limited | | Total | |
|---|---|---|---|---|---|---|
| **Particulars** | **March 31, 2023** | **March 31, 2022#** | **March 31, 2023** | **March 31, 2022#** | **March 31, 2023** | **March 31, 2022#** |
| Accumulated balances of non-controlling interest | 4,266.94 | 1,210.15 | - | 2,213.12 | 4,266.94 | 3,423.27 |
| Total Comprehensive income allocated to non-controlling interest | (54.79) | (7.73) | - | 0.04 | (54.79) | (7.70) |

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, 2023 and March 31,2022#:**

**(Rs. in Lakhs)**

| | Max Square Limited | | Pharmax Corporation Limited | | Total | |
|---|---|---|---|---|---|---|
| **Particulars** | **March 31, 2023** | **March 31, 2022#** | **March 31, 2023** | **March 31, 2022#** | **March 31, 2023** | **March 31, 2022#** |
| Revenue (including other incomes) | - | - | - | 367.39 | - | 367.39 |
| Total expenses | 111.80 | 33.04 | - | 319.06 | 111.80 | 352.09 |
| **Profit before tax** | (111.80) | **(33.04)** | - | **48.33** | **(111.80)** | **15.29** |
| Less: Tax expense | - | - | - | - | - | - |
| **Profit for the year** | **(111.80)** | **(33.04)** | - | **48.33** | **(111.80)** | **15.29** |
| Add/(Less): Other Comprehensive Income/loss | - | - | - | - | - | - |
| **Total comprehensive income** | **(111.80)** | **(33.04)** | - | **48.33** | **(111.80)** | **15.29** |
| Attributable to non-controlling interests | (54.79) | (7.69) | - | 0.04 | (54.79) | (7.65) |
| Dividends paid to non-controlling interests | - | - | - | - | - | - |

**Summarised balance sheet as at March 31, 2023 and March 31, 2022#**

**(Rs. in Lakhs)**

| | Max Square Limited | | Pharmax Corporation Limited | | Total | |
|---|---|---|---|---|---|---|
| **Particulars** | **March 31, 2023** | **March 31, 2022#** | **March 31, 2023** | **March 31, 2022#** | **March 31, 2023** | **March 31, 2022#** |
| Current assets, including cash and cash equivalents | 1,439.18 | 727.64 | - | 2,047.01 | 1,439.18 | 2,774.64 |
| Non-current assets | 47,523.61 | 29,394.72 | - | 4,911.52 | 47,523.61 | 34,306.23 |
| Current liabilities, including tax payable | 807.67 | 699.26 | - | 3,402.80 | 807.67 | 4,102.06 |
| Non-current liabilities, including deferred tax liabilities | 33,890.74 | 22,400.43 | - | 1,342.61 | 33,890.74 | 23,743.04 |
| **Total equity** | **14,264.40** | **7,022.67** | - | **2,213.12** | **14,264.40** | **9,235.78** |
| **Attributable to:** | - | | | | | |
| Equity holders of parent | 9,997.46 | 3,581.56 | - | 328.21 | 9,997.46 | 3,909.76 |
| Non-controlling interest | 4,266.94 | 1,538.36 | - | 1,884.91 | 4,266.94 | 3,423.27 |

**Summarised cash flow information as at March 31, 2023 and March 31, 2022#**

**(Rs. in Lakhs)**

| | Max Square Limited | | Pharmax Corporation Limited | | Total | |
|---|---|---|---|---|---|---|
| **Particulars** | **March 31, 2023** | **March 31, 2022#** | **March 31, 2023** | **March 31, 2022#** | **March 31, 2023** | **March 31, 2022#** |
| Operating | (2,286.22) | 1,533.07 | - | (56.95) | (2,286.22) | 1,476.12 |
| Investing | (11,962.75) | (11,468.47) | - | (2,725.39) | (11,962.75) | (14,193.86) |
| Financing | 1,036.76 | 9,919.36 | - | 2,813.36 | 1,036.76 | 12,732.73 |
| Net increase in cash and cash equivalents | 1,003.67 | (16.04) | - | 31.02 | 1,003.67 | 14.98 |

During the year, the subsidiary company Pharmax Corporation Limited has reduced its capital and paid back the money to non-controlling interest shareholders.

# also refer note 46

**[This space has been intentionally left blank]**

S. R. BATLIBOI & CO. LLP * NEW DELHI *

**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, 2023 | As at March 31, 2022# |
|---|---|---|
| Borrowings | 82,439.30 | 31,512.06 |
| Other financial liabilities | 6,192.09 | 4,505.95 |
| Trade payables | 2,703.51 | 997.48 |
| Less: Cash and Cash equivalents | 1,762.70 | 272.20 |
| Other bank balances | 3,375.66 | 4,576.66 |
| **Net debt** | **86,196.54** | **32,166.63** |
| Equity share capital | - | 7,791.00 |
| Other equity | 1,06,410.14 | 53,095.73 |
| Non-controlling interest | 4,266.94 | 3,423.27 |
| **Total equity** | **1,10,677.08** | **64,310.00** |
| **Total capital and net debt** | **1,96,873.62** | **96,476.63** |
| **Gearing ratio** | 43.78% | 33.34% |

# also refer note 46

44 **Additional disclosures:**

As at and for the year ended March 31, 2023:

| 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 | 183.55% | 2,30,155.66 | 168.34% | 3,109.09 | 100.00% | 0.01 | 168.36% | 3,109.10 | 5,166.49 | 39.36% |
| Subsidiary | | | | | | | | | | |
| Max I. Limited | 1.69% | 2,118.04 | (3.48%) | (64.22) | 0.00% | - | -3.48% | (64.22) | 17.77 | 0.14% |
| Max Square Limited | 11.38% | 14,264.40 | (6.05%) | (111.81) | 0.00% | - | -6.05% | (111.81) | - | 0.00% |
| Pharmax Corporation Limited | 1.28% | 1,610.89 | 16.09% | 297.17 | 0.00% | - | 16.09% | 297.17 | 754.34 | 5.75% |
| Max Asset Services Limited | 2.06% | 2,582.79 | 5.10% | 94.20 | 0.00% | - | 5.10% | 94.20 | 3,794.57 | 28.90% |
| Max Towers Private Limited | 8.09% | 10,149.81 | 16.81% | 310.41 | 0.00% | - | 16.81% | 310.41 | 3,591.68 | 27.36% |
| Max Estates 128 Private Limited (w.e.f. June 17, 2022) | 0.67% | 834.84 | (7.50%) | (138.43) | 0.00% | - | -7.50% | (138.43) | - | 0.00% |
| Mas Estates Gurgaon Limited (w.e.f. September 05, 2022) | 0.01% | 9.94 | 0.00% | - | 0.00% | - | 0.00% | - | - | 0.00% |
| Acreage Builders Private Limited (w.e.f. October 27, 2022) | 16.26% | 20,385.80 | (0.20%) | (3.78) | 0.00% | - | -0.20% | (3.78) | - | 0.00% |
| Non controlling interests in all subsidiaries | 3.40% | 4,266.94 | 0.00% | - | 0.00% | - | 0.00% | - | - | 0.00% |
| Eliminations | (128.40%) | (1,60,991.68) | (89.13%) | (1,645.93) | 0.00% | - | -89.13% | (1,645.93) | (197.02) | (1.50%) |
| | 100.00% | 1,25,387.44 | 100.00% | 1,846.70 | 100.00% | 0.01 | 100.00% | 1,846.71 | 13,127.83 | 100.00% |

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% |

45 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 during the year 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.

Being a common control business combination. Ind AS 103 Business Combinations requires the Company to account 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

Therefore, the comparative financial information for previous year ended March 31, 2022 has not been restated since the scheme of merger approved by the NCLT prevails over the applicable accounting requirements

Upon the coming into effect of this Scheme and in consideration of the transfer, 1 (one) equity shares of the face value of INR 10 each fully paid-up of the Company are required to be issued against every 1 (one) equity shares of INR 10 each fully paid-up held by the shareholders of the transferor company. Consequent to this, the Company shall issue 146,946,000 equity shares of INR 10 each fully paid-up for 146,946,000 equity shares of INR 10 each fully paid-up of the transferor company

These shares have been disclosed as 'Share capital pending issuance' as at March 31, 2023 and as at April 01, 2022
# also refer note 46

46 Till the previous year ended March 31, 2022, the Company has not prepared and presented the Consolidated Financial Statements for the year ended March 31, 2022, since the Company availed the exemption prescribed under Section 129 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 as amended. However, consequent to the merger as described in note 45, the Company has become holding Company of the group and accordingly has prepared its consolidated financial statements for the first time for the year ended March 31, 2023. To comply with the requirement of comparative information as per applicable accounting standards/ Schedule III to the Companies Act, 2013, the Company has prepared and presented the comparative information for the year ended March 31, 2022 in these financial statements which have been approved by the Board of Directors but these were not subjected to audit. Also refer to aforesaid note 45, which describes that comparative information of March 31, 2022 have not been restated while giving effect to the merger

46.1 Subsequent to the year end. one of the subsidiary company Max Estates 128 Private Limited (MEL 128) has achieved pre-formal launch sales of ~ INR 180,000 lakhs for its first luxury residential project, Estate 128.

**47 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 was taken.

(ix) The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 3 to the financial statements, 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 or previous financial year except as mentioned in Note 45.

(xiii) The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

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

**per Pravin Tulsyan**
Partner
Membership Number: 108044

S. R. BATLIBOI & CO. LLP * NEW DELHI *

Place : Gurugram
Date: 18/8/23

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

**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:

Annexure - B

K.K. MANKESHWAR & CO.
CHARTERED ACCOUNTANTS

121, POCKET-I, JASOLA
NEW DELHI - 110 025
Ph: +91-11-41402828
del@kkmindia.com

**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

Chartered Accountants

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.

Chartered Accountants

**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
Digitally signed by DINESH KUMAR BACHCHAS
Date: 2024.08.29 14:29:27 +05'30'

**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

K. K. Mankeshwar & Co.
Chartered Accountants

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

(Rs. In Lakhs)

| | Notes | 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** |
| **TOTAL ASSETS** | | **1,02,537.96** |
| **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** |
| **TOTAL LIABILITIES** | | **38,227.96** |
| **TOTAL EQUITY AND LIABILITIES** | | **1,02,537.96** |
| Summary of significant accounting policies | 2 | |
| Other notes on accounts | 3-48 | |

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

DINESH KUMAR BACHCHAS Digitally signed by DINESH KUMAR BACHCHAS Date: 2024.08.29 14:30:09 +05'30'

**per Dinesh Kumar Bachchas**
Partner

Membership Number: 097820

Place: Noida
Date: August 29, 2024

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

Dinesh Kumar Mittal Digitally signed by Dinesh Kumar Mittal Date: 2024.08.29 14:01:24 +05'30'

SAHIL VACHANI

**Dinesh Kumar Mittal**
(Director)
DIN: 00040000

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

NITIN KUMAR Digitally signed by NITIN KUMAR

Abhishek Mishra

**Nitin Kumar Kansal**
(Chief Financial Officer)

**Abhishek Mishra**
(Company Secretary)

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) |
| | | 2.94 |
| **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

DINESH KUMAR BACHCHAS Digitally signed by DINESH KUMAR BACHCHAS Date: 2024.08.29 14:30:45 +05'30'

**per Dinesh Kumar Bachchas**
Partner
Membership Number: 097820

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

Dinesh Kumar Mittal Digitally signed by Dinesh Kumar Mittal Date: 2024.08.29 14:01:53 +05'30'

**Dinesh Kumar Mittal**
(Director)
DIN: 00040000

SAHIL VACHANI

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

NITIN KUMAR Digitally signed by NITIN KUMAR

**Nitin Kumar Kansal**
(Chief Financial Officer)

Abhishek Mishra

**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

(Rs. in Lacs)

| 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

DINESH KUMAR BACHCHAS Digitally signed by DINESH KUMAR BACHCHAS

per Dinesh Kumar Bachchas
Partner
Membership Number 097820

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

Dinesh Kumar Mittal Digitally signed by Dinesh Kumar Mittal Date: 2024.08.29 14:02:17 +05'30'

Dinesh Kumar Mittal
(Director)
DIN: 00040000

SAHIL VACHANI

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

NITIN KUMAR Digitally signed by NITIN KUMAR

Nitin Kumar Kansal
(Chief Financial Officer)

Abhishek Mishra

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.**

Chartered Accountants
ICAI Firm Registration Number: 106009W

DINESH KUMAR BACHCHAS Digitally signed by DINESH KUMAR BACHCHAS Date: 2024.08.29 14:32:04 +05'30'

**per Dinesh Kumar Bachchas**
Partner

Membership Number: 097820

Place: Noida
Date: August 29, 2024

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

Dinesh Kumar Mittal Digitally signed by Dinesh Kumar Mittal Date: 2024.08.29 14:02:41 +05'30'

**Dinesh Kumar Mittal**
(Director)

DIN: 00040000

SAHIL VACHANI

**Sahil Vachani**
(Managing Director & Chief Executive Officer)

DIN: 00761695

NITIN KUMAR Digitally signed by NITIN KUMAR

**Nitin Kumar Kansal**
(Chief Financial Officer)

Abhishek Mishra

**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

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.

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 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, 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 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 properly 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.

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 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.

**(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 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 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**

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 medication is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**
Financial assets and financial liabilities are offset and the net amount is reported in the 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:

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).

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 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 realised 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.

**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.

**l. Provision and Contingent liabilities**

**Provisions**

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**

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 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.

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 date 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 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 fulfiled 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:

### 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

**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

(Rs. In Lakhs)

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

| | | (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 |

## 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 Holidng Compnay 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.

**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 Projectand 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

**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 |
| | **3,742.97** |

| | (Rs. In Lakhs) As at March 31, 2022 |
|---|---|
| **16. Long term provision** | |
| **Provision for employee benefits** | |
| Provision for gratuity (refer note 35) | 72.94 |
| | **72.94** |
| **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)** | **(391.19)** |
| **(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)** | **43.83** |
| **Deferred Tax liability (A-B)** | **(347.36)** |
| **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 |
| | **3,176.68** |
| * 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 | 900.96 |
| (refer note 39b for payables to related party) | **997.48** |

**Trade Payables ageing schedule as on 31st March 2022**

| | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| **Particulars** | **Not Due** | **Less than 1 year** | **1-2 years** | **2-3 years** | **More than 3 years** | **Total** |
| (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 |

*** 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** |

**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** |

**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.

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% |

**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** |

## 32 Income Tax

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

**Statement of profit and loss :**

(Rs. in Lakhs)

| Particulars | 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** |

**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 |
| Unabosorbed 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.

**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 Enterperises 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

**Max Estates Limited**
**Notes forming part of the Consolidated Financial Statements for the year 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 o 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 | |
| | Discount rate | |
| | Increase by 0.50% | (36.60) |
| | Decrease by 0.50% | 41.27 |
| | Salary growth rate | |
| | Increase by 0.50% | 39.98 |
| | Decrease by 0.50% | (35.90) |

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:

(Rs. in Lakhs)

| Category | 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**

(Rs. in Lakhs)

| Particulars | Carrying value March 31, 2022 | Fair value | | |
|---|---|---|---|---|
| | | 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**

(Rs. in Lakhs)

| Particulars | Carrying value March 31, 2022 | Fair value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Non-Current borrowings | 28,335.38 | - | - | 28,335.38 |
| Current borrowings | 3,176.68 | - | - | 3,176.68 |

**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**

| | 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<br>Max I Limited<br>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)<br>Ms. Piya Singh (Daughter of Mr.Analjit Singh - Director) |
| Key management personnel | Mr. Dinesh Kumar Mittal (Director)<br>Mr. Sahil Vachani (Managing Director of Holding Company)<br>Mr. Nitin Kumar Kansal (Chief Financial Officer of Holding Company)<br>Mr. Saket Gupta (upto January 31, 2022) |
| Other Non-Executive/ Independent Directors | Mr. Analjit Singh (Director)<br>Mr. Rishi Raj |
| Relatives of Key Management personnel | Mr. Veer Singh (Son of Mr. Analjit Singh - Director)<br>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<br>Piveta Estates Private Limited<br>Siva Realty Ventures Private Limited<br>New Delhi House Services Limited<br>Vana Enterprises Limited<br>Four Season Foundation<br>Lake View Enterprises<br>Siva Enterprises Private Limited<br>Leeu Collections South Africa Pty Limited<br>Azure Hospitality Private Limited<br>Max Life Insurance Company Limited<br>Antara Senior Living Limted<br>Antara Purukul Senior Living Limited<br>Icare Health Projects And Research Private Limited<br>Max India Limited<br>Max India Foundation<br>Max Financial Services Limited<br>Max I Limited*<br>Riga Foods LLP<br>M/s Analjit Singh (HUF)<br>Trophy Estates Private Limited<br>Max Ateev Limited<br>New York Life Insurance Company<br>The Unstuffy Hotel Co Limited<br>New Delhi House Services Ltd.<br>Vana Retreats Pvt. Ltd.<br>Antara Assisted Care Services Limited<br>Topline Electronics Private Limited<br>Delhi Guest House Private Limited<br>Vanaveda Lifestyle Private Limited<br>Max Ventures Investment Holding Private Limited<br>SKA Diagnostics Private Limited<br>Vanavastra Private Limited<br>Max One Distribution And Services Limited<br>Max Skill First Limited<br>Max Learning Ventures Limited<br>Routes 2 Roots<br>Antara Care Homes Limited<br>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 Limted | 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 Limted | 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 |

**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 Limted | 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

**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

(Rs. in Lakhs)

| Sr. No. | Particulars | 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 programms | - | - | - |
| | 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)

| | Max Square Limited | Pharmax Corporate Limited | |
|---|---|---|---|
| Particulars | 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)

| | Max Square Limited | Pharmax Corporate Limited | |
|---|---|---|---|
| Particulars | 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)

| | Max Square Limited | Pharmax Corporate Limited | |
|---|---|---|---|
| Particulars | 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)

| | Max Square Limited | Pharmax Corporate Limited | |
|---|---|---|---|
| Particulars | 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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**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% |

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

**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%** | **64,310.99** | **100.00%** | **492.20** | **100.00%** | **2.94** | **100.00%** | **495.14** | **7,393.47** | **100.00%** |

**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)**

(Rs. in Lakhs)

| 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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**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) Requirment, 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 was 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

DINESH KUMAR BACHCHAS Digitally signed by DINESH KUMAR BACHCHAS Date: 2024.08.29 14:32:56 +05'30'

**per Dinesh Kumar Bachchas**
Partner
Membership Number: 097820

Place: Noida
Date: August 29, 2024

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

Dinesh Kumar Mittal Digitally signed by Dinesh Kumar Mittal Date: 2024.08.29 14:04:50 +05'30'

**Dinesh Kumar Mittal**
(Director)
DIN: 00040000

SAHIL VACHANI

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

NITIN KUMAR Digitally signed by NITIN KUMAR

**Nitin Kumar Kansal**
(Chief Financial Officer)

Abhishek Mishra

**Abhishek Mishra**
(Company Secretary)

Place: Noida
Date: August 29, 2024

**K.K. MANKESHWAR & CO.**
CHARTERED ACCOUNTANTS

121, POCKET-I JASOLA
NEW DELHI - 110 025
Tel. : +91-11-41402828
del@kkmindia.com

**Independent Auditor's Report**

**To The Members of Max Estates Limited**

**Report on Audit of Financial Statements**

**Opinion**

We have audited the accompanying Financial Statements of M/s Max Estates Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, of its profit and total comprehensive income (comprising profit and other comprehensive income), changes in equity and its cash flows for the year then ended on that date.

**Basis for opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the director's report, but does not include the financial statements and our auditor's report thereon. The director's report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

K.K. Mankeshwar & Co. Chartered Accountants

When we read the director's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

**Responsibilities of management and those charged with governance for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's responsibilities for the audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal

K.K. Mankeshwar & Co. Chartered Accountants

control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143(3) of the Act, we report, to the extent applicable, that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

K K Mankeshwar & Co. Chartered Accountants

b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income, the Statement of changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account;

d. In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) rules, 2015 as amended.

e. On the basis of the written representations received from the directors as on 31st March, 2022, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and

g. The provisions of Section 197 read with Schedule V to the Act are not applicable to the company for the year ended 31st March, 2022.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company has disclosed the impact of pending litigations on its financial position in the Financial Statements (refer Note no. 26(II) of financial statements);

   ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;

   iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   iv) (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by

K K Mankeshwar & Co. Chartered Accountants

or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

(v) The Company has not declared/paid any dividend during the year and hence provisions of section 123 of the Act is not applicable.

**DINESH KUMAR BACHCHAS**
*Partner*
Membership No. 097820
For and on behalf of
**K.K.MANKESHWAR & CO.,**
*Chartered Accountants*
FRN:- 106009W
UDIN|22097820AJGNXC9862
New Delhi, dated the
16th May, 2022

K.K. Mankeshwar & Co. Chartered Accountants

**Annexure "A" to the Independent Auditors' Report**
**The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report that:**

1. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

   (a) (I) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.

   (II) The Company has maintained proper records showing full particulars of Intangible assets.

   (b) The fixed asset have been physically verified by the management during the year and no discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed asset is reasonable having regard to the size of the company and the nature of its asset.

   (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company and hence not commented upon.

   (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.

   (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

2. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.

   (b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

3. According to the information and explanations given to us, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company and hence not commented upon.

4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities given in respect of which provisions of section 185 of the Companies Act, 2013 are applicable to the company. Further, since the company is an infrastructure company within the meaning of schedule VI of the companies Act, 2013, the provision of section

K.K Mankeshwar & Co. Chartered Accountants

186 of companies Act, 2013 is not applicable and hence not commented upon.

5. The Company has not accepted any deposits from the public within the meaning of Section 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified. Hence reporting under clause 3(v) of the Order is not applicable.

6. We have broadly reviewed the books of account maintained by the Company pursuant the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, in relation to construction industry and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

7. In respect of statutory dues:

a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Cess and any other statutory dues, as applicable with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2022 for a period of more than six months from the date on when they become payable.

b) According to the information and explanations given to us and the records of the Company, details of Sales Tax and Value Added Tax which have not been deposited as at March 31, 2022 on account of dispute are given below:

| Nature of the statute | Nature of Dues | Forum where Dispute is pending | Period to which the Amount Relates | Amount (In Lakhs) |
|---|---|---|---|---|
| UK VAT Act, 2005 | Value Added Tax | Joint Commissioner (Appeals) | A.Y. 2016-17 | 21.24* |

* Net of Protest

8. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961(43 of 1961).

K K Mankeshwar & Co.
Chartered Accountants

9. (a) According to the information and explanations give to us and based on our examination of the records of the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(b) The Company has not been declared wilful defaulter by any bank or financial institution orgovernment or any government authority.

(c) The Company has not taken any term loan during the year. Hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) The Company has not raised any funds on short term basis. Hence reporting under clause 3(ix)(d) of the Order is not applicable.

(e) On an overall examination of the financial statements of the Company, the Company has taken funds from entity on account of or to meet the obligations of its subsidiaries as below:

| Nature of Fund Taken | Name of Lender | Amount Involved (amount in Lacs | Name of the subsidiary, Joint Ventures, Associates | Relation | Nature of Transaction for which funds utilized | Remarks, if any |
|---|---|---|---|---|---|---|
| Unsecured Loan from Holding Company | Max Ventures & Industries Limited | 500.00 | Pharmax Corporation Limited | Subsidiary | Unsecured Loan- Operational Expenses | |

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

10. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of theOrder is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

11. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) According to the information and explanations given to us, there were no whistle blower complaints received during the year by the Company.

12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

Chartered Accountants

13. According to the information and explanation given by the management, all transaction with related parties are in compliance with section 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the notes to financial Statement, as required by the applicable accounting standards. The provision of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) in so far as it relates to section 177 of the Act is not applicable to the company and hence not commented upon

14. (a) According to the information and explanations given by the management, the company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

15. In our opinion during the year the Company has not entered into any non-cash transactions withits Directors or persons connected with its directors. and hence provisions of section 192 of theCompanies Act, 2013 are not applicable to the Company.

16. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) of the Order is not applicable.

(b) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(b) of the Order is not applicable.

(c) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanation given to us by the management, the Group has one CIC which is registered with the Reserve Bank of India.

17. The Company has not incurred cash losses during the financial year covered by our audit and the Company has incurred cash losses in the immediately preceding financial year.

18. There has been no resignation of the statutory auditors of the Company during the year.

19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date

Chartered Accountants

of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

20. The provisions of section 135 of the companies Act, 2013 does not apply to the Company. Accordingly the provisions of clause 3(xx) of the Order are not applicable to the Company and hence not commented upon.

**DINESH KUMAR BACHCHAS**
*Partner*
Membership No. 097820
**K. K. Mankeshwar & Co.,**
*Chartered Accountants*
FRN – 106009W
UDIN: 22097820ASGNXC9862

K. K. Mankeshwar & Co.
Chartered Accountants

New Delhi; dated the
16th May, 2022

## "ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAX ESTATES LIMITED

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

We have audited the internal financial controls over financial reporting of M/s Max Estates Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

K.K. Mankeshwar & Co. Chartered Accountants

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

**DINESH KUMAR BACHCHAS**
*Partner*
Membership No. 097820
For and on behalf of
**K.K.MANKESHWAR & CO.,**
*Chartered Accountants*
FRN:- 106009W
UDIN, 22097820AJGNKL9862

K.K Mankeshwar & Co. Chartered Accountants

New Delhi, dated the
16th May, 2022

Max Estates Limited
Balance sheet as at March 31, 2022

| | Notes | As at March 31, 2022 | (Rs. in Lacs) As at March 31, 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 114.91 | 83.05 |
| Investment Property | 3.1 | 7,451.46 | 7,446.94 |
| Other Intangible assets | 4 | 3.45 | 5.78 |
| Financial assets | 5 | | |
| (i) Investment | | 50,003.88 | 49,707.57 |
| (ii) Other financial assets | | 1,357.97 | 715.19 |
| Other non current assets | 6 | 953.55 | 270.72 |
| Deferred tax assets | | 86.51 | - |
| | | 59,971.74 | 58,229.25 |
| **Current assets** | | | |
| Inventories | 7 | 1,345.25 | 3,217.27 |
| Financial assets | 8 | | |
| (i) Trade receivables | | 162.95 | 50.64 |
| (ii) Cash and cash equivalents | | 56.05 | 287.77 |
| (iii) Bank balances other than (ii) above | | 3,543.88 | 5,291.60 |
| (iv) Loans | | 3,089.57 | 1,233.92 |
| (v) Other financial assets | | 335.98 | 108.21 |
| Other current assets | 9 | 333.69 | 455.90 |
| | | 8,867.37 | 10,645.31 |
| **TOTAL ASSETS** | | 68,839.11 | 68,874.56 |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 10 | 7,791.00 | 7,791.00 |
| Other equity | 10 | 52,800.41 | 52,143.44 |
| **Total equity** | | 60,591.41 | 59,934.44 |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| (i) Borrowings | 11 | 3,661.88 | 3,805.08 |
| (ii) Other financial liability | 12 | 830.02 | 379.63 |
| Provisions | 13 | 56.82 | 42.55 |
| | | 4,548.72 | 4,227.26 |
| **Current liabilities** | | | |
| Financial liabilities | 14 | | |
| (i) Borrowings | | 2,830.10 | 3,342.60 |
| (ii) Trade payables | | | |
| (a) Total outstanding dues of micro enterprises and small enterprises | | 4.63 | 159.79 |
| (b) Total outstanding dues of creditors other than micro enterprises and small enterprises | | 307.96 | 552.55 |
| (iii) Other financial liabilities | | 129.98 | 90.01 |
| Other current liabilities | 15 | 343.56 | 488.81 |
| Provisions | 16 | 82.75 | 79.10 |
| | | 3,698.98 | 4,712.86 |
| **TOTAL LIABILITIES** | | 8,247.70 | 8,940.12 |
| **TOTAL EQUITY AND LIABILITIES** | | 68,839.11 | 68,874.56 |

| | | | |
|---|---|---|---|
| Summary of significant accounting policies | 2 | | |
| Other notes on accounts | 3-30 | | |

The accompanying notes are integral part of the financial statements

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

K.K. Mankeshwar & Co. Chartered Accountants

New Delhi, dated the
16th May, 2022

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

**Bishwajit Das**
(Director)
(DIN 00029455)

**Kishansingh Ramsinghaney**
(Director)
(DIN 00329411)

**Nitin Kumar Kansal**
(Chief Financial Officer)

Place: Noida
Date: 16th May 2022

**Max Estates Limited**

**Statement of profit and loss for the year ended March 31, 2022**

(Rs. in Lacs)

| | Notes | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|
| **INCOME** | | | |
| Revenue from operations | 17 | 3,901.22 | 1,872.19 |
| Other income | 18 | 1,046.49 | 1,070.99 |
| **Total income** | | 4,947.71 | 2,943.18 |
| **EXPENSES** | | | |
| Cost of material consumed, construction & other related project cost | 18.1 | - | - |
| (Increase)/decrease in inventories of work-in-progress | 18.2 | 1,850.95 | 1,557.96 |
| Employee benefits expense | 19 | 598.73 | 501.75 |
| Finance costs | 20 | 725.88 | 1,156.56 |
| Depreciation and amortization expense | 21 | 144.47 | 66.01 |
| Other expenses | 22 | 1,101.22 | 876.54 |
| **Total expenses** | | 4,421.25 | 4,158.82 |
| **Profit/(Loss) before tax** | | 526.46 | (1,215.64) |
| **Tax expenses** | | | |
| - Current tax | | - | - |
| - Income tax for earlier years | | - | 0.07 |
| - Deferred tax | | - | - |
| **Total tax expense** | | - | **0.07** |
| **Profit/(Loss) after tax** | | 526.46 | **(1,215.71)** |
| **Other comprehensive income** | | | |
| Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods: | | | |
| Re-measurement losses on defined benefit plans | 23 | 3.93 | (9.79) |
| Income tax effect | | - | - |
| | | 3.93 | (9.79) |
| Other comprehensive income/(loss) for the year | | 3.93 | (9.79) |
| Total comprehensive income/(loss) for the year | | 530.39 | (1,225.50) |
| **Earnings per equity share (Nominal Value of share Rs.10/-) (refer note 24)** | | | |
| Basic (Rs.) | | 0.67 | (1.56) |
| Diluted (Rs.) | | 0.12 | (0.27) |
| Summary of significant accounting policies | 2 | | |
| Other notes on accounts | 3-39 | | |

The accompanying notes are integral part of the financial statements

**DINESH KUMAR BACHCHAS**
*Partner*

Membership No. 097820
For and on behalf of
**K.K.MANKESHWAR & CO.**
*Chartered Accountants*
FRN: 106009W

K.K. Mankeshwar & Co. Chartered Accountants

New Delhi, dated the
16th May, 2022

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

**Bishwajit Das**
(Director)
(DIN 00029455)

**Kishansingh Ramsinghaney**
(Director)
(DIN 00329411)

**Nitin Kumar Kansal**
(Chief Financial Officer)

Place: Noida
Date: 16th May '2022

Max Estates Limited

Statement of cash flows for year ended March 31, 2022

(Rs. in Lacs)

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Profit/(Loss) before tax | 526.46 | (1,215.64) |
| **Adjustments to reconcile profit before tax to net cash flows:** | | |
| Depreciation of property, plant and equipment | 141.72 | 63.28 |
| Amortization of intangible assets | 2.75 | 2.73 |
| Employee stock option scheme expenses | - | 25.57 |
| Liability no longer required written back | (30.57) | (3.46) |
| Loss on disposal of property, plant and equipment | 0.42 | 3.83 |
| Interest income | (941.41) | (1,049.80) |
| Guarantee fee income | (14.72) | - |
| Profit on sale of current investment | - | (0.20) |
| Finance costs (including fair value change in financial instruments) | 725.88 | 1,098.92 |
| **Operating profit before working capital changes** | 410.53 | (1,074.77) |
| **Working capital adjustments:** | | |
| Increase/ (decrease) in trade payables | (369.92) | (112.14) |
| Increase/ (decrease) in long-term provisions | 14.27 | (5.55) |
| Increase/ (decrease) in other non current financial liability | - | 117.23 |
| Increase/ (decrease) in short-term provisions | 3.65 | 5.76 |
| Increase/ (decrease) in other current liabilities | (145.25) | 116.68 |
| Increase/ (decrease) in other financial liabilities | 508.92 | 30.20 |
| Decrease / (increase) in trade receivables | (112.31) | (33.54) |
| Decrease / (increase) in inventories | 1,872.01 | 1,527.13 |
| Decrease / (increase) in other current and non current assets | (121.87) | 94.24 |
| Decrease / (increase) in current and non current financial assets | (170.27) | 17.89 |
| **Cash generated from operations** | 1,889.78 | 683.13 |
| Income tax paid | (140.52) | (78.83) |
| **Net cash flows used in operating activities** | 1,749.26 | 604.30 |
| | | |
| **Cash flow from investing activities** | | |
| Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances) | (54.79) | (38.57) |
| Proceeds from sale of property, plant and equipment | 0.72 | 7.00 |
| Investment in Subsidiary company | - | (2,421.45) |
| Loan/Repayment of loan from/to subsidiary company | (1,855.65) | (1,233.93) |
| Investment in Investment property | (674.69) | (1,634.39) |
| Investment in Mutual Fund | - | 0.20 |
| Interest received | 247.27 | 429.50 |
| **Net cash flows used in investing activities** | (2,337.14) | (4,891.64) |
| | | |
| **Cash flow from financing activities** | | |
| Proceeds from issue of compulsorily convertible debentures | - | 20,200.00 |
| Interest paid | (729.72) | (1,087.04) |
| Proceeds from short-term borrowings from Holding/subsidiary company (net) | (599.13) | (17,063.06) |
| Proceeds/(Repayment) from/of long-term borrowings | (62.70) | 2,407.69 |
| **Net cash flows from financing activities** | (1,391.54) | 4,457.59 |
| | | |
| Net increase/(decrease) in cash and cash equivalents | (1,979.44) | 170.25 |
| Cash and cash equivalents at the beginning of the year | 5,579.37 | 5,409.12 |
| **Cash and cash equivalents at year ended** | 3,599.93 | 5,579.37 |

| Particulars | As at 1st April, 2021 | Net Cash Flows | Others | As at 31st March, 2022 |
|---|---|---|---|---|
| Non-current borrowings | 3,805.08 | (149.33) | 6.13 | 3,661.88 |
| Short term/ Current maturities of Borrowings | 3,342.60 | (512.50) | - | 2,830.10 |
| Investments | 49,707.57 | - | 296.31 | 50,003.88 |
| Total | 56,855.25 | (661.83) | 302.44 | 56,495.86 |

| Particulars | As at 1st April, 2020 | Net Cash Flows | Others | As at 31st March, 2021 |
|---|---|---|---|---|
| Non-current borrowings | 1,479.99 | 2,322.39 | 2.70 | 3,805.08 |
| Short term/ Current maturities of Borrowings | 20,339.60 | (16,997.00) | - | 3,342.60 |
| Investments | 47,286.13 | 2,399.80 | 21.64 | 49,707.57 |
| Total | 69,105.72 | (12,274.81) | 24.34 | 56,855.25 |

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

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Balances with banks:** | | |
| On current accounts | 55.16 | 286.99 |
| Deposits with remaining maturity for less than 12 months | 3,543.88 | 5,291.60 |
| Cash on hand | 0.89 | 0.78 |
| | 3,599.93 | 5,579.37 |

| | | |
|---|---|---|
| Summary of significant accounting policies | 2 | |
| Contingent liabilities, commitments and litigations | 26 | |
| Other notes on accounts | 3-39 | |

The accompanying notes are integral part of the financial statements

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

K.K. Mankeshwar & Co. Chartered Accountants

New Delhi, dated the
16th May, 2022

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

**Bishwajit Das**
(Director)
(DIN 00029455)

**Kishansingh Ramsinghaney**
(Director)
(DIN 00329411)

**Nitin Kumar Kansal**
(Chief Financial Officer)

Place : Noida
Date: 16th May '2022

Max Estates Limited
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, 2020 | 7,79,10,000 | 7,791.00 |
| Add: Equity share issued during the year (refer note 10(i)) | - | - |
| As at March 31, 2021 | 7,79,10,000 | 7,791.00 |
| Add: Equity share issued during the year (refer note 10(i)) | - | - |
| As at March 31, 2022 | 7,79,10,000 | 7,791.00 |

b) Other equity

(Rs. in Lacs)

| Particulars | Reserves and surplus | | Employees Stock Options | Other comprehensive income | Equity Component - Compulsorily Convertible Debentures (CCD) | Total equity |
|---|---|---|---|---|---|---|
| | Other equity | Retained earnings | | | | |
| As at March 31, 2020 | 28.74 | (3,891.55) | - | - | 57,164.00 | 53,301.19 |
| Profit/(Loss) for the year | - | (1,215.71) | - | - | - | (1,215.71) |
| Other comprehensive income for the year | - | - | - | (9.79) | - | (9.79) |
| Other equity created on account of guarantee fees | 42.18 | - | - | - | - | 42.18 |
| ESOP given during the year (refer note 30) | - | - | 25.57 | - | - | 25.57 |
| Equity component of compulsorily convertible debentures | - | - | - | - | - | |
| As at March 31, 2021 | 70.92 | (5,107.26) | 25.57 | (9.79) | 57,164.00 | 52,143.44 |
| Profit/(Loss) for the year | - | 526.46 | - | - | - | 526.46 |
| Other comprehensive income for the year | - | - | - | 3.93 | - | 3.93 |
| Other equity created on account of guarantee fees | - | - | - | - | - | - |
| ESOP given during the year (refer note 30) | - | - | 40.07 | - | - | 40.07 |
| Add: Tax impact on equity portion of interest free loan | 86.51 | - | - | - | - | 86.51 |
| As at March 31, 2022 | 157.43 | (4,580.80) | 65.64 | (5.86) | 57,164.00 | 52,800.41 |

Summary of significant accounting policies 2
Other notes on accounts 3-39

The accompanying notes are integral part of the financial statements

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

K.K. Mankeshwar & Co. Chartered Accountants

New Delhi dated the
16th May, 2022

For and on behalf of the Board of Directors of
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Bishwajit Das
(Director)
(DIN 00029455)

Kishansingh Ramsinghaney
(Director)
(DIN 00329411)

Nitin Kumar Kansal
(Chief Financial Officer)

Place: Noida
Date: 16th May 2022

**1 Corporate Information**

Max Estates Limited (the Company) is a company registered under Companies Act, 2013 and incorporated on 22nd March 2016. The Company engaged in the business of Real Estates development. Registered office of the Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab - 144533

The financial statemenats were authorised for issuance in accordance with resolution of directors on May 16, 2022.

**2 Significant accounting policies**

**2.1 Basis of preparation**

These separate financial statement of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of division II of Schedule III to the Companies Act 2013 (Ind AS Compliant Schedule III), as applicable to these separate financial statements.

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

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

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

**2.2 Summary of significant accounting policies**

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

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

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realized within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to settled within twelve months after the reporting period, or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

**b. Property, Plant and Equipment**

Under the previous GAAP (Indian GAAP), all assets were carried in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemption of Ind AS 101 to continue carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

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

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

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

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

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

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

| Assets | Useful lives estimated by the management (years) |
|---|---|
| Furniture and fixtures | 10 Years |
| Office equipment | 5 Years |

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Computers 3 Years
Vehicles 8 Years

**c. 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 Group 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 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
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 Group 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

**d. 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 amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation 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 amortisation period or method, as appropriate and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised 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.

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.

**e. Impairment of non financial assets**
The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net 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 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 Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company 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, or country or countries in which the entity operates, or for the market in which the asset is used

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

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An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised 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 recognised. 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 recognised for the asset in prior years. Such reversal is recognised 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.

**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.

**(i) Financial assets**

The Company classified its financial assets in the following measurement categories :-

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

**Initial recognition and measurement**

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

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

(i) Debt instruments at amortized cost

(ii) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

**Debt instruments at amortized cost**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

(i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and

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

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

**Debt instruments at Fair value through profit and loss**

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

**Derecognition**

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

-the rights to receive cash flows from the asset have expired, or

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

(a) the Company has transferred the rights to receive cash flows from the financial assets or

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

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

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

**Inventories**

Inventories comprise completed units for sale and property under construction (Work in progress)

(A) Completed Unsold inventory is valued at lower of cost and net realizable value. Cost is determined by including cost of land, materials, services and related overheads.

(B) Work in progress is valued at cost. Cost comprises value of land (including development rights), materials, services and other overheads related to projects under construction.

**Impairment of financial assets**

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

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

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

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

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables 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.

**Reclassification of financial assets**

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

**(ii) Financial liabilities**

**Initial recognition and measurement**

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

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

**Trade Payables**

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

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

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

**Loans and borrowings**

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

**Financial guarantee contracts**

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

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or 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 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.

**g. Investment in Subsidiaries**

The investment in subsidiaries are carried at cost as per IND AS 27. Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**h. Revenue Recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

**(i) 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

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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.

**(ii) Revenue from shared services**

Revenue from shared services is recognized over the period of contract, as and when services are rendered

**(iii) 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.

**(iv) 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.

(v) Interest and direct expenditure attributable to specific projects are capitalized in the cost of project, other interest and indirect costs are treated as 'Period Cost' and charged to Profit & Loss account in the period in which it is incurred.

(vi) All other incomes and expenditures are accounted for on accrual basis

**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 temporay differences

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

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

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

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

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

The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period

**j. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**k. Leases**

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

**Company as a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the losses in expected inflationary cost increase.

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Company as a lessor

Leases in which the Company 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.

**l. Provision and Contingent liabilities**

**Provisions**

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

Contingent liabilities

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

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

**m. Retirement and other employee benefits**

**Provident fund**

The Company contributed to employees provident fund benefits through recognised provident fund, contribution to fund has been on monthly basis for employees and employer share

**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.

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 liability or asset. The Company recognised 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

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company 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 Company 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 Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

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.

**n. 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

**o. Earning per share**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year and the weighted average number of shares outstanding during the year adjusted for the effects of all potential equity shares

**p. 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 Company's financial statements are presented in Indian rupee (`) which is also the Company'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.

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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.

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

**q. Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

(ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

(i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

(ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

(iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

- Disclosures for valuation methords, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments ( including those carried at amortised cost)

**2.3 Recent accounting pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

**Ind AS 16**

Property Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 37

Provisions, Contingent Liabilities and Contingent Assets – The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

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

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

**(a) Determining the lease term of contracts with renewal and termination options - Company as lessee**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised

The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset)

The Company included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). The Company typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised

Property lease classification – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases

**Estimates and assumptions**

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

(a) 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 and future pension increases. 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 with extrapolated maturity 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

(b) Fair value measurement of financial instruments

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 Company use Net asset value for valuation of investment in mutual fund.

(c) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(d) Impairment of non-Financial assets

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

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**Max Estates Limited**
**Notes forming part of the financial statements**

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

| | Office equipment | Furniture and fixture | Motor vehicles * | Computers and data processing units | Total |
|---|---|---|---|---|---|
| **At cost** | | | | | |
| As at March 31, 2020 | 2.26 | 0.93 | 81.40 | 30.54 | 115.13 |
| Additions | | 0.09 | 29.49 | 6.24 | 35.82 |
| Disposals | | | 15.24 | 0.45 | 15.69 |
| As at March 31, 2021 | 2.26 | 1.02 | 95.65 | 36.33 | 135.26 |
| Additions | | | 35.61 | 19.48 | 55.10 |
| Disposals | | | | 22.67 | 22.67 |
| As at March 31, 2022 | 2.26 | 1.02 | 131.26 | 33.14 | 167.69 |
| **Depreciation** | | | | | |
| As at March 31, 2020 | 1.20 | 0.19 | 18.09 | 22.32 | 41.80 |
| Additions | 0.43 | 0.09 | 10.26 | 4.49 | 15.27 |
| Disposals | | | 4.45 | 0.40 | 4.85 |
| As at March 31, 2021 | 1.63 | 0.28 | 23.90 | 26.41 | 52.22 |
| Additions | 0.31 | 0.10 | 13.97 | 7.71 | 22.09 |
| Disposals | | | - | 21.53 | 21.53 |
| As at March 31, 2022 | 1.94 | 0.38 | 37.87 | 12.59 | 52.78 |
| **Net carrying amount** | | | | | |
| As at March 31, 2022 | 0.32 | 0.64 | 93.39 | 20.55 | 114.91 |
| As at March 31, 2021 | 0.63 | 0.74 | 71.76 | 9.92 | 83.05 |

* Motor vehicle amounting to Rs.75.93 lacs (March 31,2021 Rs.62.41 lacs) subject to charge against vehicle loan [illegible]

Max Estates Limited
Notes forming part of the financial statements

3.1. Investment property

(Rs in Lacs)

| | Investment Property | Investment Property under development |
|---|---|---|
| **At cost** | | |
| As at March 31, 2020 | - | 5,803.54 |
| Additions | 7,494.95 | 1,691.41 |
| Disposals | - | 7,494.95 |
| As at March 31, 2021 | 7,494.95 | - |
| Additions | 124.15 | - |
| Disposals/capitalised during the year | - | - |
| As at March 31, 2022 | 7,619.10 | - |
| **Depreciation** | | |
| As at March 31, 2020 | - | - |
| Additions | 48.01 | - |
| Disposals | - | - |
| As at March 31, 2021 | 48.01 | - |
| Additions | 119.63 | - |
| Disposals | - | - |
| As at March 31, 2022 | 167.64 | - |
| **Net carrying amount** | | |
| As at March 31, 2022 | 7,451.46 | - |
| As at March 31, 2021 | 7,446.94 | - |

**Notes:**

**(i) Contractual obligations**

Refer note 26 for disclosure of contractual commitments for the acquisition of investment properties

**(ii) Capitalised borrowing cost**

During the year company has capitalised Rs.Nil (Previous Year - 242.16 Lacs) under investment property under CWIP

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

| | (Rs in Lacs) |
|---|---|
| Rental income | 353.83 |
| Less: Direct operating expenses generating rental income | 328.24 |
| Profit from leasing of investment properties | 25.59 |
| Less: depreciation expense | 123.70 |
| Profit from leasing of investment properties after depreciation | (98.12) |

**(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:**

| | (Rs in Lacs) |
|---|---|
| Opening balance as at 1 April 2021 | Rs.8500 to 10000 lacs |
| Increase of Fair value | - |
| Decline in fair value | - |
| Closing balance as at 31 March 2022 | Rs.8500 to 10000 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

Max Estates Limited
Notes forming part of the financial statements
4. Intangible assets

(Rs in Lacs)

| | Computer software | Total |
|---|---|---|
| **At cost** | | |
| As at March 31, 2020 | 17.43 | 17.43 |
| Additions | - | - |
| Disposals | - | - |
| 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, 2020 | 8.91 | 8.91 |
| Additions | 2.74 | 2.74 |
| Disposals | - | - |
| 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 |
| As at March 31, 2021 | 5.78 | 5.78 |

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Max Estates Limited
Notes forming part of the financial statements
5. Non Current financial assets
Investment

(Rs. in Lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Investment in equity instrument (value at cost)** | | |
| **Investments in subsidiaries** | | |
| **Unquoted equity shares** | | |
| **(a) Max Towers Pvt Ltd (formerly known as Wise Zone Builders Pvt. Ltd)** | | |
| 6,50,60,000 Equity shares of Rs. 10 each fully paid up (March 31, 2021 - 6,50,60,000 Equity Shares) | [illegible] | 6,506.00 |
| **(b) Max Square Ltd (formerly known as Northern Propmart Solutions Limited)** | | |
| 3,57,10,000 Equity shares of Rs 10 each fully paid up (March 31, 2021 - 3,57,10,000 Equity shares) | 3,571.00 | 3,571.00 |
| **(c) Pharmax Corporation Limited** | | |
| (4,71,22,747 Equity shares of Rs. 10 each fully paid up (March 31, 2021 - 4,71,22,747 Equity shares) | 6,073.05 | 6,073.05 |
| **Cumulative Convertible Preference Shares** | | |
| **(a) Pharmax Corporation Limited** | | |
| (3,00,000 10% Cumulative Convertible Preference shares of Rs. 100 each fully paid up (March 31, 2021 - 3,00,000) | 3,900.00 | [illegible] |
| **Unquoted Compulsory Convertible Debentures** | | |
| **(a) Max Towers Pvt Ltd (formerly known as Wise Zone Builders Pvt. Ltd)** | | |
| 26020 Debentures of Rs. 1,00,000 each fully paid up (March 31, 2021 - 26020 Debentures) | 26,020.00 | 26,020 |
| **(b) Max Square Ltd (formerly known as Northern Propmart Solutions Limited)** | | |
| 3,57,10,000 Debentures of Rs. 10 each fully paid up (March 31, 2021 - 3,57,10,000 Debentures) | 3,571.00 | 3,571.00 |
| **Equity component of guarantee given for loan** | | |
| (a) Max Towers Pvt Ltd (formerly known as Wise Zone Builders Pvt. Ltd) | 47.75 | 47.75 |
| (b) Max Square Ltd (formerly known as Northern Propmart Solutions Limited) | 57.88 | 18.77 |
| **Equity portion of interest free laon (net of deferred tax)** | | |
| Pharmax Corporation Limited | [illegible] | [illegible] |
| | [illegible] | 49,707.57 |
| Aggregate value of unquoted investments | 49,746.69 | 49,707.57 |
| Aggregate value of [illegible] | 49,746.69 | 49,707.57 |
| **5 . Non Current financial assets** | | |
| **Other financial assets** | | |
| Security deposits | 29.90 | 29.90 |
| Interest accrued on CCD's | 1,328.07 | 685.29 |
| | 1,357.97 | 715.19 |
| **6 Other non-current assets** | | |
| Deferred premium fee | 52.86 | 61.09 |
| Tax deducted at source recoverable | 350.14 | 209.63 |
| Capital Advances | 550.55 | [illegible] |
| | 953.55 | 270.72 |
| **6.1 Deferred tax assets** | | |
| Tax impact of equity portion of interest free loan | 86.51 | [illegible] |
| | 86.51 | - |

| | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | | | (Rs. in Lacs) |
| **7.** | **Inventories** | | |
| | Construction Materials | 19.66 | 40.73 |
| | Finished Goods | 1,138.84 | 2,835.54 |
| | Work-in-process | 186.75 | 341.00 |
| | | 1,345.25 | 3,217.27 |

(Rs. in Lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **8. Current financial assets** | | |
| **(i) Trade receivables** | | |
| **Unsecured :-** | | |
| Unsecured, considered good * | 162.95 | 50.64 |
| | 162.95 | 50.64 |

* includes Rs.150.14 lacs (Previous year Rs.18.79 lacs) due from related parties

| Ageing of trade receivable as on 31st March 2022 | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| Undisputed Trade receivables – considered good | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| As on March 31, 2022 | 146.63 | 3.30 | 13.02 | - | - | 162.95 |
| As on March 31, 2021 | 37.87 | 12.77 | - | - | - | 50.64 |

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **(ii) Cash and cash equivalents** | | |
| **Balances with banks:** | | |
| On current accounts | 55.16 | 286.99 |
| Cash in hand | 0.89 | 0.78 |
| | 56.05 | 287.77 |
| **(iii) Bank balances other than (ii) above** | | |
| Deposits with remaining maturity for more than 3 months but less than 12 months | 3,543.88 | 5,291.60 |
| | 3,543.88 | 5,291.60 |
| **(iv) Loans** | | |
| Loans to related parties (refer note 33b) | 3,089.57 | 1,233.92 |
| | 3,089.57 | 1,233.92 |
| **(v) Other financial assets** | | |
| Rent receivable (Equalisation) | 205.09 | 28.68 |
| Interest accrued on deposits | 128.86 | 77.50 |
| Security Deposit | 2.03 | 2.03 |
| | 335.98 | 108.21 |
| **9. Other current assets** | | |
| (Unsecured, considered good) | | |
| Advances :- | | |
| - from related party | 36.37 | 104.71 |
| - from others | 14.31 | 5.76 |
| Deferred guarantee fee | 4.12 | 4.12 |
| Prepaid expenses | 96.89 | 94.82 |
| Balance with statutory authorities | 183.20 | 246.49 |
| | 333.69 | 455.90 |

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Max Estates Limited
Notes forming part of the financial statements

**10. Share capital and other equity**

**(i) Equity share capital**

(Rs in Lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **a) Authorized** | | |
| 7,80,00,000 equity shares of Rs. 10/- each (March 31, 2021 - 7,80,00,000 equity shares of Rs.10/- each) | 7,800.00 | 7,800.00 |
| | 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 (March 31, 2021 - 7,79,10,000 equity shares of Rs.10/- each) | [illegible] | [illegible] |
| **Total issued, subscribed and fully paid-up share capital** | [illegible] | [illegible] |

**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 | March 31, 2022 (Rs. in lacs) | March 31, 2021 No. of shares | March 31, 2021 (Rs. In lacs) |
|---|---|---|---|---|
| At the beginning of the year | 7,79,10,000 | 7,791.00 | 7,79,10,000 | 7,791.00 |
| Add: Shares issued during the year | - | - | - | - |
| **Outstanding at the end of the year** | [illegible] | [illegible] | [illegible] | [illegible] |

**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 | March 31, 2022 % held | March 31, 2021 No. of shares | March 31, 2021 % held |
|---|---|---|---|---|
| **Equity shares of Rs. 10 each fully paid-up** | | | | |
| Max Ventures & Industries Limited | 7,79,09,994 | [illegible] | 7,79,09,994 | [illegible] |

**e) Details of shares held by holding company**

| Name of the Shareholder | March 31, 2022 No. of shares | March 31, 2022 % held | March 31, 2021 No. of shares | March 31, 2021 % held |
|---|---|---|---|---|
| **Equity shares of Rs. 10 each fully paid-up** | | | | |
| Max Ventures & Industries Limited | [illegible] | [illegible] | 7,79,09,994 | [illegible] |

**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 | [illegible] | [illegible] | **Nil** |
| March 31, 2021 | Max Ventures & Industries Limited | [illegible] | [illegible] | **Nil** |

**(ii) Other equity**

(Rs. in Lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Compulsorily Convertible Debentures (CCD) (refer note a below) | 57,164.00 | 57,164.00 |
| Other equity (refer note b below) | 223.07 | 96.49 |
| Retained earnings (refer note c below) | (4,586.66) | (5,117.05) |
| | 52,800.41 | 52,143.44 |
| Notes: | | |
| **a) Compulsorily Convertible Debentures (CCD)** | | |
| At the beginning of the year | 57,164.00 | 36,964.00 |
| Add: additions during the year | - | 20,200.00 |
| **At the end of the year** | **57,164.00** | **57,164.00** |
| **b) Other equity** | | |
| At the beginning of the year | 96.49 | 28.74 |
| Add: additions on account equity created on guarantee fees & ESOP | 40.07 | 67.75 |
| Add: Tax impact on equity portion of interest free loan | 86.51 | - |
| **At the end of the year** | **223.07** | **96.49** |
| **c) Retained earnings** | | |
| At the beginning of the year | (5,117.05) | (3,891.55) |
| Profit/(Loss) for the year | 526.46 | (1,215.71) |
| Re-measurement of post employment benefit obligation (net of tax) (item of OCI) | 3.93 | (9.79) |
| **At the end of the year** | **(4,586.66)** | **(5,117.05)** |

**Max Estates Limited**
**Notes forming part of the financial statements**

## 11. Borrowings

(Rs. in Lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Non-current borrowings** | | |
| **Term loans (secured)** | | |
| From banks | 3,793.64 | 3,859.23 |
| **Vehicle loans from Bank (secured)** | 31.34 | 28.45 |
| | **3,824.98** | **3,887.68** |
| **Less: Amount disclosed under "other current financial liabilities" [refer note 14(i)]** | **163.10** | **82.60** |
| | **3,661.88** | **3,805.08** |
| Aggregate Secured loans | **3,824.98** | **3,887.68** |
| Aggregate Unsecured loans | - | - |

**Vehicle loan :-**

Vehicle loans amounting to Rs. 31.34 Lakhs (March 31.2021 - Rs. 28.45 Lacs) 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%

**Term Loan from Banks :-**

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 Projectand 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 cred- ited/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

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | | (Rs. in Lacs) |
| **12. Other non current financial liability** | | |
| Security Deposit received | 762.02 | 374.41 |
| Deferred Finance Income (Security deposit) | 68.00 | 5.22 |
| | **830.02** | **379.63** |
| **13. Long term provision** | | |
| **Provision for employee benefits** | | |
| Provision for gratuity (refer note 28) | 56.82 | 42.55 |
| | 56.82 | 42.55 |
| **14. Current financial liabilities** | | |
| **(i) Borrowings** | | |
| Loan from related party ( Unsecured ) * | 2,667.00 | 3,260.00 |
| Current maturity of long term borrowings (refer note 11 ) | 163.10 | 82.60 |
| | **2,830.10** | **3,342.60** |
| * interest bearing loan @ 9.25%, repayable on demand | | |
| **(ii) Trade payables** | | |
| Total outstanding dues of micro enterprises and small enterprises* | 4.63 | 159.79 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | |
| -Payable to related parties | - | - |
| - Others | 307.96 | 552.55 |
| | 312.59 | **712.34** |

**Trade Payables ageing schedule as on 31st March 2022**

| Particulars | Outstanding for following periods from due date of payment | | |
|---|---|---|---|
| | <1 year | 1-2 years | 2-3 years |
| (i) MSME | 4.63 | | |
| (ii) Others | 296.09 | 11.87 | - |
| (iii) Disputed dues-MSME | - | - | - |
| (iv) Disputed dues -others | - | - | - |

**Trade Payables ageing schedule as on 31st March 2021**

| Particulars | Outstanding for following periods from due date of payment | | |
|---|---|---|---|
| | <1 year | 1-2 years | 2-3 years |
| (i) MSME | 159.79 | - | - |
| (ii) Others | 548.03 | 4.52 | - |
| (iii) Disputed dues-MSME | - | - | - |
| (iv) Disputed dues -others | - | - | - |

*** Details of dues to micro and small enterprises as per MSMED Act, 2006**

As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with such suppliers. Based on the information available with the Company, none of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **(iii) Other current financial liabilities** | | |
| Interest accrued but not due on borrowings | 13.34 | 17.19 |
| Security deposits | 74.06 | 52.11 |
| Deferred Guarantee Income | 39.86 | 17.99 |
| Deferred Finance Income (Security deposit) | 2.72 | 2.72 |
| | 129.98 | 90.01 |
| **15. Other current liabilities** | | |
| Statutory dues | 89.48 | 69.80 |
| Advance from Customers | 254.08 | 419.01 |
| | 343.56 | 488.81 |
| **16. Short term provision** | | |
| **Provision for employee benefits** | | |
| Provision for leave encashment | 81.95 | 78.56 |
| Provision for gratuity (refer note 28) | 0.80 | 0.54 |
| | 82.75 | **79.10** |

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**Max Estates Limited**
**Notes forming part of the financial statements**

## 17. Revenue from operations

(Rs. in Lacs)

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Revenue from operations | 3,215.58 | 1,697.87 |
| Revenue from Project Management Consultancy/CAM | 685.64 | 174.32 |
| **Total revenue from operations** | 3,901.22 | 1,872.19 |

## 18. Other Income

| | | |
|---|---|---|
| Interest Received | 941.41 | 1,049.80 |
| Profit on sale of mutual fund | - | 0.20 |
| Guarantee Fee Income | 14.72 | 0.66 |
| Liability no longer required written back | 30.57 | 3.46 |
| Other non-operating income | 14.69 | 11.41 |
| Miscellaneous Income | 45.10 | 5.46 |
| | **1,046.49** | **1,070.99** |

## 18.1. Cost of material consumed, construction & other related project cost

| | | |
|---|---|---|
| Inventories at beginning of year | 40.73 | 9.90 |
| Add: Purchases | - | - |
| Construction Materials | - | 28.14 |
| Civil Construction Work | (21.07) | 2.70 |
| | 19.66 | 40.73 |
| Less: inventory at the end of year | 19.66 | 40.73 |
| **Cost of material consumed, construction & other related project cost** | - | - |

## 18.2. (Increase)/ decrease in work-in-progress

| | | |
|---|---|---|
| **Inventories at end of year** | | |
| Finished Goods | 1,138.84 | 2,835.54 |
| Work-in-process | 186.75 | 341.00 |
| | 1,325.59 | 3,176.54 |
| **Inventories at beginning of the year** | | |
| Finished Goods | 2,835.54 | 4,393.50 |
| Work-in-process | 341.00 | 341.00 |
| | 3,176.54 | 4,734.50 |
| **(Increase)/ decrease in work-in-progress** | 1,850.95 | 1,557.96 |

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## 19. Employee benefits expense

(Rs. In Lacs)

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Salaries, wages and bonus | 497.12 | 439.69 |
| Contribution to provident and other funds | 33.91 | 18.87 |
| Employee stock option scheme (refer note 30) | 39.57 | 25.57 |
| Gratuity expense (refer note 28) * | 20.48 | 13.56 |
| Staff welfare expenses | 7.39 | 4.06 |
| | 598.47 | 501.75 |

* Rs. Nil (Previous year Rs.1.73 lacs) capitalised as part of investment property

## 20. Finance costs

| | | |
|---|---|---|
| Interest on borrowings | 682.60 | 1,098.92 |
| Bank charges | 43.27 | 57.64 |
| | 725.87 | **1,156.56** |

## 21. Depreciation and amortization expense

| | | |
|---|---|---|
| Depreciation on Investment property & property, plant and equipment (refer note 3) | 141.72 | **63.28** |
| Amortization of intangible assets (refer note 4) | 2.75 | **2.73** |
| | 144.47 | **66.01** |

## 22. Other expense

| | | |
|---|---|---|
| Rent | 0.05 | **3.39** |
| Insurance | 20.45 | **17.78** |
| Rates and taxes | 79.45 | **54.48** |
| Repairs and maintenance: | | |
| Others | 158.84 | **37.97** |
| Printing and stationery | 0.51 | **0.53** |
| Travelling and conveyance | 18.57 | **12.15** |
| Communication | 2.56 | **2.70** |
| Legal and professional * | 422.63 | **643.46** |
| Net loss on sale/disposal of fixed assets | 0.42 | **3.83** |
| Membership & Subscription | 24.52 | **46.92** |
| Marketing Expenses | 252.50 | **43.65** |
| Business Promotion | 36.82 | **4.52** |
| Facility Management Charges | 64.94 | - |
| Miscellaneous expenses | 18.96 | **5.16** |
| | **1,101.22** | **876.54** |

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

| | | |
|---|---|---|
| **As auditor:** | | |
| Audit fee | 0.75 | **0.75** |
| Other services (Limited review & certification fees) | 0.50 | **0.51** |
| | **1.25** | **1.26** |

**23 Other comprehensive income**

(Rs. in Lacs)

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| Re-measurement losses on defined benefit plans | 3.93 | (9.79) |
| Income tax effect | - | - |
| | 3.93 | (9.79) |

**24 Earning Per Share**

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Basic EPS** | | |
| Profit/(Loss) after tax (Rs. in Lacs) | 526.46 | (1,215.71) |
| Less: dividends on convertible preference shares & tax thereon | | - |
| Net profit/(loss) for calculation of basic EPS | 526.46 | (1,215.71) |
| Weighted average number of equity shares outstanding during the year (Nos.) | 7,79,10,000 | 7,79,10,000 |
| Basic earnings per share (Rs.) | 0.67 | (1.56) |
| **Dilutive EPS** | | |
| Profit/(Loss) after tax (Rs. in Lacs) | 526.46 | (1,215.71) |
| Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos) | 44,75,50,000 | 44,75,50,000 |
| Diluted earnings per share (Rs.) | 0.12 | (0.27) |

**25 Income Tax**

**The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 :**

**Statement of profit and loss :**

**Profit and loss section**

(Rs. in Lacs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Current income tax :** | | |
| Current tax | - | - |
| Income tax for earlier years | - | 0.07 |
| **Deferred tax :** | | |
| Relating to origination and reversal of temporary differences | - | - |
| **Income tax expense reported in the statement of profit and loss** | - | 0.07 |

**Deferred tax relates to the following:** - -

| | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Deferred tax liabilities** | - | - |
| Differences in depreciation in block of fixed assets as per tax books and financial books | - | - |
| Difference in book base and tax base in investments | - | - |
| Others | - | - |
| **Gross deferred tax liabilities (a)** | - | - |
| | | |
| **Deferred tax assets** | - | - |
| Effect of expenditure debited to the statement of Profit and Loss in the current period/earlier periods but allowed for tax purposes in following periods | - | - |
| Others | 86.51 | - |
| **Gross deferred tax assets (b)** | 86.51 | - |
| | | |
| **Mat Credit (c)** | - | - |
| | | |
| **Deferred tax liabilities/(assets) (net)** | (86.51) | - |

**Reflected in the balance sheet as follows:**

**Reconciliation of deferred tax liabilities (net):**

(Rs. in Lacs)

| Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|
| **Opening balance** | - | - |
| Tax expense/( income) during the period recognised in profit or loss | - | 0.07 |
| Tax expense/( income) during the period recognised in OCI | 86.51 | - |
| **Closing balance** | 86.51 | 0.07 |

The company 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.

26 Commitments and contingencies

i) Capital commitments

(Rs. In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Estimated amount of contracts remaining to be executed on capital account and not accounted for | 34.94 | 6.82 |
| Less: Capital Advances | - | 0.98 |
| Net Commitment | 5.84 | 5.84 |

ii) **Contingent liabilities**

(Rs. In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Bank Guarantee | 5,000.00 | 5,000.00 |
| Uttarakhand Vat | 21.24 | - |

## 27 Other notes to accounts

### Investment in subsidiaries

(a) These financial statement are separate financial statements prepared in accordance with Ind AS-27" Separate Financial Statements"

(b) The Company's investments in subsidiaries are as under:

| Name of the Subsidiary | Country of incorporation | Portion of ownership interest as at March 31, 2022 | Portion of ownership interest as at March 31, 2021 | Method used to account for the investment |
|---|---|---|---|---|
| Max Towers Pvt Ltd (formerly known as Wise Zone Builders Pvt.Ltd.) | India | 100% | 100% | At deemed cost |
| Max Square Ltd (formerly known as Northern Propmart Solutions Ltd) | India | [illegible] | 51% | At deemed cost |
| Pharmax Corporation Ltd | India | 85% | 85% | At deemed cost |

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**28 Gratuity**

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

(Rs. in lacs)

| | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | **Reconciliation of opening and closing balances of defined benefit obligation** | | |
| | Defined benefit obligation at the beginning of the year | 43.09 | 38.39 |
| | Interest expense | 2.92 | 2.61 |
| | Current service cost | 17.56 | 12.72 |
| | Benefit paid | (2.02) | (20.34) |
| | Acquisition adjustment | | (0.08) |
| | Remeasurement of (Gain)/loss in other comprehensive income | | |
| | Actuarial changes arising from changes in demographic assumptions | - | - |
| | Actuarial changes arising from changes in financial assumptions | - | - |
| | Actuarial changes arising from changes in experience adjustments | (3.93) | 9.79 |
| | **Defined benefit obligation at year end** | **57.62** | **43.09** |
| 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 | 57.62 | **43.09** |
| | **Amount recognized in balance sheet- asset / (liability)** | **57.62** | **43.09** |
| d) | **Net defined benefit expense (recognized in the statement of profit and loss for the year )** | | |
| | Current service cost | 17.56 | 12.72 |
| | Past service cost | | |
| | Interest cost on benefit obligation | 2.92 | 2.61 |
| | Expected return on plan assets | | |
| | **Net defined benefit expense debited to statement of profit and loss** | **20.48** | **15.33** |
| 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 | (3.93) | 9.79 |
| | **Recognised in other comprehensive income** | (3.93) | 9.79 |
| f) | **Broad categories of plan assets as a percentage of total assets** | | |
| | Insurer managed funds | 0% | 0% |

g) **Principal assumptions used in determining defined benefit obligation**

| Assumption particulars | for the year ended March 31, 2022 | for the year ended March 31, 2021 |
|---|---|---|
| Discount rate | [illegible] | 6.79% |
| Salary escalation rate | 10.00% | 10.00% |
| Mortality Rate (% of IALM 12-14) | 100.00% | 100.00% |

h) **Quantitative sensitivity analysis for significant assumptions is as below:**

| Increase / (decrease) on present value of defined benefits obligations at the end of the year | for the year ended March 31, 2022 | for the year ended March 31, 2021 |
|---|---|---|
| <u>Discount rate</u> | | |
| Increase by 0.50% | (4.11) | (2.96) |
| Decrease by 0.50% | 4.54 | 3.28 |
| <u>Salary growth rate</u> | | |
| Increase by 0.50% | 4.40 | 3.16 |
| Decrease by 0.50% | (4.03) | (2.89) |
| <u>Attrition rate</u> | | |
| Increase by 0.50% | | |
| Decrease by 0.50% | | |

i) The average duration of the defined benefit plan obligation at the end of the reporting year is 15.97 years (March 31, 2021 : 15.64 years)

j) 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.

k) 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.

l) 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 year.

**28.01 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 lacs)

| Particulars | for the year ended March 31, 2022 | for the year ended March 31, 2021 |
|---|---|---|
| Liability at the beginning of the year | 78.57 | 73.26 |
| Benefits paid during the year | (3.53) | (21.61) |
| Provided during the year | 6.92 | 26.92 |
| **Liability at the end of the year** | **81.96** | **78.57** |

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**29 Segment reporting**

The Company is a one segment company in the business of real estates development. All its operations are located in India , accordingly, the Company views these activities as one business segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Segment Reporting'.

**30 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 | | March 31, 2021 | |
|---|---|---|---|---|
| | Number of options | Weighted Average exercise price (Rs.) | 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 | 82,667 | 32.27 | 2,61,190 | 12.90 |
| Lapsed during the year | - | - | - | - |
| Exercised during the year | 65,293 | 12.90 | - | - |
| Outstanding at the end | 2,78,564 | 18.65 | 2,61,190 | 12.90 |
| 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 and March 31, 2021 are as follows:

| Date of grant | March 31, 2022 | | March 31, 2021 | |
|---|---|---|---|---|
| | Number of options | Weighted average remaining life in years | Number of options | Weighted average remaining life in years |
| 04-06-2020 (Grant Type I) | 2,61,190 | 2.68 | 2,61,190 | 3.68 |
| 02-07-2021 (Grant Type II) | 82,667 | 3.68 | - | - |

During the year ended March 31, 2022 65293 number (Previous year Nil) 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.

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## 31 Financial Instruments

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

(Rs. In Lacs)

| Category | Carrying Value | | Fair Value | |
|---|---|---|---|---|
| | March 31, 2022 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| **1) Financial asset at amortized cost** | | | | |
| **Current and Non Current** | | | | |
| Loans | 4,447.54 | 1,949.11 | 4,447.54 | 1,949.11 |
| Other financial assets | 335.98 | 108.21 | 335.98 | 108.21 |
| Trade receivables | 162.95 | 50.64 | 162.95 | 50.64 |
| Cash and cash equivalents | 3,599.94 | 5,579.37 | 3,599.94 | 5,579.37 |
| Investments | 50,003.88 | 49,707.57 | 50,003.88 | 49,707.57 |
| **2) Financial liabilities at amortized cost** | | | | |
| **Non Current** | | | | |
| Borrowings | 3,661.88 | 3,805.08 | 3,661.88 | 3,805.08 |
| **Current** | | | | |
| Borrowings | 2,830.10 | 3,342.60 | 2,830.10 | 3,342.60 |
| Other financial liabilities | 129.98 | 90.01 | 129.98 | 90.01 |
| Trade payables | 312.59 | 712.34 | 312.59 | 712.34 |

The Company assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors 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 and variable-rate receivables/borrowings are evaluated by the Company 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 unquoted instruments, loans from banks and other financial liabilities as well as other noncurrent 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 and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period.

**Fair value hierarchy**

The Company 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

(Rs. In Lacs)

| Particulars | Carrying value March 31, 2022 | Fair value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Current | | | | |
| Loans | 4,447.54 | - | 4,447.54 | - |
| Other financial assets | 335.98 | - | - | 335.98 |
| Trade receivables | 162.95 | - | - | 162.95 |
| Cash and cash equivalents | 3,599.94 | - | - | 3,599.94 |
| Investments | 50,003.88 | - | - | 50,003.88 |

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2021

(Rs. In Lacs)

| Particulars | Carrying value March 31, 2021 | Fair value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Loans | 1,949.11 | - | 1,949.11 | - |
| Other financial assets | 108.21 | - | - | 108.21 |
| Trade receivables | 50.64 | - | - | 50.64 |
| Cash and cash equivalents | 5,579.37 | - | - | 5,579.37 |
| Investments | 49,707.57 | - | - | 49,707.57 |

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

(Rs. In Lacs)

| Particulars | Carrying value March 31, 2022 | Fair value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Non Current | | | | |
| Borrowings | 3,661.88 | - | 3,661.88 | - |
| Current | | | | |
| Borrowings | 2,830.10 | - | - | 2,830.10 |
| Other financial liabilities | 129.98 | - | - | 129.98 |
| Trade payables | 312.59 | - | - | 312.59 |

(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2021

(Rs. In Lacs)

| Particulars | Carrying value March 31, 2021 | Fair value | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Non Current | | | | |
| Borrowings | 3,805.08 | - | 3,805.08 | - |
| Current | | | | |
| Borrowings | 3,342.60 | - | - | 3,342.60 |
| Other financial liabilities | 90.01 | - | - | 90.01 |
| Trade payables | 712.34 | - | - | 712.34 |

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## 32 Financial risk management objectives and policies

The Company's 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 Company's financial performance. The Corporate Finance department, evaluates financial risks in close co-operation with the various stakeholders.

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

**a) Capital risk**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient

**b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. [illegible]

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2022 and March 31, 2021 based on contractual undiscounted payments.

| March 31, 2021 | 0-1 Years | 1-5 Years | More than 5 Years | Total |
|---|---|---|---|---|
| Interest bearing borrowings | [illegible] | [illegible] | | 7,[illegible].68 |
| Trade payable | 712.[illegible] | - | | 7[illegible].34 |
| Other financial liabilities | 460.[illegible] | - | | [illegible].64 |
| % to Total | 84.7[illegible]% | 15.2[illegible]% | 0.00% | 100.00% |
| March 31, 2022 | | | | |
| Interest bearing borrowings | 2,[illegible] | 3,[illegible] | | 6,[illegible].98 |
| Trade payable | [illegible] | - | | [illegible].59 |
| Other financial liabilities | 960.00 | | | 960.00 |
| % to Total | [illegible] | [illegible] | 0.00% | 100.00% |

**c) 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 Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments.

**(i) Trade receivables**

Customer credit risk is managed by each business unit subject to the Company'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 Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company provides credit to individuals on exceptional basis only. An impairment analysis is performed at each reporting date on an individual basis.

Trade receivables

(Rs. In Lacs)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Neither past due nor impaired | - | |
| 0 to 180 days due past due date | 146.63 | 37.87 |
| More than 180 days due past due date | 16.32 | 1[illegible].77 |
| Total trade receivables | 162.95 | 58.64 |

**(ii) Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. [illegible]

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2022 and March 31, 2021 is the carrying amounts as illustrated in note [illegible] and the liquidity table above.

**d) 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. [illegible]

**(i) Interest rate risk**

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

(Rs. in Lacs)

| Period | Increase/decrease in interest rate | Impact on profit before tax |
|---|---|---|
| March 31,2022 | 0.50% | 32.46 |
| March 31,2021 | 0.50% | 35.74 |

[This space has been intentionally left blank]

Max Estates Limited
Notes forming part of the financial statements

## 33 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 company | Max Speciality Films Limited<br>Max I Limited<br>Max Asset Services Limited ( formerly known as Max Learning Limited) |
| Subsidiary companies | Max Towers Pvt Ltd (formerly known as Wise Zone Builders Private Limited)<br>Max Square Limited (formerly known as Northern Propmart Solutions Limited)<br>Pharmax Corporation Limited |
| **Names of other related parties with whom transactions have taken place during the year** | |
| Directors and Key management personnel | Mr. Kishansingh Ramsinghaney (Director)<br>Mr. Bishwajit Das (Director)<br>Mr. Rishi Raj (Director)<br>Mr. Nitin Kumar (Chief Financial Officer)<br>Ms. Saket Gupta - Company Secretary (Upto Jan 31, 2022) |
| Individual owning interest in voting power | Mr. Analjit Singh |
| Entities controlled or jointly controlled by person or entities where person has significantly influence or entities where person having control is Key Management personnel | Max Healthcare Institute Limited<br>Trophy Estates Private Limited<br>Analjit Singh HUF<br>Antara Senior Living Limited<br>Antara Purukul Senior Living Limited<br>Pharmax Corporation Limited<br>Max Life Insurance Company Limited<br>New Delhi House Services Ltd.<br>Leeu Italy SRL<br>The Unstuffy Hotel Co Limited<br>Max India Foundation<br>Max Learning Ventures Limited |

**Max Estates Limited**
**Notes forming part of the financial statements**

**33 (a) Details of transactions and balance outstandings with related parties**

| S.No | Nature of transaction | Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|---|---|---|---|---|
| 1 | **Reimbursement of expenses (Received from)** | | | |
| | | Max Towers Pvt Ltd (Expenses) | 13.61 | 118.73 |
| | | Max Towers Pvt Ltd (Shared Service) | 62.26 | 52.99 |
| | | Max Asset Services Limited | 22.24 | 70.05 |
| | | Pharmax Corporation Limited | 267.96 | 13.98 |
| | | Max Square Limited | 5.29 | 18.37 |
| | | Total | 372.36 | 274.12 |
| 2 | Reimbursement of expenses (Paid to) | Max Ventures & Industries Limited | 7.63 | 3.37 |
| | | Max Healthcare Institute Limited | - | 0.02 |
| | | Max Life Insurance Co. Limited | 2.43 | 1.41 |
| | | Max Towers Private Limited | 2.06 | - |
| | | New Delhi House Services Ltd | - | 16.65 |
| | | Mr Sahil Gupta | 0.01 | 0.03 |
| | | Mr. Arjanjit Singh | - | - |
| | | Mr. Rishiraj | 0.99 | 1.82 |
| | | Mr. Nitin Kumar | - | 1.94 |
| | | Total | 13.12 | 25.24 |
| 3 | Shared Services charges (paid to) | Max Ventures & Industries Limited | 39.51 | 191.14 |
| | | Total | 39.51 | 191.14 |
| 4 | Shared Services charges (paid to) - Inventory/CWIP | Max Ventures & Industries Limited | - | 89.69 |
| | | Total | - | 89.69 |
| 5 | Construction Services (rendered to) | Pharmax Corporation Limited | - | 932.20 |
| | | Total | - | 932.20 |
| 6 | Security Deposit received | Pharmax Corporation Limited | 40.00 | - |
| | | Total | 40.00 | - |
| 7 | Performace Guarentee Received | Max Asset Services Limited | 43.34 | 3.32 |
| | | Total | 43.34 | 3.32 |
| 8 | Rent paid | Max Asset Services Limited | - | 3.32 |
| | | Total | - | 3.32 |
| 9 | Rent received | Max Asset Services Limited | 77.50 | 8.16 |
| | | Total | 77.50 | 8.16 |
| 10 | Interest on Unsecured Loan (Paid to) | Max Ventures & Industries Limited | 268.65 | 948.08 |
| | | Total | 268.65 | 948.08 |
| 11 | Interest on Unsecured Loan (Paid to) - Inventory/CWIP | Max Ventures & Industries Limited | - | 87.29 |
| | | Total | - | 87.29 |
| 12 | Key managerial remuneration - professional chages | Mr. Kishansingh Ramsinghaney | - | 15.43 |
| | | Total | - | 15.43 |
| 13 | Loan taken | Max Ventures & Industries Limited | 892.00 | 7,426.47 |
| | | Pharmax Corporation Limited | - | (1,000.00) |
| | | Total | 892.00 | 6,426.47 |
| 14 | Loan repayment | Max Ventures & Industries Limited | 1,485.00 | 2,873.56 |
| | | Total | 1,485.00 | 2,873.56 |
| 15 | Compulsorily convertible debentures issued | Max Ventures & Industries Limited | - | 20,200.00 |
| | | Total | - | 20,200.00 |
| 16 | Compulsorily convertible preference shares subscribed | Pharmax Corporation Limited | - | 2,399.80 |
| | | Total | - | 2,399.80 |
| 17 | Brokerage Income | Trophy Estates Pvt Ltd | 50.11 | - |
| | | Mr Analjit Singh | 58.48 | - |
| | | Analjit Singh HUF | 10.15 | - |
| | | Total | 118.74 | - |
| 18 | Interest recd. on Compulsory Convertible Debentures | Max Square Limited | 714.20 | - |
| | | Total | 714.20 | - |
| 19 | Secondment fees Received | Max India Foundation | - | 2.58 |
| | | Max Learning Ventures Ltd | - | 2.55 |
| | | Total | - | 5.13 |
| 20 | Project Management Consultancy (rendered to) | Max India Limited | 20.00 | - |
| | | Total | 20.00 | - |
| 21 | Guarantee Fees | Max Ventures & Industries Limited | 4.12 | 2.80 |
| | | Pharmax Corporation Limited | 4.11 | 2.80 |
| | | Total | 8.23 | 5.60 |
| 22 | Loan repayment received | Max Towers Pvt Ltd | 1,009.96 | 926.96 |
| | | Pharmax Corporation Limited | 369.21 | - |
| | | Total | 1,391.52 | 935.36 |
| 23 | Loan given | Max Square Limited | - | - |
| | | Pharmax Corporation Limited | 2,390.00 | 1,138.44 |
| | | Max Towers Pvt Ltd | 1,102.02 | 2,276.28 |
| | | Total | 3,492.02 | 3,414.72 |
| 24 | Employees benefits liability transferred | Max Square Limited | - | 1.24 |
| | | Total | - | 1.24 |
| 25 | Developer's Manager Fee Income | Max Square Limited | 362.29 | 174.32 |
| | | Total | 362.29 | 174.32 |
| 26 | Guarantee Fees Income | Max Square Limited | 14.56 | 0.65 |
| | | Pharmax Corporation Limited | 0.16 | - |
| | | Total | 14.72 | 0.65 |

* The remuneration to the key managerial personal does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

**Max Estates Limited**
**Notes forming part of the financial statements**

**33 (b)** Balances outstanding at year end

(Rs. In lacs)

| S.No | Nature of transaction | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| 1 | **Interest Accrued on Unsecured Loan** | Max Ventures & Industries Limited | - | 0.44 |
| | | Total | - | 0.44 |
| 2 | **Loan outstanding** | Max Ventures & Industries Limited | 2,667.00 | 3,260.00 |
| | | Total | 2,667.00 | 3,260.00 |
| 3 | **Compulsorily convertible debentures** | Max Ventures & Industries Limited | 57,164.00 | 57,164.00 |
| | | Total | 57,164.00 | 57,164.00 |
| 4 | **Trade payables and Capital Creditors** | Max Ventures & Industries Limited | - | 9.28 |
| | | Antara Purukul Senior Living Limited | 0.36 | - |
| | | Max Asset Services Limited | 1.85 | 1.36 |
| | | Antara Purukul Senior Living Limited | - | 15.90 |
| | | New Delhi House Services Ltd. | - | 4.68 |
| | | Mr. Rishiraj | - | 0.55 |
| | | Pharmax Corporation Limited | 3.93 | - |
| | | Max Square Limited | 3.29 | - |
| | | Total | **9.42** | 31.77 |
| 5 | **Trade receivables** | Max Ventures & Industries Limited | - | - |
| | | Max Towers Pvt Ltd | 18.19 | |
| | | Max Asset Services Limited | - | 31.43 |
| | | The Unstuffy Hotel Co Limited | 13.02 | 12.77 |
| | | Max India Foundation | - | 3.01 |
| | | Max Learning ventures Ltd | 3.01 | 3.01 |
| | | Max India Limited | [illegible] | - |
| | | [illegible] Estates Private Limited | [illegible] | - |
| | | Analjit Singh HUF | [illegible] | - |
| | | Mr. Analjit Singh | 52.80 | - |
| | | Total | 165.04 | 50.23 |
| 6 | **Other Receivables** | Max Towers Pvt Ltd | - | 27.68 |
| | | Max Life Insurance Co. Limited | 0.01 | 0.41 |
| | | Pharmax Corporation Limited | | - |
| | | Max Square Limited | 16.81 | 83.97 |
| | | Total | 16.82 | 112.06 |
| 7 | **Loan Receivables** | Max Towers Pvt Ltd | 187.55 | 95.49 |
| | | Pharmax Corporation Limited | 3,159.22 | 1,138.44 |
| | | Total | 3,346.77 | 1,233.93 |
| 8 | **Investment outstanding** | Max Towers Pvt Ltd | 6,506.00 | 6,506.00 |
| | | Max Square Limited | [illegible] | 3,571.00 |
| | | Pharmax Corporation Limited | [illegible] | 6,073.05 |
| | | Total | 16,150.05 | 16,150.05 |
| 9 | **Compulsorily convertible debentures subscribed** | Max Towers Pvt Ltd | 26,020.00 | 26,020.00 |
| | | Max Square Limited | 3,571.00 | 3,571.00 |
| | | Total | 29,591.00 | 29,591.00 |
| 10 | Guarantee Fees | Max Ventures & Industries Limited | 28.48 | 32.60 |
| | | Pharmax Corporation Limited | 28.48 | 32.60 |
| | | Total | 56.96 | 65.21 |
| 11 | Compulsorily convertible preference shares | Pharmax Corporation Limited | [illegible] | 3,900.00 |
| | | Total | 3,900.00 | 3,900.00 |
| 13 | Security Deposit (Received) | Max Asset Services Limited | 59.66 | 16.32 |
| | | Total | 59.66 | 16.32 |
| 14 | Interest Accrued on CCD | Max Square Limited | 1,328.07 | 685.29 |
| | | Total | 1,328.07 | 685.29 |
| 15 | Guarantee Fees receivable | Max Square Limited | 38.54 | 18.77 |
| | | Total | 38.54 | 18.77 |

**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

34 Disclosure required under Section 186 (4) of the Companies Act, 2013.

(a) Particulars of Loans given:

(Rs. in Lacs)

| Sr. No | Name of the Loanee | Opening Balance as on March 31, 2021 | Loan given | Loan repaid | Closing Balance as on March 31, 2022 | Purpose |
|---|---|---|---|---|---|---|
| 1 | Max Towers Pvt Ltd (formerly known as Wise Zone Builders Pvt. Ltd.) | 95.49 | 92.06 | | 187.55 | Operational Cash Flow requirement |

(b) Particulars of Investments made in equity:

(Rs. in Lacs)

| Sr. No | Name of the Investee | Opening Balance as on March 31, 2021 | Investment made | Investment redeemed | Closing Balance as on March 31, 2022 | Purpose |
|---|---|---|---|---|---|---|
| | Investment in subsidiaries | | | | | |
| 1 | Max Towers Pvt Ltd (formerly known as Wise Zone Builders Pvt. Ltd.) | 6,506.00 | - | - | 6,506.00 | Strategic investment |
| 2 | Max Square Limited (formerly known as Northern Propmart Solutions Limited) | 3,571.00 | - | - | 3,571.00 | Strategic investment |
| 3 | Pharmax Corporation Limited | 6,073.05 | - | - | 6,073.05 | Strategic investment |

(c) Particulars of Investments made in debentures:

(Rs. in Lacs)

| Sr. No | Name of the Investee | Opening Balance as on March 31, 2021 | Investment made | Investment redeemed | Closing Balance as on March 31, 2022 | Purpose |
|---|---|---|---|---|---|---|
| | Investment in subsidiaries | | | | | |
| 1 | Max Towers Pvt Ltd (formerly known as Wise Zone Builders Pvt. Ltd.) | 26,020.00 | - | - | 26,020.00 | Strategic investment |
| 2 | Max Square Limited (formerly known as Northern Propmart Solutions Limited) | 3,571.00 | - | - | 3,571.00 | Strategic investment |

(d) Particulars of Investments made in Preference Shares

(Rs. in Lacs)

| Sr. No | Name of the Loanee | Opening Balance as on March 31, 2021 | Investment made | Loan repaid | Closing Balance as on March 31, 2022 | Purpose |
|---|---|---|---|---|---|---|
| 1 | Pharmax Corporation Limited | 3,900.00 | - | - | 3,900.00 | Strategic investment |

Chartered Accountants

## 35 Capital Management

For the purpose of the Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, share premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value. The Company 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 Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

(Rs. In lacs)

| | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Borrowings | 6,491.98 | 7,147.68 |
| Trade payables | 312.59 | 712.34 |
| Less: Cash and Cash equivalents | 3,599.94 | 5,579.37 |
| Net Debt | 3,204.63 | 2,280.65 |
| | | |
| Equity | 60,591.41 | 59,934.44 |
| Total Equity | 60,591.41 | 59,934.44 |
| | | |
| Total Capital and net debt | 63,796.04 | 62,215.09 |
| Gearing ratio | 5% | 4% |
| | | |
| Current Asset | 8,867.37 | 10,645.31 |
| Cuurent Liability | 3,698.98 | 4,712.86 |
| **Current Ratio** | 2.40 | 2.26 |
| | | |
| Debt | 6,491.98 | 7,147.68 |
| Shareholder Equity | 60,591.41 | 59,934.44 |
| **Debt-Equity Ratio** | 0.11 | 0.12 |
| | | |
| Earnings aviaiable for debt servies | 1,396.81 | 6.93 |
| Interest | 725.88 | 1,156.56 |
| Principal | 34.31 | 3.52 |
| **Debt Services Coverage Ratio** | 1.84 | 0.01 |

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| | | |
|---|---|---|
| Net Income (annual) | 526.46 | (1,215.71) |
| Shareholder Equity | 60,591.41 | 59,934.44 |
| **Return on Equity Ratio** | **0.01** | **(0.02)** |
| Cost of Goods sold/sale | 1,850.95 | 1,557.96 |
| Average inventory | 1,987.19 | 1,417.77 |
| **Inventory Turnover Ratio** | **0.93** | **1.10** |
| Net Credit Sale | NA | NA |
| Average Trade Receviable | NA | NA |
| **Trade Receivables Turnover Ratio** | NA | NA |
| Net Credit Purchase | NA | NA |
| Average Trade payable | NA | NA |
| **Trade Payable Turnover Ratio** | NA | NA |
| Net annual sale/Revenue from Operation | 3,901.22 | 1,872.19 |
| Working Capital | 5,168.39 | 5,932.46 |
| **Net Capital Turnover Ratio** | **0.75** | **0.32** |
| Net Profit | 526.46 | -1,215.64 |
| Net annual sale/Revenue from Operation | 3,901.22 | 1,872.19 |
| **Net Profit Ratio** | **0.13** | **(0.65)** |
| Earning before interest and tax (EBIT) | 1,252.34 | -59.08 |
| Capital Employed | 65,140.13 | 64,161.70 |
| **Return on Capital employed** | **1.92%** | **-0.09%** |
| Profit (PAT) | 526.46 | -1,215.71 |
| Investment | 65,140.13 | 64,161.70 |
| **Return on Investment** | **0.81%** | **-1.89%** |

36 i) Details of dues to micro and small eterprises as defined under the micro, small and medium enterprises development (msmed) act, 2006

The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosures as per Section 22 of 'The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006' are as follows:

| | **As at March 31, 2022** | **As at March 31, 2021** |
|---|---|---|
| a) The principal amount and the interest due thereon remaining unpaid to any supplier | | |
| - Principal amount | 4.63 | 159.79 |
| - Interest thereon | Nil | Nil |
| b) The amount of interest paid by the buyer in terms of section 18, along | Nil | Nil |
| c) The amount of interest due and payable for the year of delay in making | Nil | Nil |
| d) The amount of interest accrued and remaining unpaid. | Nil | Nil |
| e) The amount of further interest remaining due and payable even in the | Nil | Nil |

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED.

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

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iii) The Company does not have any transactions with struck-off companies.

iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the year.

v) During the year the Company have 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 Company (Ultimate Beneficiaries); or

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vi) During the year the Company have 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 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 Funding Party (Ultimate Beneficiaries); or

b) Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Company have not had 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.

37 (i) In previous year, the Company has acquired 1,84,600 10% Cumulative Convertible Preference shares of Rs. 100 each fully paid up at a premium of Rs.1200 - value Rs.23,99.80 lacs

38 The Board of Directors of the Company, in its meeting held on April 18, 2022, has approved the Composite Scheme of Amalgamation and Arrangement amongst Max Ventures and Industries Limited and Max Estates Limited for amalgamation of Max Ventures and Industries Limited ("MVIL" or "Transferor Company") with Max Estates Limited, wholly owned subsidiary of MVIL ("MEL" or "Transferee Company"), with effect from the Appointed Date i.e. April 01, 2022, subject to receipt of requisite statutoiy /regulatoiy approvals including the approval of the jurisdictional Bench of the National Company Law Tribunal.

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39 Other disclosure requirement of Schedule III of Companies Act, 2013 are not appliacble to the company.

**As per our report of even date**

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

K.K. Mankeshwar & Co. Chartered Accountants

New Delhi, dated the
16th May, 2022

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

**Bishwajit Das**
(Director)
(DIN 00029455)

**Kishansingh Ramsinghaney**
(Director)
(DIN 00329411)

**Nitin Kumar Kansal**
(Chief Financial Officer)

Place : Noida
Date: 16th May'2022

## PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment pursuant to the Issue shall be made by the Company, in consultation with the BRLMs, to Eligible QIBs only, on a discretionary basis.

The names of the proposed Allottees and the percentage of post-Issue capital (assuming that the Equity Shares are Allotted to them pursuant to this Issue) that may be held by them in our Company is set forth below.

| S. No. | Name of the proposed Allottee | Percentage of post-Issue paid-up Equity Share capital^* |
|---|---|---|
| 1. | [●] | [●] |
| 2. | [●] | [●] |
| 3. | [●] | [●] |
| 4. | [●] | [●] |
| 5. | [●] | [●] |
| | **Total** | **[●]** |

*^ Based on beneficiary position as on [●], 2024.*
**Subject to receipt of funds and allotment in the Issue. The above table has been intentionally left blank and shall be updated in the Placement Document.*

These details of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to this Issue, will be included in the Placement Document to be sent to such proposed Allottees.

## DECLARATION

Our Company certifies that all relevant provisions of Chapter VI read with Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Preliminary Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on the Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Preliminary Placement Document are true and correct.
Signed by:

______________________

**Sahil Vachani**
*Vice-Chairman and Managing Director*

DIN: 00761695

Date: August 29, 2024
Place: Noida

**DECLARATION**

We, the Board of Directors of the Company certify that:

a) our Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

b) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

c) the monies received under the Issue shall be used only for the purposes and objects indicated in this Preliminary Placement Document (which includes disclosures prescribed under Form PAS-4).

For and on behalf of the Board of Directors, signed by:

________________________

**Sahil Vachani**
*Vice-Chairman and Managing Director*

DIN: 00761695

Date: August 29, 2024
Place: Noida

I am severally authorised by the Board of Directors of our Company, *vide* resolution dated July 15, 2024, to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct, and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly, and legibly attached to this form.

Signed by:

________________________

**Sahil Vachani**
*Vice-Chairman and Managing Director*

DIN: 00761695

Date: August 29, 2024
Place: Noida

**MAX ESTATES LIMITED**

**Registered and Corporate Office**
**Registered Office:** 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. S.B.S. Nagar (Nawanshahar), Punjab – 144 533
**Corporate Office: L20,** Max Towers, C-001/A/1, Sector – 16B, Noida, – 201301, Uttar Pradesh, India
**Website**: www.maxestates.in
**Telephone:** +91 120 474 3222**; E-mail:** secretarial@maxestates.in
**CIN**: L70200PB2016PLC040200

**Company Secretary and Compliance Officer: Abhishek Mishra**
419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. S.B.S. Nagar (Nawanshahar), Punjab – 144 533
**Telephone**: +91 120 474 3222
**E-mail**: secretarial@maxestates.in

**BOOK RUNNING LEAD MANAGERS**

**IIFL Securities Limited**
24th Floor, One Lodha Place
Senapati Bapat Marg
Lower Parel (West)
Mumbai 400013
Maharashtra, India.

**Ambit Private Limited**
Ambit House, 449
Senapati Bapat Marg
Lower Parel
Mumbai – 400 013
Maharashtra, India

**STATUTORY AUDITOR OF OUR COMPANY**

**S.R. Batliboi & Co. LLP, Chartered Accountants**
**Address**: 67, Institutional Area Sector 44
Gurugram – 122 003 Haryana, India

**INDIAN LEGAL COUNSEL TO THE ISSUE**

**AZB & Partners**
AZB House
Plot No. A8, Sector-4
Noida 201 301
India

**AZB & Partners**
AZB House, Peninsula Corporate Park
Ganpatrao Kadam Marg, Lower Parel
Mumbai 400 013
India

**Khaitan & Co**
7th & 8th Floor, Max Towers
Sector 16B, Noida
Gautam Buddh Nagar – 201 301
Uttar Pradesh, India

**INTERNATIONAL LEGAL COUNSEL TO THE BOOK RUNNING LEAD MANAGERS**

**Hogan Lovells Lee & Lee**
50 Collyer Quay
#10-01 OUE Bayfront
Singapore – 049321
Republic of Singapore

# SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

***(Note: The format of the Application Form included herein below is indicative and for illustrative purposes only, and no Bids in this Issue should be made through the sample Application Form. The Company, in consultation with the Book Running Lead Managers, shall identify Eligible QIBs and circulate serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form, and not on the basis of the indicative format below.)***

**MAX ESTATES LIMITED**
(*Incorporated in the Republic of India under the provisions of the Companies Act, 2013*)
**Registered Office:** 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. S.B.S. Nagar (Nawanshehar), Punjab – 144533, India | **Corporate Office:** Max Towers, L20, C-001/A, Sector – 16B, Noida – 201301, Uttar Pradesh, India | **Contact Person:** Abhishek Mishra, Company Secretary and Compliance Officer | **Telephone:** +91 120 474 3222 | **E-mail:** secretarial@maxestates.in | **Website:** www.maxestates.in | **CIN:** L70200PB2016PLC040200 | **ISIN:** INE03EI01018 | **LEI:** 335800SK4H661DYB9B13

**APPLICATION FORM**

Name of the Bidder: ___________________

Form No: _________________________

Date: _____________________________

**QUALIFIED INSTITUTIONS PLACEMENT OF UP TO [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH (THE "EQUITY SHARES") FOR CASH AT A PRICE OF ₹ [●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹ [●] PER EQUITY SHARE ("ISSUE PRICE") AGGREGATING TO APPROXIMATELY ₹ [●] LAKHS IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 AND SECTION 62 OF THE COMPANIES ACT, 2013, AS AMENDED (THE "COMPANIES ACT"), READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES"), AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER, BY MAX ESTATES LIMITED (THE "COMPANY") (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹ 628.74 PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT ON THE FLOOR PRICE OF NOT MORE THAN 5% OR SUCH PERCENTAGE AS PERMITTED UNDER THE SEBI ICDR REGULATIONS ON THE FLOOR PRICE, AS APPROVED BY THE SHAREHOLDERS ACCORDED THROUGH A SPECIAL RESOLUTION PASSED AT THE ANNUAL GENERAL MEETING DATED AUGUST 23, 2024.**

**Only Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and which (i) are not, (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) are not prohibited or debarred by any regulatory authority for buying or selling or dealing in securities or restricted from participating in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws; (c) hold a valid and existing registration under the applicable laws in India (as applicable); and (d) are eligible to invest in the Issue and submit this Application Form, and (ii) are residents in India or Eligible FPIs (as defined herein below) participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Rules"), defined hereinafter or a multilateral or bilateral development financial institution eligible to invest in India under applicable law including the FEMA Rules; can submit this Application Form. However, foreign venture capital investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) are not permitted to participate in the Issue. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly. the Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in and in reliance on Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdictions where those offers and sales are made. You should note and observe the selling and transfer restrictions contained in the sections entitled "Selling Restrictions" and "Transfer Restrictions and Purchaser Representations" in the accompanying preliminary placement document dated August 29, 2024 (the "PPD").**

**ELIGIBLE NON-RESIDENT QIBs CAN PARTICIPATE IN THE ISSUE IN COMPLIANCE WITH THE FOREIGN EXCHANGE MANAGEMENT (NON-DEBT INSTRUMENTS) RULES, 2019 ("FEMA RULES"). ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE IN THIS ISSUE, THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES), DATED APRIL 17, 2020, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, AND RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS SITUATED IN OR IS A CITIZEN OF SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE AS PRESCRIBED UNDER THE FEMA RULES. ALLOTMENTS MADE TO AIFS AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY, INCLUDING THE FEMA RULES. OTHER ELIGIBLE NON-RESIDENT QIBs SHALL PARTICIPATE IN THE ISSUE UNDER SCHEDULE I OF FEMA RULES. FVCIs ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.**

| **STATUS (Please ✓)** | | | |
|---|---|---|---|
| **FI** | Scheduled Commercial Banks and Financial Institutions | **AIF** | Alternative Investment Fund* |
| **MF** | Mutual Funds | **IF** | Insurance Funds |
| **FPI** | Eligible Foreign Portfolio Investors** | **NIF** | National Investment Fund |
| **VCF** | Venture Capital Funds | **SI-NBFC** | Systemically Important Non-Banking Financial Companies |
| **IC** | Insurance Companies | **OTH** | Others ___________________ (Please specify) |

**To,**

**The Board of Directors**
**MAX ESTATES LIMITED**
419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. S.B.S. Nagar (Nawanshahar), Punjab – 144533, India

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "*Application Form*" under Issue Procedure section of the PPD.
** Sponsor and Manager should be Indian owned and controlled.*
***Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue*

**Dear Sirs,**

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained therein, and in this Application Form, we hereby submit our Application Form for the Allotment of the Equity Shares in the Issue, at the terms and price indicated below. We confirm that we are an Eligible QIB as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) hold a valid and existing registration under the applicable laws in India (as applicable); and (c) restricted from participating in the Issue under the applicable laws, including SEBI ICDR Regulations. We are not a Promoter of the Company (as defined in the SEBI ICDR Regulations), or any person related to the promoters of the Company, directly or indirectly and this Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoter. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with promoters or persons related to promoter of the Company, veto rights or right to appoint any nominee director on the board of directors of the Company. We confirm that we are either a QIB which is resident in India, or an Eligible FPI, participating through Schedule II of the FEMA Rules or a multilateral or bilateral development financial institution eligible to invest in India under applicable law. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020. We confirm that we are neither an AIF or VCF whose sponsor and manager is not Indian owned and controlled in terms of the FEMA Rules, nor an FVCI. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant approvals for applying in the Issue.

We confirm that the Bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid will not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended (the "**Takeover Regulations**").We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), have submitted a separate Application Form, and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the Bid Amount and number of Equity Shares to be Allotted under each scheme. We undertake that we will sign all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the relevant authorisations. We note that the Company is entitled, in consultation with IIFL Securities Limited and Ambit Private Limited (the "**BRLMs**"), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof.

We hereby agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD, Placement Document and the confirmation of allocation note ("**CAN**"),, when issued and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below, subject to receipt of Application Form and the Bid Amount towards the Equity Shares that may be allocated to us. The amount payable by us as Bid Amount for the Equity Shares applied for has been/will be remitted to the designated bank account set out in this Application Form through electronic mode, along with this Application Form prior to the Bid/Issue Closing Date and such Bid Amount has been /will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash, demand draft or cheque. We are aware that (i) Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the BRLMs; and (ii) in the event that Equity Shares that we have applied for are not Allotted to us in full or at all, and/or the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or the Company is unable to issue and Allot the Equity Shares offered in the Issue or if there is a cancellation of the Issue, or in case of rejection of Bids or non-allocation of Equity Shares or the listing of the Equity Shares does not occur in the manner described in the PPD, the Placement Document, the SEBI ICDR Regulations and other applicable laws, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount was paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

We further understand, agree and consent that (i) our names, address, nationalities, contact details, email IDs, PAN, bank account details and the number of Equity Shares Allotted, along with other relevant information as may be required, will be recorded by the Company in the format prescribed in terms of the PAS Rules; (ii) in the event that any Equity Shares are Allocated to us in the Issue, we are aware pursuant to the requirements under Form PAS-4 of the PAS Rules that our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document, and we are further aware that disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; and; (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Chandigarh (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company shall be required to disclose our name, along with the names of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the websites of the BSE Limited and National Stock Exchange of India Limited (together, the "**Stock Exchanges**"), and we consent to such disclosures. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, circulars issued by the RBI and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

By signing and submitting this Application Form, we hereby confirm and agree that the representations, warranties, acknowledgements and agreements as provided in the sections "***Notice to Investors***", "***Representations by Investors***", "***Issue Procedure***", "***Selling Restrictions***" and "***Purchaser Representations and Transfer Restrictions***" sections of the PPD and the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the BRLMs, each of whom is entitled to rely on, and is relying on, these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby represent, warrant, acknowledge and agree as follows: (1) we have been provided with a serially numbered copy of the PPD along with the Application Form, have read it in its entirety including in particular, the section "*Risk Factors*" therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the BRLMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document, this Application Form, CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment and in compliance with the restrictions included in the section "*Purchaser Representations and Transfer Restrictions*" in the PPD; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Bid/Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company, in consultation with the BRLMs, and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose names and percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the BRLMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue and we shall provide all necessary information in this regard to the Company and the BRLMs. For the purposes of this representation: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations, i.e., entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, among the Eligible QIBs, its subsidiary or holding company and any other QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) if we are participating in the Issue as an Eligible FPI, we are not an individual, corporate body, or family office; and (10) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form is submitted by an Eligible QIB, whether signed or not, and the Bid Amount has been transferred to the Escrow Account (as detailed below), such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Bid/Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of the Eligible QIB.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.** We confirm that we have read and agree with the representations, warranties and agreements contained in the sections entitled "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" of the PPD.

| **BIDDER DETAILS (in Block Letters)** | | | |
|---|---|---|---|
| **NAME OF BIDDER*** | | | |
| **NATIONALITY** | | | |
| **REGISTERED ADDRESS** | | | |
| **CITY AND CODE** | | | |
| **COUNTRY** | | | |
| **TELEPHONE NO.** | | | |
| **EMAIL ID** | | **FAX.** | |
| **LEI** | | | |
| **FOR ELIGIBLE FPIs**** | **SEBI Registration Number:** | **For AIFs***/ MFs/ VCFs***/ SI-NBFCs/ ICs** | **SEBI Registration Number:** |

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund Bidders are requested to provide details of the Bids made by each scheme of the Mutual Fund. Each Eligible FPI is required to fill a separate Application Form. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the BRLMs.*
***In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number.*
****Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allocated to us in the Issue will be aggregated to disclose the percentage of our post-Issue shareholding in the Company in the Placement Document in line with the requirements under Form PAS-4 of the PAS Rules. For such information, the BRLMs will rely on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

| **ESCROW ACCOUNT - BANK ACCOUNT DETAILS FOR PAYMENT OF AMOUNT THROUGH ELECTRONIC FUND TRANSFER REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER** | |
|---|---|
| **BY 3.00 P.M. (IST), [●], 2024, being the Bid closing Date** | |
| **Name of the Account** | Max Estates Limited – QIP Escrow Account |
| **Name of the Bank** | ICICI Bank Limited |
| **Address of the Branch of the Bank** | K1, Senior Mall, Sector 18, Noida, UP – 201301 |
| **Account Type** | Escrow account |
| **Account Number** | 003105044418 |
| **IFSC** | ICIC0000031 |
| **Legal Entity Identifier Code** | 335800SK4H661DYB9B13 |
| **Tel No.** | 1800 1080 |
| **E-mail** | sharma.kom@icicibank.com |

The Bid Amount should be transferred pursuant to the Application Form. All payments must be made only by way of electronic funds transfer, in favour of "Max Estates Limited – QIP Escrow Account". Payment of the entire Bid Amount should be made along with the Application Form on or before the closure of the Bid/Issue Period, i.e., prior to the Bid/Issue Closing Date. **The payment for subscription to the Equity Shares Allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form.**

| **DEPOSITORY ACCOUNT DETAILS** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Depository Name (Please ✓) | National Security Depository Limited | | | | | | | | Central Depository Services (India) Limited |
| Depository Participant Name | | | | | | | | | |
| DP – ID | I | N | | | | | | | |
| Beneficiary Account Number | | | | | | | | | (16 digit beneficiary account. No. to be mentioned above) |
| The Demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purpose of refund, if any, only the bank details as mentioned below, from which remittance towards subscription has been made, will be considered.** | | | | | | | | | |

The Bidders are responsible for the accuracy of the bank account details mentioned below and acknowledge that the successful processing of refunds if, any, shall be dependent on the accuracy of the bank account details provided by them. The Company and the BRLMs shall not be liable in any manner for refunds that are not processed due to incorrect bank account details.

| **RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)** | | | |
|---|---|---|---|
| Bank Account Number | | IFSC Code | |
| Bank Name | | Bank Branch Address | |
| **NO. OF EQUITY SHARES BID** | | **PRICEPER EQUITY SHARE (RUPEES)** | |
| (In figures) | (In words) | (In figures) | (In words) |
| | | | |
| **BID AMOUNT (RUPEES)** | | | |
| (In figures) | (In words) | | |
| | | | |

| **DETAILS OF CONTACT PERSON** | |
|---|---|
| **NAME** | |

| | | | |
|---|---|---|---|
| **ADDRESS** | | | |
| **TEL. NO.** | | **FAX NO.** | |
| **EMAIL** | | | |

| **OTHER DETAILS** | |
|---|---|
| **PAN*** | |
| **Date of Application** | |
| Signature of Authorised Signatory (may be signed either physically or digitally) ** | |

| **ENCLOSURES ATTACHED** |
|---|
| Attested/ certified true copy of the following: |
| ☐ Copy of PAN Card or PAN allotment letter |
| ☐ Copy of FPI Registration Certificate /MF Registration certificate / SEBI certificate of registration for AIFs/VCF/SI-NBFC/IC/IF |
| ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a Scheduled Commercial Bank |
| ☐ Copy of notification as a public financial institution |
| ☐ FIRC |
| ☐ Copy of IRDAI registration certificate |
| ☐ Intimation of being part of the same group |
| ☐ Certified true copy of Power of Attorney |
| ☐ Other, please specify |

**It is to be specifically noted that the Bidder should not submit the GIR Number or any other identification number instead of the PAN as the applications are liable to be rejected on this ground, unless the Bidder is exempted from the requirement of obtaining a PAN number under the Income-tax Act, 1961.*

****A physical copy of the Application Form and relevant documents as required to be provided along with the Application Form shall be submitted as soon as practical.*

*Note:*

(1) *Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD, unless specifically defined herein.*
(2) *The application form is liable to be rejected if any information provided is incomplete or inadequate at the discretion of the Company in consultation with the BRLMs.*
(3) *This Application Form, the PPD and the Placement Document sent to you/ be sent to you, either in physical form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimer and restrictions contained in or accompanying these documents.*
(4) *The duly filed Application Form along with all enclosures shall be submitted to the Book Running Lead Managers either through electronic form at the email mentioned in the PPD or through physical deliver at the address mentioned in PPD.*