INDEPENDENT AUDITOR'S REPORT

To the Members of Max Ventures and Industries 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 Ventures and Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2020, 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, 2020, 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 48 of the accompanying consolidated Ind AS financial statements which, describes the management's evaluation of impact of uncertainties related to COVID-I9 and its consequential effects on the carrying value of its assets as at March 31, 2020 and the operations of the Group. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the consolidated Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2">Impairment assessment of Investment Property (under development for sale and completed)
(as described in note 4 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>As at March 31, 2020, three of group's subsidiary companies have investment property including under construction amounting to Rs. 69,675.77 lakhs. Investment property portfolio consists of commercial projects for lease at Noida and projects under development at Okhla.

The management assessed at least annually the existence of impairment indicators for its investment property, and if impairment indicator exists, these investment properties are subject to an impairment test.

Impairment indicators were identified by the management with respect to investment property and amounts recoverable from investment property. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investment property and other receivables to their recoverable amount to determine whether an impairment loss was required to be recognised.
For the purpose of the above impairment testing, recoverable amount has been determined by reference to the underlying expected cash flows from these underlying projects.

The determination of the recoverable amount of investment property involved significant judgments due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.

Considering, the significance of the amount of carrying value of investment property in the financial statements and involvement of significant estimation and judgement in assessment of valuation, the same is considered as key audit matter.</td><td>The subsidiaries' auditor's, audit procedures related to this key audit matter included the following:
• Assessment of the compliance of Group's accounting policies for impairment of assets with Ind AS 36-'Impairment of Assets'.
• Assessment of the design, implementation and operating effectiveness of management's internal controls over the management's process in setting budgets, authorizing and recording costs, estimating the future costs to completion and the forecast selling prices, for the investment property.
• Evaluation of the objectivity and independence of component's real estate specialists involved in the valuation process.
• Evaluation of the external real estate specialists' valuation methodology, with the help of our specialists and assessed key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as recently transacted prices for similar properties located in the nearby vicinity of each property development project.
• Evaluation on a sample basis, the estimated costs to complete against contracts and agreements, taking into consideration the costs incurred to-date, construction progress and any significant deviation in design plans or cost overruns.
• Assessment of the impact of COVID-19 pandemic based on current economic and market conditions on management impairment assessment for its investment property.
• Assessment of the subsidiaries' forecast selling prices by comparing it to the recent transacted sales prices for the same project.
• We compared the recoverable amount of the investment property to the carrying value in books.
• We assessed the disclosures made in the financial statements regarding such investment.</td></tr>
</table>

Assessment of fair value measurement of investments in equity instruments, where no market prices are available (as described in note 5 of the consolidated Ind AS financial statements)	
As at March 31, 2020, one of group's subsidiary had invested in unlisted equity shares amounting to Rs. 10,406.99 lakhs. These were accounted for at fair value through profit and were classified as level 3. Financial instruments that are classified as level 2 or level 3 in the fair value hierarchy will have some element of estimation uncertainty inherent in their value, and the uncertainty is higher for level 3 financial instruments which, by their nature, are unobservable. Considering, fair valuation involves estimation uncertainty and significant management judgement, the same has been considered as key audit matter.	The subsidiaries' auditor's, audit procedures related to this key audit matter included the following: • We assessed the compliance of Company's accounting policies for investment in unlisted equity shares with Ind As 109 'Financial Instruments". • Identified relevant controls over valuation of financial asset and evaluated the design, implementation and operating effectiveness of these controls. • Assessed the valuation methodology with the help of our specialists and assessed key estimates, data inputs and assumptions adopted in the valuations used in the determination of fair value by the Company with reference to available facts and circumstances including assessing the impact of COVID-19 pandemic based on current economic and market conditions. • Reviewed the disclosures made of such financial instruments in the financial statements.
Assessment of recoverability of deferred tax assets (as described in note 16 of the Consolidated Financial Statements)	
As at March 31, 2020, one of the group's subsidiary has recognized deferred tax asset amounting to Rs. 272 lakhs on deductible temporary differences and unused tax losses and credits. Recognition of deferred tax assets to the extent that it is probable that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax losses and credits can be utilized involves significant management judgement and estimation given that it is based on assumptions such as the likely timing and level of future taxable profits which are affected by expected future market and economic conditions. Considering, this involves significant judgement and estimates, the same has been considered as key audit matter.	With the assistance of a tax specialist, our procedures included, but were not limited to: • Tested the computation of the amounts recognized as deferred tax assets; • Obtained an understanding of the process and assessed the design, implementation and operative effectiveness of management's key internal controls over income tax including deferred tax asset recognition; • Evaluated management's assumptions and estimates like projected revenue growth, EBIDTA, etc. used in forecast of taxable income to support the recognition of deferred tax assetwith reference to available facts and circumstances including assessing the impact of COVID-19 pandemic based on current economic and market conditions; • Assessed the historical accuracy of management's estimation of forecast taxable income; • Reviewed the disclosures on deferred tax asset included in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual 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 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 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 the Group 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 the Group 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 the Group.

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, 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 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 and whose financial information we have audited, 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 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 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2020 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.

Other Matter

(a) We did not audit the financial statements and other financial information, in respect of 6 subsidiaries, whose Ind AS financial statements include total assets of Rs 139,743.11 lakhs as at March 31, 2020, and total revenues of Rs. 41,602.99 lakhs and net cash inflows of Rs 158.85 for the year ended on that date. These Ind AS 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 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 report(s) of such other auditors.

(b) 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

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;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 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, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate Report in "Annexure 1" 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, 2020 has been provided by the Holding Company, 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 34a 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, 2020;

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, 2020.

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

per Pravin Tulsyan
Partner
Membership Number: 108044
UDIN: 20108044AAAADH5489

Place of Signature: New Delhi
Date: June 5, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF MAX VENTURES AND INDUSTRIES 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 Ind AS financial statements of Max Ventures and Industries Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Max Ventures and Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies 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. 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting with reference to these consolidated Ind AS 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, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS financial Statements

A company's internal financial control over financial reporting with reference to these consolidated

Ind AS 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 over financial reporting with reference to these consolidated Ind AS 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 Over Financial Reporting With Reference to these Consolidated Ind AS financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS 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 Holding Company, its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31,2020, 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these 6 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

per Pravin Tulsyan
Partner
Membership Number: 108044
UDIN: 20108044AAAADH5489

Place of Signature: New Delhi
Date: June 5, 2020

Consolidated Balance Sheet

as at March 31, 2020

(Rs. in Lakhs)

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	53,643.30	55,127.35
Capital work-in-progress	3	101.32	549.42
Investment property	3	69,675.77	4,293.49
Goodwill	4	167.09	167.09
Other Intangible assets	4	184.19	230.73
Right to use	34c	2,937.31	-
Intangible assets under development	4	-	12.95
Financial assets	5		
(i) Investments		10,406.99	10,096.89
(ii) Loans		743.70	467.53
(iii) Trade receivable		131.62	-
(iv) Other bank balances		645.65	0.25
Deferred tax assets	16	437.80	838.62
Non-current tax assets	6	613.32	447.92
Other non current assets	7	403.31	439.73
		140,091.37	**72,671.97**
Current assets			
Inventories	8	16,072.84	85,600.63
Financial assets	9		
(i) Investments		2,787.30	-
(ii) Trade receivables		12,949.65	14,984.49
(iii) Cash and cash equivalents		1,192.16	716.85
(iv) Bank Balances other than (iii) above		9,061.87	11,224.45
(v) Loans		88.12	323.60
(vi) Derivative instruments		124.78	-
(vii) Other current financial assets		1,053.91	332.72
Other current assets	10	4,540.30	3,967.65
		47,870.93	**117,150.39**
Total assets		**187,962.30**	**189,822.36**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	14,662.41	14,660.08
Other equity	12	72,833.73	69,062.25
Equity attributable to equity holders of parent company		**87,496.14**	**83,722.33**
Non-controlling interest		16,775.31	11,612.95
Total equity		**104,271.45**	**95,335.28**
Liabilities			
Non-current liabilities			
Financial liabilities			

(Rs. in Lakhs)

	Notes	As at March 31, 2020	As at March 31, 2019
(i) Borrowings	13	25,826.17	30,147.53
(ii) Lease liability	34c	2,502.05	-
(iii) Trade payables	14		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	247.94
(iv) Other non current financial liabilities	14	1,221.90	216.67
Long term provisions	15	798.83	514.56
Deferred tax liabilities (net)	16	867.31	419.98
Other non current liabilities	17	1,287.06	1,329.03
		32,503.32	**32,875.71**
Current liabilities			
Financial liabilities	18		
(i) Borrowings		24,332.45	21,764.87
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		444.22	346.17
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		13,465.21	17,972.96
(iii) Other current financial liabilities		10,016.64	5,904.10
(iv) Derivative instruments		-	448.28
(iv) Lease liability	34c	594.44	-
Other current liabilities	20	1,922.32	14,749.76
Short term provisions	19	412.25	425.23
		51,187.53	**61,611.37**
Total liabilities		**83,690.85**	**94,487.08**
Total equity and liabilities		**187,962.30**	**189,822.36**
Summary of significant accounting policies	2		
Other notes on accounts	3-51		

The accompanying notes are integral part of the financial statements

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

Place : Gurugram
Date: June 5, 2020

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal
(Director)
DIN: 00040000

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

Nitin Kumar Kansal
(Chief Financial Officer)

Saket Gupta
(Company Secretary)

Place : New Delhi
Date: June 5, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(Rs. in Lakhs)

	Notes	for the year ended March 31, 2020	for the year ended March 31, 2019
INCOME			
Revenue from operations	21	138,221.54	92,269.59
Other income	22	1,728.07	2,271.37
Total income		**139,949.61**	**94,540.96**
EXPENSES			
Cost of raw materials consumed / Cost of land, plots, development rights, constructed properties and others	23	75,788.75	86,029.65
Change in inventories of finished goods, traded goods and work in progress	24	24,817.49	(12,225.45)
Employee benefits expense	25	5,415.79	4,273.86
Finance costs	26	7,095.24	4,189.45
Depreciation and amortization expense	27	4,611.70	3,047.52
Other expenses	28	15,529.25	12,306.04
Total expenses		**133,258.22**	**97,621.07**
Profit/(Loss) before tax		**6,691.39**	**(3,080.11)**
Tax expenses	30		
Current income tax charge		1,686.18	371.68
Adjustment in respect of tax relating to previous year		9.32	(75.12)
Deferred Tax		586.55	(444.53)
Total Tax expenses		**2,282.05**	**(147.97)**
Profit/(Loss) after tax		**4,409.34**	**(2,932.14)**
Attributable to:			
Equity holders of the parent		3,743.04	(2,310.51)
Non-controlling interests		666.30	(621.63)
		4,409.34	**(2,932.14)**
Other comprehensive income/(loss)			
Other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent years			
Cost of hedging reserve	31	94.21	(94.21)
Income tax effect		(32.97)	32.97
Net comprehensive income/ (loss) to be reclassified to profit or loss in subsequent years		61.24	(61.24)
Other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains/(loss) of defined benefit plans	31	(65.51)	36.60
Income tax effect		23.20	(6.62)
Net comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent years:		(42.31)	29.98

(Rs. in Lakhs)

	Notes	for the year ended March 31, 2020	for the year ended March 31, 2019
Other comprehensive income for the year, net of tax		18.93	(31.26)
Total comprehensive income for the year		**4,428.27**	**(2,963.40)**
Attributable to:			
Equity holders of the parent		3,754.05	(2,317.42)
Non-controlling interests		674.22	(645.98)
Earnings per equity share (Nominal Value of share Rs.10/-)	32		
Basic (Rs.), computed on the basis of profit/(loss) for the year attributable to equity holders of the parent.		2.55	(1.95)
Anti Diluted/Diluted (Rs.) computed on the basis of profit/(loss) for the year attributable to equity holders of the parent.		2.55	(1.95)
Summary of significant accounting policies	2		
Other notes on accounts	3-51		

The accompanying notes are integral part of the financial statements

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

Place : Gurugram
Date: June 5, 2020

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal
(Director)
DIN: 00040000

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

Nitin Kumar Kansal
(Chief Financial Officer)

Saket Gupta
(Company Secretary)

Place : New Delhi
Date: June 5, 2020

Consolidated Statement of changes in equity

for the year ended March 31, 2020

a) Equity share capital

Particulars	Nos.	(Rs. in Lakhs)
Shares of Rs. 10/- each, issued, subscribed and fully paid		
As at March 31, 2018	**72,648,105**	**7,264.81**
Add: Equity share issued (refer note 11)	198,890	19.89
Add: Shares issued for stock options exercised during the year/period (refer note 11)	73,753,787	7,375.38
As at March 31, 2019	**146,600,782**	**14,660.08**
Add: Shares issued for stock options exercised during the year/period (refer note 11)	23,280	2.33
As at March 31, 2020	**146,624,062**	**14,662.41**

b) Other equity

(Rs. in Lakhs)

Particulars	**Reserves and surplus**					**Non-controlling interest**	**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**		
`	13,822.40	12,873.12	20.91	7,526.37	34,242.80	12,258.93	46,501.73
Loss for the year	-	-	-	(2,310.51)	(2,310.51)	(621.63)	(2,932.14)
Other comprehensive income for the year	-	-	-	(6.91)	(6.91)	(24.35)	(31.26)
Effect of adoption of new accounting standard	-	-	-	(30.69)	(30.69)	-	(30.69)
Issue of share capital	-	37,614.43	-	-	37,614.43	-	37,614.43
Exercise of share option under ESOP scheme (refer note 35.2)	-	20.91	(20.91)	-	-	-	-
Premium on issue of employee stock options	-	23.27	34.57	-	57.84	-	57.84
Share issue expenses adjusted with Securities Premium	-	(504.71)	-	-	(504.71)	-	(504.71)
As at March 31, 2019	**13,822.40**	**50,027.02**	**34.57**	**5,178.26**	**69,062.25**	**11,612.95**	**80,675.20**
Loss for the year	-	-	-	3,743.04	3,743.04	666.30	4,409.34
Other comprehensive income for the year	-	-	-	11.01	11.01	7.92	18.93
Acquisition of new subsidiary	-	-	-	-	-	1,057.18	1,057.18
Issue of share capital to minority	-	-	-	-	-	3,430.96	3,430.96
Premium on issue of employee stock options	-	3.33	14.10	-	17.43	-	17.43
As at March 31, 2020	**13,822.40**	**50,030.35**	**48.67**	**8,932.31**	**72,833.73**	**16,775.31**	**89,609.04**
Summary of significant accounting policies	2						
Other notes on accounts	3-51						

The accompanying notes are integral part of the financial statements

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

Place : Gurugram
Date: June 5, 2020

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal
(Director)
DIN: 00040000

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

Nitin Kumar Kansal
(Chief Financial Officer)

Saket Gupta
(Company Secretary)

Place : New Delhi
Date: June 5, 2020

Consolidated Statement of Cash Flows

for the year ended March 31, 2020

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Cash flow from operating activities		
Net Profit/(Loss) before tax	6,691.39	(3,080.11)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortisation expenses	4,611.70	3,047.52
Impairment loss	-	194.02
Employee stock option scheme	14.10	36.91
Bad debts written off	165.54	22.59
Fair value gain on non-current investments at fair value through profit or loss	(1,807.80)	(1,051.00)
Gain on sale of investments of non current investments	(986.40)	-
(Gain)/ loss on disposal of property, plant and equipment	0.43	(263.21)
Fair value loss/(gain) on financial instruments at fair value through profit or loss	-	213.03
Gain on sale of financial instruments	(260.82)	(332.21)
Liabilities/provisions no longer required written back	(26.97)	(167.38)
Interest income	(740.11)	(798.03)
Unwinding of discount on security deposit	(6.22)	(47.41)
Finance costs (including fair value change in financial instruments)	7,095.24	3,896.38
Operating profit before working capital changes	**14,750.08**	**1,671.10**
Working capital adjustments:		
(Increase)/decrease in trade and other receivables and prepayments	2,884.48	(1,511.57)
(Increase)/decrease in inventories	24,495.86	(15,878.93)
(Decrease)/ Increase in trade and other payables	(17,331.95)	79.63
(Decrease)/ Increase in provisions and government grant	108.76	(60.50)
Cash generated from operations	**24,907.23**	**(15,700.27)**
Income tax paid	(1,608.88)	(469.32)
Net cash flows (used in)/ from operating activities	**23,298.35**	**(16,169.59)**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	3.44	561.58
Purchase of property, plant and equipment and investment property (including intangible assets, CWIP and capital advances)	(14,115.60)	(9,310.12)
Acquistion of subsidiary	(6,073.05)	-
Interest received	843.56	1,074.26
Net movement in deposits with remaining maturity for more than 3 months	1,517.18	(11,219.85)
Purchase of current investments	(23,898.24)	(2,830.00)
Proceeds from redemption of current investments	22,070.82	8,682.91
Proceeds from sale of non-current investments	2,567.24	-
Purchase of non-current investments	(83.14)	(18.22)
Net cash flows used in investing activities	**(17,167.79)**	**(13,059.44)**

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Cash flow from financing activities		
Proceeds from issuance of equity share capital including security premium	-	44,989.81
Share issue expenses	-	(504.71)
Proceeds from issuance of ESOP's including security premium	5.64	6.25
Increase in minority interest	3,430.96	-
Repayment of lease liability	(579.42)	-
Repayments of short term borrowings	(21,764.87)	(43,156.00)
Proceeds from short term borrowings	24,332.45	21,764.87
Proceeds from long-term borrowings	13,399.81	13,221.80
Repayment of long-term borrowings	(17,734.32)	(3,193.27)
Interest paid	(6,754.07)	(3,816.14)
Net cash flows (used in)/ from financing activities	**(5,663.82)**	**29,312.61**
Net increase in cash and cash equivalents	466.74	83.58
Cash and cash equivalents at the beginning of the period/year	716.85	633.27
Cash and cash equivalents acquired on acquisition	8.57	-
Cash and cash equivalents at year end	**1,192.16**	**716.85**

Components of cash and cash equivalents :-

		As at March 31, 2020	As at March 31, 2019
Balances with banks:			
On current accounts		1,185.67	490.26
Cheques on hand		-	219.00
Cash on hand		6.49	7.59
		1,192.16	**716.85**
Summary of significant accounting policies	2		
Other notes on accounts	3-51		

The accompanying notes are integral part of the financial statements

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

Place : Gurugram
Date: June 5, 2020

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal
(Director)
DIN: 00040000

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

Nitin Kumar Kansal
(Chief Financial Officer)

Saket Gupta
(Company Secretary)

Place : New Delhi
Date: June 5, 2020

Notes forming part of the Consolidated financial statements

1. Corporate Information

The Consolidated financial statement comprise financial statement of Max Ventures and Industries Limited (the Company) and its subsidiaries (collectively, the Group) for the year ended March 31, 2020. The Company is registered as a public company domiciled in India under Companies Act, 2013 and was incorporated on January 20, 2015. The Company's shares got listed on National Stock Exchange and Bombay Stock Exchange as on June 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 - Manufacturing and selling of a wide range of sophisticated packaging unmetallised BOPP films and metallised BOPP films including High Barrier films, Thermal Lamination films and Leather finishing foils;

- Construction and development of residential and commercial properties
- Making investments in various companies and primarily engaged in growing and nurturing these business investments
- Exploring opportunities/establishing schools
- Providing shared services to its other group companies Information on the group structure is provided in Note 29. Information on other related party relationship of the Group is provided in the Note 39

The consolidated summary statements and other consolidated financial information were authorised for issue in accordance with a resolution by the Board of directors of the Company on June 5, 2020

2 Significant accounting policies

2.1a) Basis of preparation

The 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.

The consolidated 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) Derivative financial instruments,

(iii) Defined benefit plans - plan assets

Financial Statement 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 Financial Statements (CFS) comprises the financial statements of the Company and its Subsidiaries as at March 31, 2018.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

Notes forming part of the Consolidated financial statements

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 financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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 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 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., 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 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 financial statements. IND AS12 Income Taxes

Notes forming part of the Consolidated financial statements

applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(iii) 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.

(iv) 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
- 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

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 (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

(ii) The Group classifies all other liabilities as non-current.

(iii) Deferred tax assets and liabilities are classified as non-current assets and

Notes forming part of the Consolidated financial statements

liabilities.

(vi) 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

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 Group has applied exemptions of IND AS 101 to continue the 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\GST credit and VAT 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 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.

Notes forming part of the Consolidated financial statements

In respect of others assets, depreciation is calculated on a 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

c. Intangible assets

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 Group has applied exemptions of IND AS 101 to continue the carrying value of all intangible assets as at the date of transition as its deemed cost.

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.

Notes forming part of the Consolidated financial statements

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. Non-current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of classification. The criteria for held for sale is regarded met only when the assets are available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets, its sale is highly probable; and it will genuinely be sold, not abandoned. The Group treats sale of the asset to be highly probable when:

i. The appropriate level of management is committed to a plan to sell the asset,

ii. An active programme to locate a buyer and complete the plan has been initiated,

iii. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,

iv. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and

v. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

vi. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

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-

Notes forming part of the Consolidated financial statements

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 provide on the revised carrying amount of the asset over its remaining economic life.

An assessments is made at each reporting date as to whether there is any indication that previously recognized impairment losses 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

Notes forming part of the Consolidated financial statements

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

Notes forming part of the Consolidated financial statements

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 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

Notes forming part of the Consolidated financial statements

"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 analyzed.

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.

As a practical expedient, the Group 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.

Notes forming part of the Consolidated financial statements

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 represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-180 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 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.

Notes forming part of the Consolidated financial statements

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 standalone 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. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the 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:

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.

Notes forming part of the Consolidated financial statements

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.

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value of consideration received/receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from constructed properties

(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

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.

Shared Service Income

Revenue from shared services are recognised by reference to stage of completion of contract. The Group collects service tax/GST on behalf of the government and, therefore it is not an economic benefit flowing to the Group and is thus excluded from revenue.

Interest Income

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected

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credit losses. Interest income is included in finance income in the statement of profit and loss.Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend Income

Dividend income is recognized when the Group's right to receive dividend is established by the reporting date.

Job work income

Revenue from job work is recognised by reference to stage of completion of job work as per terms of agreement. Revenue from job work is measured at the fair value of the consideration received or receivable, net of allowances, trade discounts and volume rebates, if any.

Export benefits

Export benefits constituting import duty benefits under Duty Exemption Pass Book (DEPB), duty draw back, Merchandise Exports from India Scheme (MEIS) and focus market scheme (FMS) are accounted for on accrual basis. Export benefits under DEPB & duty draw back are considered as other operating income.

h. Inventories

A. Inventories in manufacturing business

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials, Packing material and Stores & spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of raw materials, packing material and Stores & spares has been determined by using moving weighted average cost method.
- Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined determined by using moving weighted average cost method.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

B. 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

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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 (including MAT credit) 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

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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.

Deferred tax assets is recognised for MAT credit available only to the extent that there is convincing evidence that the Group will pay normal income tax during specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

GST (Goods and Service tax)/ Sales/ 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/ 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.

Accounting policy upto March 31, 2019

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

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.

Company as a lessee

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 lessor's expected inflationary cost increase.

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

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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

Superannuation fund

Retirement benefit in the form of superannuation fund is a defined contribution scheme. Max Speciality Films Limited, subsidiary has no obligation, other

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than the contribution payable to the fund. Liability in respect of superannuation fund to the employees is accounted for as per the Max Speciality Films Limited Scheme and contributed to "Max Speciality Films Limited Employees Group Superannuation Trust" every year. The contributions to the funds are charged to the statement of profit and loss of the year/period.

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 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

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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-settled transactions

The cost of cash settled is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date upto and including the settlement date, with changes in fair value recognised in employee benefit expense.

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. 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 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 financial statements are presented

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in Indian rupee (₹) 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

Notes forming part of the Consolidated financial statements

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 38)

Quantitative disclosures of fair value measurement hierarchy (note 38)

Financial instruments (including those carried at amortised cost) (note 5, 9, 13, 14, 18)

s. Derivative instrument

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

(i) Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment

(ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment

(iii) Hedges of a net investment in a foreign operation

t. Government Grants

Government grants are recognized where

Notes forming part of the Consolidated financial statements

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

2.3 Changes in accounting policies and disclosures

New and amended Standards

The Group applied Ind AS 116 Leases for the first time. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

Several other amendments apply for the first time for the year ended March 31, 2020, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards, amendments that have been issued but are not yet effective/notified.

a) **Ind AS 116 Leases**

Ind AS 116 supersedes Ind AS 17 Leases, including Appendix A of Ind AS 17 Operating Leases-Incentives, Appendix B of Ind AS 17 Evaluating the Substance of Transactions Involving the Legal Form of a Lease and Appendix C of Ind AS 17, Determining whether an Arrangement contains a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 did not have an impact for leases where the Group is the lessor.

The Group adopted Ind AS 116 using the modified retrospective method of adoption with the date of initial application of April 01, 2019. Under this method, the right-of-use asset is recognized at the date of initial application. The right-of-use asset is measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the balance sheet immediately before the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 01, 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying Ind AS 17 and Appendix C to Ind AS 17 at the date of initial application.

For the effect of adoption of Ind AS 116 lease refer note 34 c.

b) **Appendix C to Ind AS 12 Uncertainty over Income Tax Treatment**

The appendix addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of Ind AS 12 Income Taxes. It does not apply to taxes or levies outside the scope of Ind AS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Appendix specifically addresses the following:

- Whether an entity considers uncertain

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tax treatments separately

- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies significant judgement in identifying uncertainties over income tax treatments.

Upon adoption of the Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions, particularly those relating to transfer pricing. The Group's and the subsidiaries' tax filings in different jurisdictions include deductions related to transfer pricing and the taxation authorities may challenge those tax treatments. The Group determined, based on its tax compliance and transfer pricing study, that it is probable that its tax treatments (including those for the subsidiaries) will be accepted by the taxation authorities. The Appendix did not have an impact on the financial statements of the Group.

2.4 Significant accounting judgements, estimates and assumptions

The preparation of the Group's 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 34.

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.

Notes forming part of the Consolidated 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 35.

(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 37 related to Fair value disclosures.

Notes forming part of the Consolidated financial statements

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

(Rs. in Lakhs)

	Land (Freehold)	Building	Leasehold improve-ments	Plant and equipment	Furniture and fixture	Office equipment	Computers and data processing units	Motor vehicles	Total
Cost									
March 31, 2018	**1,741.47**	**4,615.43**	**48.29**	**27,160.33**	**104.56**	**110.41**	**305.58**	**211.15**	**34,297.22**
Additions	952.43	4,036.71	11.82	22,561.30	34.86	39.42	40.28	119.97	27,796.78
Disposals	(41.85)	(11.98)	(3.59)	(34.95)	-	(0.31)	(1.09)	(103.07)	(196.84)
March 31, 2019	**2,652.05**	**8,640.16**	**56.52**	**49,686.68**	**139.42**	**149.52**	**344.77**	**228.05**	**61,897.16**
Acquisition of subsidiary	-	-	-	44.20	-	-	-	-	44.20
Additions	-	93.87	390.93	1,200.66	73.14	10.57	54.66	67.07	1,890.90
Disposals	-	-	-	(29.90)	-	(1.53)	(0.15)	(4.96)	(36.54)
March 31, 2020	**2,652.05**	**8,734.03**	**447.45**	**50,901.63**	**212.56**	**158.56**	**399.28**	**290.15**	**63,795.72**
Depreciation									
March 31, 2018	**-**	**251.36**	**32.74**	**3,323.32**	**18.77**	**33.12**	**158.75**	**28.71**	**3,846.77**
Charge for the year	-	253.21	16.66	2,513.95	17.53	32.22	76.32	50.42	2,960.31
Disposals for the year	-	(1.54)	(2.10)	(6.24)	-	(0.14)	(0.98)	(26.27)	(37.26)
March 31, 2019	**-**	**503.03**	**47.30**	**5,831.03**	**36.30**	**65.20**	**234.09**	**52.86**	**6,769.82**
Acquisition of subsidiary	-	-	-	38.04	-	-	-	-	38.04
Charge for the year	-	293.02	34.91	2,873.27	23.92	34.69	52.42	48.30	3,360.53
Disposals for the year	-	-	-	(10.08)	-	(1.04)	(0.14)	(4.71)	(15.97)
March 31, 2020	**-**	**796.05**	**82.21**	**8,732.26**	**60.22**	**98.85**	**286.37**	**96.45**	**10,152.42**
Net book value									
As at March 31, 2020	**2,652.05**	**7,937.98**	**365.24**	**42,169.37**	**152.34**	**59.71**	**112.91**	**193.70**	**53,643.30**
As at March 31, 2019	**2,652.05**	**8,137.13**	**9.22**	**43,855.65**	**103.12**	**84.31**	**110.68**	**175.19**	**55,127.35**

Particulars	March 31, 2020	March 31, 2019
Capital work-in-progress	101.32	549.42
Total	**101.32**	**549.42**

Notes :

a) Property, plant and equipment (PPE) given as security

Refer note no 13 and 19 for charge created on property, plant and equipment as security against borrowings.

b) Capitalised borrowing costs

Borrowing cost capitalised during the year ended March 31, 2020 is Rs. 320.82 Lakhs (March 31, 2019: Rs 301.80 Lakhs)

c) Investment property includes property under construction at Okhla location under Max Estate Limited, a subsidiary company.

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Investment property

(Rs. in Lakhs)

	Max Towers	Building - Okhla	Land	Investment property (under Capital work in progress)	Total
At cost					
As at March 31, 2019	**-**	**-**	**-**	**4,293.49**	**4,293.49**
Additions	43,360.41	-	-	13,866.28	57,226.69
Acquisition of subsidiary		105.52	8,874.50	-	8,980.02
Disposals/ adjustments	-	-	-	-	-
As at March 31, 2020	**43,360.41**	**105.52**	**8,874.50**	**18,159.77**	**70,500.20**
Depreciation					
As at March 31, 2019	**-**	**-**	**-**	**-**	**-**
Acquisition of subsidiary	-	5.22	-	-	5.22
Depreciation charge for the year	818.56	0.65	-	-	819.21
Disposals/ adjustments	-	-	-	-	-
As at March 31, 2020	**818.56**	**5.87**	**-**	**-**	**824.43**
Net book value					
As at March 31, 2020	**42,541.85**	**99.65**	**8,874.50**	**18,159.77**	**69,675.77**
As at March 31, 2019	**-**	**-**	**-**	**4,293.49**	**4,293.49**

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.313.12 lacs (Previous Year - 83.91 Lacs) under investment property under CWIP

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

	(Rs. In Lacs)
Rental income	984.73
Less: Direct operating expenses generating rental income	4.31
Profit from leasing of investment properties	980.42
Less: depreciation expense	819.42
Profit from leasing of investment properties after depreciation	161.01

(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

Notes forming part of the Consolidated financial statements

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 2019	NA
Increase of Fair value	NA
Decline in fair value	NA
Closing balance as at 31 March 2020 *	Rs.43,500 to 47,850 lacs

* Other than Investment property (under Capital work in progress)

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) Leasing Arrangements

Certain investment properties are leased to tenants under long term operating leases with rentals payable monthly.

The company has leased out office premises under non cancellable operating leases. The contractual future minmum lease related receivables in respect of these leases are :

(Rs. In Lacs)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Not later than 1 year	1,218.37	-
later than 1 year but not later than 5 years	4,873.47	-
more than 5 years	3,788.94	-
Total	**9,880.78**	**-**

4. Intangible assets

(Rs. in Lakhs)

	Computer software	**Books - ISC**	**Goodwill**	**Total**	**Intangible assets under development**
April 1, 2018	**272.78**	**-**	**167.09**	**439.87**	**-**
Cost					
April 1, 2018	**499.04**	**25.96**	**167.09**	**692.09**	**206.96**
Additions	27.82	-	-	27.82	-
Disposals	-	(25.96)	-	(25.96)	-
Impairment	-	-	-	-	(194.01)
March 31, 2019	**526.86**	**-**	**167.09**	**693.95**	**12.95**
Additions	27.43	-	-	27.43	-
Disposals	-	-	-	-	-

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

	Computer software	Books - ISC	Goodwill	Total	Intangible assets under development
Net book					
March 31, 2020	**554.29**	**-**	**167.09**	**721.38**	**12.95**
Amortization					
As at April 1, 2018	**217.57**	**6.52**	**-**	**224.09**	**-**
Amortisation Charge for the year	78.56	8.65	-	87.21	-
Disposals for the year	-	(15.17)	-	(15.17)	-
March 31, 2019	**296.13**	**-**	**-**	**296.13**	**-**
Amortisation Charge for the year	73.97	-	-	73.97	12.95
Disposals for the year	-	-	-		-
March 31, 2020	**370.10**	**-**	**-**	**370.10**	**12.95**
Net Book Value					
March 31, 2020	**184.19**	**-**	**167.09**	**351.28**	**-**
March 31, 2019	**230.73**	**-**	**167.09**	**397.82**	**12.95**

4.01 Goodwill acquired under business combination under Business Transfer Agreement (BTA) with Max Financial Services Limited (erstwhile Max India Limited) on July 10, 2013 for the purchase of its Speciality films business (manufacturing and selling of a wide range of sophisticated packaging unmetallised BOPP films and metallised BOPP films including High Barrier films, Thermal Lamination films and Leather finishing foils) by way of slump sale on going concern basis.

Impairment testing of goodwill with indefinite life

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.

5. Non-Current Financial Assets

i) Investments

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
a)	**Investment in Equity Shares (valued at Fair value through profit and loss)**		
	FSN E-Commerce Ventures Private Limited	3,143.10	2,916.14
	62,269 (March 31, 2019 - 1,34,977) Equity Shares of Nominal Value Rs. 10 each fully paid up		
	Azure Hospitality Private Limited	0.04	0.04
	Unquoted equity instruments 100 (March 31, 2019 - 100) Equity Shares of Face Value Rs.10 each fully paid up		
b)	**Investment in Preference Shares (valued at Fair value through profit and loss)**		

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
	Azure Hospitality Private Limited	7,144.95	7,144.95
	16,234,829 (March 31, 2019 - 16,234,829) Series-C Preference Shares of Nominal Value Rs. 20 (Fair Value -Rs. 44.01) each fully paid up		
c)	**Investment in IAN Fund**		
	42,292 (March 31, 2019 - 42171.85) units of Nominal Value Rs. 100 each fully paid up	118.90	35.76
		10,406.99	**10,096.89**
Non-Current		**10,406.99**	**10,096.89**
Aggregate value of unquoted investments		**10,406.99**	**10,096.89**
Aggregate value of quoted investments		-	-
Aggregate market value of quoted investments		-	-

Note:

Series-C 0.01% Cumulative Dividend Preference Shares of Nominal will be convertible into one equity share per preference shares maximum upto fifteen years

ii) Loans (amortized cost) (unsecured) considered good unless otherwise stated

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Security deposits	742.28	465.89
Loan to employees	1.42	1.64
	743.70	**467.53**

iii) Trade Receivable

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Trade receivable	131.62	-
	131.62	**-**

(iv) Other bank balances

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Deposits with remaining maturity for more than 12 months	645.65	0.25
	645.65	**0.25**

6. Non-Current tax assets

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Advance Income Tax and Tax deducted at source	613.32	447.92
	613.32	**447.92**

Notes forming part of the Consolidated financial statements

7. Other non current assets

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Uunsecured considered good unless otherwise stated		
Capital advances	277.97	44.31
Excise duty deposited under protest	23.63	319.47
Prepaid expenses	73.43	2.52
Interest recoverable from Government authorities	28.28	73.43
	403.31	**439.73**

8 Inventories (at cost or NRV whichever is less)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Raw materials and Packing materials [including stock in transit Rs 1,294.07 Lakhs (March 31, 2019: Rs. 2,035.52 Lakhs)]	5,721.49	5,401.18
Stores and spares	862.29	860.97
Work in progress-		
Real Estate	4,598.06	75,679.20
BOPP Film	2,581.40	2,250.39
Finished goods [including in transit Rs. 615.42 Lakhs (March 31, 2019: Rs. 545.49 Lakhs]	2,309.60	1,408.89
	16,072.84	**85,600.63**

9. Current financial assets

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
(i)	**Other investment**		
	Quoted mutual funds (valued at Fair value through profit and loss)		
	DSP Overnight Fund	1,501.74	-
	Plan - Direct Growth Plan		
	(Units - 140,521.567, NAV - 1,067.4518) (March 31, 2019 - Units - nil, NAV - nil)		
	Aditya Birla Sun Life Overnight Fund	1,285.56	
	Plan - Direct Growth Plan		
	(Units - 119,006.174, NAV - 1,080.2485) (March 31, 2019 - Units - nil, NAV - nil)		
		2,787.30	**-**
	Aggregate value of unquoted investments	**-**	**-**
	Aggregate value of quoted investments	2,787.30	-
	Aggregate market value of quoted investments	2,787.30	-
(ii)	**Trade receivables**		

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Unsecured :-		
(a) Trade Receivables considered good - Secured;	117.56	6.90
(b) Trade Receivables considered good - Unsecured;	12,832.09	14,977.59
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables - credit impaired	-	125.02
Less: Impairment allowance for trade receivables	-	(125.02)
	12,949.65	**14,984.49**
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(b)		
(iii) Cash and cash equivalents		
Balances with banks:		
On current accounts	1,185.67	490.26
Cheques on hand	-	219.00
Cash on hand	6.49	7.59
	1,192.16	**716.85**
(iv) Bank Balances other than (iii) above		
Deposits:		
Deposits with remaining maturity for less than 12 months*	9,061.87	11,219.85
Margin money deposits	-	4.60
	9,061.87	**11,224.45**
v) Loans (amortized cost) (unsecured considered good unless otherwise stated)		
Loan to employee	12.93	13.33
Advance to related parties	38.00	-
Security deposits	37.19	310.27
	88.12	**323.60**
(vi) Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	124.78	-
	124.78	**-**
Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.		
(vii) Other financial assets		

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(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Interest accrued on deposits and others	194.50	297.95
Government grants	413.18	15.09
Other receivables	-	19.68
Excise/ Service duty deposited under protest	298.79	-
Unbilled revenue	147.44	-
	1,053.91	**332.72**
Break up of financial assets at amortised cost		
Non-current financial assets		
Loans (refer note 5(ii))	743.70	467.53
Other bank balances (refer note 5(iv))	645.65	0.25
Current financial assets		
Trade receivables (refer 9(ii))	12,949.65	14,984.49
Loans (refer 9(v))	88.12	323.60
Cash and cash equivalents (refer 9(iii))	1,192.16	716.85
Other bank balances (refer note 9(iv))	9,061.87	11,224.45
Other current financial assets (refer 9(vii))	1,053.91	332.72
	25,735.06	**12,738.14**

10. Other current assets (unsecured considered good, unless otherwise stated)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Other advances*	639.76	1,501.11
Prepaid expenses	325.08	188.69
Government grant	1,064.90	458.80
Excise duty recoverable on export goods	454.29	446.17
Balance with statutory authorities	2,034.86	1,045.59
Export benefits receivables	17.28	327.29
Other recoverables	4.13	-
	4,540.30	**3,967.65**

* refer note 39(b) for advances to related parties

Notes forming part of the Consolidated financial statements

11. Share capital and other equity

(i) Equity share capital

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
a)	**Authorized Share Capital**		
	150,000,000 (March 31, 2019 - 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		
	1,466,240,62 (March 31, 2019 - 1,466,007,82) equity shares of Rs.10/- each fully paid up	14,662.41	14,660.08
	Total issued, subscribed and fully paid-up share capital	**14,662.41**	**14,660.08**

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

Equity shares	March 31, 2020		March 31, 2019	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
At the beginning of the period	146,600,782	14,660.08	72,648,105	7,264.81
Add: Shares issued at incorporation of the Company	-	-	-	-
Add: Issued during the period under scheme of demerger	-	-	-	-
Add: Shares issued for stock options exercised during the year (Refer note no 35)	23,280	2.33	198,890	19.89
Add: Shares issued during the year/period	-	-	73,753,787	7,375.38
Outstanding at the end of the period	**146,624,062**	**14,662.41**	**146,600,782**	**14,660.08**

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.

Notes forming part of the Consolidated financial statements

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

Name of the Shareholder	March 31, 2020		March 31, 2019	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up				
Max Ventures Investment Holdings Private Limited.	49,337,874	33.65%	49,337,874	33.65%
New York Life International Holdings Limited	31,282,950	21.34%	31,282,950	21.34%
Siva Enterprises Private Limited	19,146,045	13.06%	16,728,653	11.41%

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

During the Financial year 2015-16, existing shareholders of Max Financial Services Limited (erstwhile Max India Limited) were allotted shares in the ratio of 1:5 in Max Ventures and industries Limited i.e. 53,300,555 equity shares under the scheme of demerger without any consideration in cash. The Company issued 96,245 Equity shares on exercise of options granted under the Employee Stock Option Plan 2006 of Max Financial Services Limited under the Corporate Restructuring plan.

The Company has issued 23,280 equity shares during the year ended March 31, 2020 and 198,890 Equity shares during the year ended March 31, 2019 on exercise of options granted under the Employee Stock Option Plan 2016 of Max Ventures and Industries Limited, for details refer note 35.

12. Other equity

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Capital reserve (refer note a below)	13,822.40	13,822.40
Securities premium account (refer note b below)	50,030.35	50,027.02
Employee stock options outstanding (refer note c below)	48.67	34.57
Retained earnings (refer note d below)	8,932.31	5,178.26
	72,833.73	**69,062.25**
Notes:		
a) Capital reserve		
At the beginning of the year	13,822.40	13,822.40
	13,822.40	**13,822.40**
b) Securities premium		
At the beginning of the year	50,027.02	12,873.12
Add: Issue of share capital (refer note 42)	-	37,614.43
Add: Addition/deletion on equity shares	-	23.27
Add: Premium on issue of employee stock options (refer note 35.2)	3.33	20.91
Less: Share issue expenses	-	(504.71)
	50,030.35	**50,027.02**

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
c) Employee stock options outstanding		
At the beginning of the year	34.57	20.91
Add: Premium on issue of employee stock options (refer note 35.2)	14.10	34.57
Less: Exercise of share option under ESOP scheme	-	20.91
	48.67	**34.57**
d) Retained earnings		
At the beginning of the year	5,178.26	7,526.37
Profit/(Loss) for the year	3,743.04	(2,310.51)
Effect of adoption of new accounting standard	-	(30.69)
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	11.01	(6.91)
	8,932.31	**5,178.26**

Nature and purpose of reserves

a) Capital reserve

The Company 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 reserve 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.

13. Borrowings

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Non-current borrowings :-		
From banks		
Term loans (secured) [refer note (i) to (vii) below]	22,704.76	30,113.03
Vehicle loans (secured) [refer note (ix) below]	39.28	34.50
Others		
Debt portion of Compulsory convertible debentures	3,430.96	-
Current maturity of long term borrowings :-		
Term loans (secured) [refer note (i) to (vii) below]	5,720.08	5,191.44
Vehicle loans (secured) [refer note (ix) below]	32.56	38.61

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due on borrowings	209.18	196.03
	32,136.82	**35,573.61**
Less: Amount disclosed under "other current financial liabilities" [refer note 18(iii)]	**6,310.65**	**5,426.08**
	25,826.17	**30,147.53**
Aggregate Secured loans	**32,136.82**	**35,573.61**
Aggregate Unsecured loans	-	-

Term loan from banks :

i) Term loan from Yes Bank Limited amounting to Rs. 6,886.84 Lakhs (March 31, 2019: Rs. 7686.32 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/ equipments/ vehicles specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 32 structured quarterly instalments commenced from 3rd December 2016 carrying interest rate ranging from 8.70% p.a. to 13.00% p.a..

ii) Term loan from Yes Bank Limited amounting to Rs. 1,943.04 Lakhs(March 31, 2019: Rs. 2,900.62 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/ equipments/ vehicles specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 20 structured quarterly instalments commnenced from 3rd December 2016 carrying interest rate ranging from 8.70% p.a. to 12.85% p.a.

iii) Term loan from Yes Bank Limited amounting to Rs.2,762.62 Lakhs (March 31, 2019: Rs. 3759.56 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/ equipments/ vehicles specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 20 structured quarterly instalments commnenced from 28rd February 2019 carrying interest rate ranging from 8.70% p.a. to 9.25% p.a.

iv) Term loan from IndusInd Bank Limited amounting to Rs. 2,687.33 Lakhs (March 31, 2019: Rs. 3,760.15 lakhs) was secured by way of first pari passu charge on the entire fixed assets (moveable and immoveable, excluding vehicles) of the Company, existing and future. The loan was repayable in 16 structured quarterly instalments to be commenced from 30th September 2018 carrying interest rate of 8.95% p.a. to 9.65%.

v) Term loan from Yes Bank Limited amounting to Rs. 2,426.06 Lakhs (March 31, 2019: Rs. 2,706.76 Lakhs) was secured by way of first pari passu charge on the movable fixed assets (excluding assets/ equipments/ vehicles specifically charged to other lenders) and immovable fixed assets both present and future. The loan was repayable in 32 structured quarterly instalments to be commenced from 1st December 2017 carrying interest rate of 8.70% p.a. to 9.75%.

vi) Term loan from IDFC Bank Limited amounting to Rs. 1,791.97 Lakhs (March 31, 2019: Rs. 2,752.92 lakhs) is secured by way of First pari-pasu charge on entire fixed assets (moveable and immoveable excluding vehicles) of the company, existing and future. The loan is repayable in 27 structured quarterly instalments commenced from September 03, 2018 carrying interest rate of 9.15% p.a.

Notes forming part of the Consolidated financial statements

vii) The Company has taken secured term loan facility for 117,00 Lakhs loan from ICICI Bank Limited. Out of this facility the company has drawn 86,000 lakhs till March 31, 2020. Exclusive charge by way of mortgage/hypothecation/assignment/security interest / charge / pledge upon following (both present and future) on:

1 Paripassu 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 DSRA

6 30% of shareholding of the company 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

viii) 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 1,500 lakhs till March 31, 2020. Exclusive charge by way of mortgage/hypothecation/assignment/security interest / charge / pledge upon following (both present and future) on:

1 Paripassu 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 DSRA

6 Corporate guarantee from Max Ventures and Industries Limited and 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

Notes forming part of the Consolidated financial statements

Vehicle loan (secured) :

ix) Vehicle loans amounting to Rs. 71.84 Lakhs (March 31, 2019: Rs. 34.50 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 10.00% p.a. to 11.50% p.a.

The Company has complied with all the covenants related to borrowings obtained by the Company.

14. Trade payables

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	247.94
	-	**247.94**

Trade payables include due to related parties. Refer note 39(b)

*** 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.

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
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

Notes forming part of the Consolidated financial statements

(ii) Other non current financial liabilities

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Security deposits	982.60	216.67
Deferred assured rental	239.30	-
	1,221.90	**216.67**

15. Long term provision

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
Provision for gratuity (refer note 35.0)	708.99	514.56
Provision for sinking fund	89.84	-
	798.83	**514.56**

16. Deferred tax liabilities

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
(i) Deferred tax liability		
Fixed Assets: Impact of differences in depreciation in block of fixed assets as per tax books and financial books	-	0.77
Others	867.31	419.21
Deferred tax liability	**867.31**	**419.98**
(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	571.81	(5,252.80)
Unabsorbed depreciation/ Business Losses	4,705.10	5,214.11
Others	(5,976.89)	-
Gross deferred tax assets	**(699.98)**	**(38.69)**
Mat Credit	1,137.79	877.31
Deferred Tax Asset	**437.81**	**838.62**

17. Other non current liabilities

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Government grants	1,287.06	1,329.03
	1,287.06	**1,329.03**
Movement of government grant is as below:		
At the beginning of the period	1,329.03	1,284.41
Received during the period	-	44.61
Released to the statement of profit and loss	(41.97)	-
At the end of the period	**1,287.06**	**1,329.03**

* Government grant is pertaining to duty saved under EPCG and advance license for import of capital goods and raw material.

Notes forming part of the Consolidated financial statements

18. Current financial liabilities

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
(i) Borrowings		
From Bank		
Cash credit from banks (secured) [refer note (i) below]	3,299.15	1,965.73
Working capital demand loan (secured) [refer note (ii) below]	9,186.33	8,700.00
Buyers credit (secured) [refer note (iii) below]	11,846.97	11,099.14
	24,332.45	**21,764.87**

Notes

(i) Cash credit facilities:

Cash credit facilities from Indusind Bank Limited, Yes Bank Limited and IDFC Bank Limited are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company, both present and future. The rate of interest on cash credit varies between banks ranging from 9.25% p.a. to 10.45% p.a. and are repayable on demand.

Cash credit facilities from HDFC Bank are repayable on demand and are secured by a first pari passu charge on entire stocks and book debts of the Company. The rate of interest on cash credit was 9.25% p.a. and are repayable on demand.

Cash credit facilities from Kotak Bank are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company and a residual hypothecation charge on all existing and future moveable fixed assets of the Company. The rate of interest on cash credit varies between banks ranging from 9.40% p.a. to 10% p.a. and are repayable on demand.

Cash credit facilities from ICICI Bank are repayable on demand and are secured by a first pari passu charge on current assets of the company, both present and future and a residual charge on moveable fixed assets of the company, both present and future The rate of interest on cash credit varies between banks ranging from 9.37% p.a. to 9.90% p.a. and are repayable on demand.

(ii) Working capital demand loan:

Working capital demand loan from IDFC Bank Limited, Yes Bank Limited and HDFC Bank Limited are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company, all present and future. The tenor of WCDL ranges between 30 to 180 days. The rate of interest on working capital demand loans varies between 9.5% p.a. to 11% p.a.

Working capital demand loan from HDFC Bank are repayable on demand and are secured by a first pari passu charge on entire stocks and book debts of the Company. The tenor of WCDL ranges between 30 to 180 days. The rate of interest on working capital demand loans varies between 8.6% p.a. to 9.25% p.a.

Working capital demand loan from Kotak Bank are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company and a residual hypothecation charge on all existing and future moveable fixed assets of the Company. The tenor of WCDL ranges

Notes forming part of the Consolidated financial statements

between 30 to 180 days. The rate of interest on working capital demand loans varies between 9.77% p.a. to 10% p.a.

Working capital demand loan from ICICI Bank are repayable on demand and are secured by a first pari passu charge on current assets of the company, both present and future and a residual charge on moveable fixed assets of the company, both present and future The tenor of WCDL ranges between 30 to 180 days. The rate of interest on working capital demand loans varies between 9.14% p.a. to 9.75% p.a.

(iii) **Buyer credit :**

Buyer credit foreign currency facility from IndusInd Bank Limited Rs 11,847 Lacs (March 31, 2019: Rs. 11,099 lacs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable within a year carrying interest rate ranging from 0.22% p.a. to 2.57% p.a..

Undrawn borrowings:

Cash credit/ Working capital demand loan/ Packing credit/ Bill discounting facilities from Yes Bank Limited, Kotak Mahindra Bank Limited, IndusInd Bank Limited, IDFC Bank Limited, HDFC Bank Limited and ICICI Bank Limited have been sanctioned to the tune of Rs 6,000 Lakhs, Rs 5,000 Lakhs, Rs. 2,000 Lakhs, Rs 4,000 Lakhs, Rs. 4,000 Lakhs and Rs. 3,000 Lakhs respectively. The amount undrawn against the sanctioned facility as on March 31, 2020 from Yes Bank Limited, Kotak Mahindra Bank Limited, IndusInd Bank Limited, IDFC Bank Limited, HDFC Bank Limited and ICICI Bank Limited is Rs. 906.85 Lakhs, Rs. 5,000 Lakhs, Rs. 24.32 Lakhs, Rs. 599.95 Lakhs, Rs. 260.90 Lakhs and Rs. 664.94 Lakhs respectively. Drawn borrowing includes non fund facilities{(Letter of credit- Yes Bank Limited, Kotak Mahindra Bank Limited, IndusInd Bank Limited, IDFC Bank Limited, HDFC Bank Limited and ICICI Bank Limited Nil, Nil, Rs 1,127.97 Lakhs, Rs. 536.90 Lakhs, Nil and Rs. 1,392.67 Lakhs respectively), (Bank guarantee Yes Bank Limited, Kotak Mahindra Bank Limited, IndusInd Bank Limited, IDFC Bank Limited, HDFC Bank Limited Limited and ICICI Bank Limited Nil, Nil, Rs 500 Lakhs, Nil, Nil and Rs. 500 Lakhs respectively)}.

(ii) Trade payables

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues of micro enterprises and small enterprises (refer note 14)	444.22	346.17
Total outstanding dues of creditors other than micro enterprises and small enterprises #	13,465.21	17,972.96
	13,909.43	**18,319.13**

Trade payables include due to related parties. Refer Note 39 (b) for amount due to related parties.

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 0 - 180 day terms

Notes forming part of the Consolidated financial statements

(iii) Other current financial liabilities

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Current maturity of long term borrowings (refer note 13)	6,310.65	5,426.08
Security deposits	234.22	47.35
Interest accrued but not due on borowings	27.11	80.24
Capital creditors	104.52	350.43
Premium on Redemption of CRPS	3,340.14	
	10,016.64	**5,904.10**

(iv) Derivative instruments at fair value through profit or loss

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Foreign exchange forward contracts		**448.28**
	-	**448.28**

19. Short term provision

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Provision for leave encashment (refer note 35.1)	339.20	257.78
- Provision for gratuity (refer note 35.0)	65.75	89.83
Provision for taxation	7.30	77.62
	412.25	**425.23**

20. Other current liabilities

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Advance from customers	686.11	14,253.03
Government Grant	291.56	120.55
Unearned income	329.02	-
Statutory dues	615.63	376.18
	1,922.32	**14,749.76**
Movement of government grant is as below:		
At the beginning of the period	120.55	239.38
Received during the period	1,114.94	844.41
Released to the statement of profit and loss	(943.93)	(963.24)
At the end of the period	**291.56**	**120.55**

Notes forming part of the Consolidated financial statements

21. Revenue from operations

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Sale of products		
Bi-axially oriented polypropylene film	94,348.82	85,747.40
Revenue from sale of constructed properties and lease income	38,012.21	3,719.35
Total	**132,361.03**	**89,466.75**
Revenue from services		
Income from shared services	232.93	136.53
Other operating Income		
Net Gain on saleof non- current investments	986.40	-
Fair value gain on non-current investments at fair value through profit or loss	1,807.80	1,051.21
Income from facility management	579.81	-
Job work charges	1.49	-
Export benefits	469.63	362.33
Waste of plastic sale	412.70	285.84
Income from government grant	1,369.75	966.93
Total	**138,221.54**	**92,269.59**
Reconciling the amount of revenue recognised in the Statement of profit and loss with the contracted price		
Revenue as per Contracted Price	96,812.52	88,340.92
Adjustments:		
Discounts and others (includes cash discount)	(2,463.70)	(2,290.41)
Revenue From Contract with Customers	**94,348.82**	**86,050.51**

Performance obligation

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 180 days from delivery.

22. Other income

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Interest income on		
- on fixed deposits	740.11	646.80
- on security deposit	6.22	47.41
- others	-	151.23
Gain on mutual fund investments	260.82	332.21
Fair value gain on financial instruments at fair value through profit or loss	-	(213.03)
Liabilities/provisions no longer required written back	26.97	167.38
Gain on foreign exchange fluctuation (net)	651.27	443.65
Net gain on disposal of property, plant and equipment	-	266.61
Scrap sale	0.43	297.95
Gain on stake sale of investment	19.42	-
Miscellaneous income	22.83	131.16
	1,728.07	**2,271.37**

Notes forming part of the Consolidated financial statements

23. Cost of raw materials consumed / Cost of land, plots, development rights, constructed properties and others

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Inventories at beginning of year	5,401.18	4,375.62
Add: Purchases during the year	76,109.07	87,055.21
Less: inventory at the end of year	5,721.50	5,401.18
Cost of raw materials consumed	**75,788.75**	**86,029.65**

24. Change in inventories of finished goods, traded goods and work in progress

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
a) Inventories at end of the year		
Work in progress-		
Real Estate	4,598.06	75,679.20
BOPP Film	2,581.40	2,250.39
Finished goods*	2,309.60	1,408.89
	9,489.06	**79,338.48**
b) Acquisition adjustment- Real Estate	-	2,574.18
c) Inventories at beginning of the year		
Work in progress-		
Real Estate	75,679.20	62,430.01
BOPP Film	2,250.39	1,047.00
Finished goods	1,408.89	1,061.84
	79,338.48	**64,538.85**
Transferred to investment property	45,031.93	-
Net (Increase)/ decrease in finished goods, traded goods and work-in-progress (c+b-a)	**24,817.49**	**(12,225.45)**
Details of inventory		
Work-in-progress		
BOPP Film	2,581.40	2,250.39
Real Estate	4,598.06	75,679.20
	7,179.46	**77,929.59**
Finished goods		
BOPP Film	2,309.60	1,408.89
	2,309.60	**1,408.89**

25. Employee benefits expense

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Salaries, wages and bonus	4,789.26	3,673.99
Contribution to provident and other funds	235.66	223.98
Employee stock option scheme	14.10	36.91
Gratuity expense (refer note 35.0)	119.00	103.57
Staff welfare expenses	257.77	235.41
	5,415.79	**4,273.86**

Notes forming part of the Consolidated financial statements

26. Finance costs

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Interest on term loan	4,896.64	2,921.13
Interest on lease	335.68	-
Interest on others	1,435.76	975.25
Bank charges	747.98	594.87
	7,416.06	4,491.25
Less: Finance cost capitalised	(320.82)	(301.80)
	7,095.24	**4,189.45**

27. Depreciation and amortization expense

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Depreciation of tangible assets (refer note 3)	3,360.53	2,960.31
Depreciation of tangible assets and investment property (refer note 3)	819.21	-
Depreciation of tangible assets finance lease (refer note 3)	357.99	-
Amortization of intangible assets (refer note 4)	73.97	87.21
	4,611.70	**3,047.52**

28. Other expense

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Consumption of stores and spares	764.11	650.84
Power and fuel	5,287.82	4,903.24
Processing charges	52.74	49.18
Recruitment and training expenses	38.39	35.72
Rent (refer note no 34(c))	617.21	358.72
Insurance expenses	223.75	215.06
Rates and taxes	117.84	215.37
Repairs and maintenance:		
Building	125.66	135.29
Plant and equipments	575.56	318.70
Others	425.62	298.52
Printing and stationery	30.70	51.99
Travelling and conveyance	489.10	459.86
Communication costs	52.52	58.99
Legal and professional (refer note no 28.1)	1,503.02	488.55
Directors' sitting fees	128.18	100.00
Advertisement and sales promotion	633.46	453.89
Product development expenses	-	17.69
Commission to other than sole selling agents	113.56	-

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Freight and forwarding charges	3,491.71	2,914.92
Quantity discount	83.48	-
Loss on sale of fixed assets (net)	0.43	3.40
Impairment loss	-	194.02
Bad debts written off	165.54	22.59
Charity and donation	5.60	1.10
CSR expenditure (refer note no 40)	116.20	66.33
Assets Written Off	-	10.79
Shared Service charges	254.68	281.27
Miscellaneous expenses	232.37	0.01
	15,529.25	**12,306.04**

28.1 Payment to auditor (included in legal and professional fee)

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
As auditor:		
Audit fee	59.73	47.91
Other services (certification fees)*	13.25	12.96
Reimbursement of expenses	1.47	5.21
	74.45	**66.08**

29 The subsidiary follows financial year as accounting year. However, the financial statements of Max Speciality Films Limited, Max Estates Limited, Max I. Limited, Max Learning Limited and Wise Zone Builders Private Limited has been consolidated from the date of incorporation/acquisition of the entities

Name of the Subsidiary	Principal activities	Country of Incorporation	Proportion of ownership as at	
			March 31, 2020	March 31, 2019
Subsidiary				
Max Speciality Films Limited	Manufacturing and selling of a wide range of sophisticated packaging unmetallised BOPP films and metallised BOPP films including High Barrier films, Thermal Lamination films and Leather finishing foils;	India	51%*	51%*
Max Estates Limited	Construction and development of residential and commercial properties	India	100%	100%
Max I. Limited	Making investments in various companies and primarily engaged in growing and nurturing these business investments	India	100%	100%

Notes forming part of the Consolidated financial statements

Name of the Subsidiary	Principal activities	Country of Incorporation	Proportion of ownership as at	
			March 31, 2020	March 31, 2019
Max Asset Services Limited (formerly known as Max Learning Limited)	Facility management services for commerical real estate	India	100%	100%
Northern Propmart Solutions Limited	Construction and development of residential and commercial properties	India	51%	0%
Pharmax Corporation Limited	Construction and development of residential and commercial properties	India	85%	0%
Wise Zone Builders Private Limited	Construction and development of residential and commercial properties	India	100%	100%

* Refer note 43

30 Income Taxes

(Rs. in Lakhs)

	for year ended March 31, 2020	for year ended March 31, 2019
(a) Income tax expense in the statement of profit and loss comprises :		
Current Income Tax		
Current income tax charge	1,686.18	371.68
Adjustment in respect of current income tax of previous year	9.32	(75.12)
Deferred Tax		
Relating to origination and reversal of temporary differences	586.55	(444.53)
Income tax expense reported in the statement of profit or loss	**2,282.05**	**(147.97)**

31 Components of Other comprehensive income (OCI) (Retained earnings)

(Rs. in Lakhs)

	for year ended March 31, 2020	for year ended March 31, 2019
Cost of hedging reserve	94.21	(94.21)
Income tax effect	(32.97)	32.97
Re-measurement (gains)/ losses on defined benefit plans (refer note: 35.0)	(65.51)	36.60
Income tax related to items recognized in OCI during the period/year	23.20	(6.62)
Income tax related to items recognized in OCI during the year	**18.93**	**(31.26)**

Notes forming part of the Consolidated financial statements

32 Earnings Per Share (EPS)

(Rs. in Lakhs)

	for year ended March 31, 2020	for year ended March 31, 2019
Basic EPS		
Profit after tax (Rs. in Lakhs)	3,743.04	(2,310.51)
Net profit/(loss) for calculation of basic EPS	3,743.04	(2,310.51)
Weighted average number of equity shares outstanding during the year (Nos.)	146,608,510	118,737,904
Basic earnings per share (Rs.)	**2.55**	**(1.95)**
Dilutive EPS		
Profit after tax (Rs. in Lakhs)	3,743.04	(2,310.51)
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	146,802,078	118,949,139
AntiDiluted/Diluted earnings per share (Rs.)	**2.55**	**(1.95)**
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)		
Weighted average number of equity shares outstanding during the year (Nos.)	146,608,510	118,737,904
Add: ESOP/Warrants	193,568	211,235
	146,802,078	**118,949,139**

33 Income Tax

The major components of income tax expense for the year March 31, 2020, and March 31, 2019 are :

Statement of profit and loss :

(Rs. in Lakhs)

	for year ended March 31, 2020	for year ended March 31, 2019
Current income tax :		
Current tax	1,686.18	371.68
Adjustment of tax relating to earlier years	9.32	(75.12)
Deferred tax :		
Relating to origination and reversal of temporary differences	586.55	(444.53)
Income tax expense reported in the statement of profit and loss	**2,282.05**	**(147.97)**

OCI section :

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

(Rs. in Lakhs)

	for year ended March 31, 2020	for year ended March 31, 2019
Net loss/(gain) on remeasurements of defined benefit plans	(9.77)	26.35
Tax related to items recognized in OCI during the period/ year	**(9.77)**	**26.35**

Notes forming part of the Consolidated financial statements

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2020 and March 31, 2019

(Rs. in Lakhs)

	for year ended March 31, 2020	for year ended March 31, 2019
Accounting profit/ (loss) before tax	6,691.39	(3,080.11)
Accounting profit/ (loss) before income tax	**6,691.39**	**(3,080.11)**
At India's statutory income tax rate of 25.17%-29.12 % (March 31, 2019: 28.84 %)	1,991.81	(1,005.42)
Non-Taxable Income for tax purposes:		
Others	(182.28)	90.69
Non-deductible expenses for tax purposes:		
Disallowances on account of exempt income u/s 14A	-	95.80
Other non-deductible expenses	44.03	(49.60)
Tax relating to earlier years	41.00	(78.86)
Others		
Losses of subsidiary not being considered for deferred tax	387.49	799.41
At the effective income tax rate	**2,282.05**	**(147.97)**
Income tax expense reported in the statement of profit and loss	2,282.05	(147.97)
Total tax expense	**2,282.05**	**(147.97)**

Deferred tax relates to the following:

(Rs. in Lakhs)

	March 31, 2020	March 31, 2019
Deferred tax liabilities	**867.31**	**419.97**
Accelerated depreciation for tax purposes	3.56	0.77
Difference in book base and tax base in investments	-	-
Impact on fair valuation of investments	689.19	-
Others	174.56	419.21
Gross deferred tax liabilities (a)	**867.31**	**419.97**
Deferred tax assets	**(699.98)**	**(38.69)**
Effect of expenditure debited to the statement of Profit and Loss in the current year/earlier years but allowed for tax purposes in following years	571.81	(5,252.80)
Unabsorbed depreciation/ Business Losses	4,705.10	5,214.11
Others	(5,976.89)	-
Gross deferred tax assets (b)	**(699.98)**	**(38.69)**
Mat Credit (c)	1,137.79	877.31
Deferred tax liabilities/(asset) (net)	**429.50**	**(418.65)**
Disclosed as		
Deferred tax liabilities	867.31	419.98
Deferred tax asset	437.80	838.62
Deferred tax liabilities/(asset) (net)	**429.51**	**-418.64**

Notes forming part of the Consolidated financial statements

Reconciliation of deferred tax liabilities (net):

(Rs. in Lakhs)

	March 31, 2020	March 31, 2019
Opening balance as of	(418.64)	110.43
Tax expense/(income) during the period recognised in the statement of profit or loss	586.55	(298.83)
Tax expense/(income) during the period recognised in OCl	1.13	26.35
Net Balance	**169.04**	**(162.05)**
Mat Credit	260.48	(256.59)
Closing balance as at March 31, 2020	**429.52**	**(418.64)**

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.

34 a. Commitments and contingencies

A. Contingent liabilities not provided for

(Rs. in Lakhs)

S. No.	Particulars	As at March 31, 2020	As at March 31, 2019
i.	Claims against the Group not acknowledged as debts (Refer note (a))	141.92	3,174.10
ii.	Contingent liability for pending C form's from customers (Refer note (b))	23.90	24.26
iii	Bank Gurantee	-	232.32

Note:

a. Contingent liability with respect to item (i) above represents disputed excise and service tax demands pertaining to various years ranging from Financial Year 2005-06 to 2014-15.

All these matters are pending with various judicial/appellate authorities and the Company believes that it has merit in these cases and more likely than not the Company will succeed in these cases.

The Customs Escise and Service Tax Appellate Tribunal (CESTAT), Chandigarh has issued a favorable order in the case related to valuation of waste and scrap for captive consumption, wherein the appeal filed by the Company for the period July 2000 to July 2015 has been allowed.

Pursuant to order of CESTAT, Chandigarh, the Company has filed for refund of the pre-deposit amounting to Rs. 298.79 lacs along with interest with the Assistant Commissioner of Central Goods and Service Division, Phagwara. The detailed order of the CESTAT in the said matter is awaited.

b. Contingent liability for pending C forms from customers represent pending liability against C forms for FY 2017-18 upto June 30, 2017. The Company is under process of collecting the same from respective customers and the Company believes that the same would be collected before assessment of respective years.

Notes forming part of the Consolidated financial statements

c There are numerous interpretative issues relating to the Hon'ble Supreme Court (SC) judgement on Provident Fund dated 28th February, 2019. As a matter of caution, the Company has made a provision on a prospective basis from the date of the SC order. The Company will update its provision on receiving further clarity on the subject.

d During the year, the Company has received an order from the Assessing Officer (AO) for AY 2017-18 making certain disallowances and thereby reducing the returned losses for such year by Rs. 634.32 lakhs. The management has filed an appeal against such order of the AO with the Commissioner of Income Tax (Appeals) and based on discussion with legal consultants, is confident that such disallowances will not sustain. Hence, no provision or contingency has been made in these financial statements.

B Capital and other commitments

A. Capital commitment

	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,154.89	1,137.40
Less: Capital advances	277.50	19.17
Net capital commitment for acquisition of capital assets	**2,877.39**	**1,118.23**

C Comitments and contingencies

Company as a lessee

The Company has lease contracts for buidling (other than factory building) from its related party. The Leases generally have lease terms 33 months. The Company's obligations under its leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning or sub leasing the leased assets.

The Company has certain leases with lease terms of 12 months or less and leases with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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, 2019	467.45	467.45
Additions	2,810.57	2,810.57
Reclassified from prepaid expenses	17.28	17.28
Depreciation expense	357.99	357.99
As at March 31, 2020	**2,937.31**	**2,937.31**

Notes forming part of the Consolidated financial statements

The carrying amounts of lease liabilities and the movements during the year:

(Rs. in Lakhs)

Particulars	Building	Total
As at April 01, 2019	467.45	467.45
Additions	2,798.53	2,798.53
Accretion of interest	335.68	335.68
Payments	505.17	505.17
As at March 31, 2020	**3,096.49**	**3,096.49**

Particulars	Building
Current lease liabilities	594.44
Non-current lease liabilities	2,502.05
Total	**3,096.49**

The details regarding the maturity analysis of lease liabilities as at March 31, 2020 on an undiscounted basis:

(Rs. in Lakhs)

Particulars	Building	Total
Within one year	624.39	624.39
After one year but not more than five years	1,718.50	1,718.50
More than five years	3,025.08	3,025.08
Total	**5,367.97**	**5,367.97**

Considering the lease term of the leases, the effective interest rate for lease liabilities is 11% and 9.40%.

The Company 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	Building	Total
Depreciation expense of right-of-use assets	357.99	357.99
Interest expense on lease liabilities	335.68	335.68
Expense relating to leases of low-value assets (included in other expenses)	0.29	0.29
Total amount recognised in profit or loss	**693.96**	**693.96**

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. Max Speciality Films Limited has

Notes forming part of the Consolidated financial statements

purchased insurance policy, which is basically a year - on - year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset.

Description of Risk Exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow:

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 the funded status and amounts recognised in the balance sheet for the respective plans :

(Rs. in Lakhs)

		March 31, 2020	March 31, 2019
a)	**Reconciliation of opening and closing balances of defined benefit obligation**		
	Defined benefit obligation at the beginning of the period/year	664.06	657.88
	Interest costs	45.42	56.49
	Current service cost	78.47	67.52
	Benefit paid	(24.35)	(81.84)
	Acquisition adjustment	7.30	0.60
	Remeasurement of (Gain)/loss in other comprehensive income	65.51	(36.60)
	Defined benefit obligation at period/year end	**836.41**	**664.06**
b)	**Reconciliation of opening and closing balances of fair value of plan assets**		
	Fair value of plan assets at beginning of the period/ year	59.67	55.87
	Interest Income	4.29	3.79
	Benefits paid	(2.29)	-
	Remeasurement of (Gain)/loss in other comprehensive income	-	0.01
	Fair value of plan assets at year end	**61.67**	**59.67**

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

		March 31, 2020	March 31, 2019
c)	**Net defined benefit asset/ (liability) recognized in the balance sheet**		
	Fair value of plan assets	61.67	59.67
	Present value of defined benefit obligation	836.41	664.06
	Amount recognized in balance sheet- asset / (liability)	**(774.74)**	**(604.39)**
d)	**Other comprehensive income**		
	Actuarial changes arising from changes in demographic assumptions	0.17	(0.08)
	Actuarial changes arising from changes in financial assumptions	(10.79)	5.39
	Actuarial changes arising from changes in experience adjustments	(54.88)	31.29
		(65.51)	**36.60**
e)	**Net defined benefit expense (recognized in the statement of profit and loss for the period/year**		
	Current service cost	78.47	67.52
	Interest cost on benefit obligation	45.42	56.49
	Capitalised as investment property / cost of goods sold	(4.88)	(20.45)
	Net defined benefit expense debited to statement of profit and loss	**119.00**	**103.57**
f)	**Broad categories of plan assets as a percentage of total assets**		
	Insurer managed funds in Max Speciality Films Limited , Subsidiary	100%	100%

g) **Principal assumptions used in determining defined benefit obligation**

Assumption particulars	As At March 31, 2020	As At March 31, 2019
Discount rate	6.55%	7.3%-7.8%
Future Salary Increases	8.00%	8% - 10%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%

h) **Quantitative sensitivity analysis for significant assumptions is as below:**

(Rs. in Lakhs)

	March 31, 2020	March 31, 2019
Increase / (decrease) on present value of defined benefits obligations at the end of the period/year		
Discount rate		
Increase by 0.50%	(58.86)	(44.88)
Decrease by 0.50%	66.59	50.54
Salary growth rate		
Increase by 0.50%	62.63	48.39
Decrease by 0.50%	55.02	(43.85)

Notes forming part of the Consolidated financial statements

i) **Maturity profile of defined benefit obligation (valued on undiscounted basis)**

(Rs. in Lakhs)

	March 31, 2020	March 31, 2019
Within the next 12 months (next annual reporting period)	65.75	46.54
Between 2 and 5 years	268.90	222.65
Beyond 5 Years	501.76	394.88
Total expected payments	**836.41**	**664.07**

j) The average duration of the defined benefit plan obligation at the end of the reporting period is 12 - 21 Years (March 31, 2019 : 12 -20 years)

k) The Group expects to contribute Rs 63.42 Lakhs (March 31, 2019: Rs. 89.52 Lakhs) to the planned assets during the next financial year.

l) 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.

m) 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.

n) 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.

o) **Risk Exposure**

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

Interest Rate risk: The plan exposes the Company 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 Company 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 Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Notes forming part of the Consolidated financial statements

35.1 Employee Stock Option Plan

Employee Stock Option Plan – 2006 (“the 2006 Plan”):

Pursuant to the Scheme of Demerger, with respect to the employee’s stock options granted by the De-Merged company i.e. Max Financial Services Limited (MFS) to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company) shall be allotted one stock option by the Company under the new ESOP scheme for every five stock option held in MFS. Accordingly, ESOP outstanding as on the effective date in MFS shall be allocated between the demerged company and resulting companies. Accordingly, 500,712 stock options were granted to the employees of MFSL and outstanding as on Effective date i.e. January 15, 2016 are eligible for stock options under new ESOP scheme on similar terms and conditions. Further, the Nomination and Remuneration Committee, in its meeting held on March 23, 2018, granted 193,570 stock options to certain employees effective from April 1, 2018 under the 2006 Plan.

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2020		March 31, 2019	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	216,850	62.77	222,170	21.97
Option grant during the year	-	-	193,570	67.40
Forfeited during the year	-	-	-	-
Exercised during the year	23,280	24.27	198,890	21.70
Outstanding at the end	193,570	67.40	216,850	62.77
Exercisable at the end	82,890	67.40	1,130	10.00

For options exercised during the year, the weighted average share price at the exercise date was Rs.24.27 per share (March 31, 2019: Rs 21.70) per share.

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2020 are as follows:

Date of grant	March 31, 2020		March 31, 2019	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
21-Jan-16	-	-	23,280	0.75
01-04-2018 (Grant Type I)	110,205	3.50	110,205	3.50
01-04-2018 (Grant Type II)	83,365	4.00	83,365	4.00

Notes forming part of the Consolidated financial statements

The Company 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 the Company in its annual general meeting held on September 27, 2016 based on similar terms and conditions to the relevant ESOP plan of MFSL. During the year ended March 31, 2020, 23,280 (March 31, 2019 - 198,890) nos of stock options were allotted/exercised by the aforesaid option holders by the Company. 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 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 cash settlement or equity settlement based on trend. No options were granted during the year.

35.2 Provident Fund

The Holding Company and Max Speciality Films Limited, subsidiary of the 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, 2020 as per the actuarial valuation of active members are as follows:

(Rs. in Lakhs)

	March 31, 2020	March 31, 2019
Plan assets at year end at fair value	3,032.65	2,385.69
Present value of defined benefit obligation at year end	3,006.76	2,335.60
Surplus as per actuarial certificate	25.89	50.09
Shortfall recognized in balance sheet	**-**	**-**
Active members as at year end (Nos)	424	428

Notes forming part of the Consolidated financial statements

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

	March 31, 2020	March 31, 2019
Discount rate	5.45%	6.76%
Yield on existing funds	8.51%	8.65%
Expected guaranteed interest rate	8.50%	8.65%

Contribution to Defined benefit Plan, recognized as expense for the year is as under:

	March 31, 2020	March 31, 2019
Employer's Contribution towards Provident Fund (PF)	106.09	93.87
	106.09	**93.87**

36 Hedging activities and derivatives

Derivative not designated as hedging instruments.

The Group uses foreign exchange forward contracts, to manage its foreign currency exposures. These contracts are not designated as cash flow hedges and are entered into for periods consistent with underlying transactions exposure with general tenure of 1 to 5 months.

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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Financial asset at amortized cost				
Non-Current				
Loans (refer note no 5)	743.70	467.53	743.70	467.53
Financial assets (refer note no 5)	777.27	0.25	777.27	0.25
Current				
Loans (refer note no 9)	88.12	621.55	88.12	621.55
Other-current financial assets (9)	1,053.91	332.72	1,053.91	332.72
Financial asset measured at fair value				
Non-Current				
Investments (refer note no 5)	10,406.99	10,096.89	10,406.99	10,096.89
Current				
Current derivative instruments (refer note no 9)	124.78	-	124.78	-
Current investments (refer note no 9)	2,787.30	-	2,787.30	-
Financial liabilities at amortized cost				
Non-Current borrowings including current maturities (refer note 13 and (18(iii))	32,136.82	35,573.61	32,136.82	35,573.61
Current borrowings (refer note 18(i))	24,332.45	21,764.87	24,332.45	21,764.87

Notes forming part of the Consolidated financial statements

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 Group enters into derivative financial instruments such as foreign exchange forward contracts being valued using valuation techniques, which employs the use of market observable inputs. The Company uses Mark to Market provided by Bank for valuation of these derivative contracts.

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, 2020 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

Notes forming part of the Consolidated financial statements

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2020

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Loans (refer note no 5 (ii))	743.70	-	743.70	-
Current Loans (refer note no 9(iii))	88.12	-	88.12	-
Other-current financial assets (9(vii))	1,053.91	-	1,053.91	-
Non-Current investments (refer note no 5(i))	10,406.99	-	-	10,406.99

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2019

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2019	Fair value		
		Level 1	Level 2	Level 3
Loans (refer note no 5 (ii))	467.53	-	467.53	-
Current Loans (refer note no 9(iii))	621.55		621.55	-
Other-current financial assets (9(vii))	332.72	-	332.72	-
Non-Current investments (refer note no 5(i))	10,096.89	-	-	10,096.89
Current investments (refer note no 9(i))	-	-	-	-

(iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2020

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note 13, 18(iii))	32,136.82	-	32,136.82	-
Current borrowings (refer note 18(i))	24,332.45	-	24,332.45	-

(v) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2019

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2019	Fair value		
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note 13,18(iii))	35,573.61	-	35,573.61	-
Current borrowings (refer note 18(i))	21,764.87		21,764.87	-

Notes forming part of the Consolidated financial statements

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 March 31, 2018	**9027.67**
Purchase	19.22
Impact of fair value movement	1,050.00
sales	
As at March 31, 2019	**10,096.89**
Purchase	83.14
Impact of fair value movement	226.96
sales	-
As at March 31, 2020	**10,406.99**

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, 2020 and March 31, 2019.

Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobserv-able inputs	Increase/ decrease in rate	March 31, 2020	March 31, 2019
Unquoted debentures, Preference shares and Equity Shares of Azure Hospitality Private Limited	DCF	Growth Rate	1%	Increase in Growth rate by 1% leads to profit higher by Rs. 2,394 lakhs and decrease in growth rate by 1% leads to profit lower by Rs. 1,596 lakhs	Increase in Growth rate by 1% leads to profit higher by Rs. 2,394 lakhs and decrease in growth rate by 1% leads to profit lower by Rs. 1,596 lakhs
Unquoted debentures, 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. 339 lakhs and decrease in growth rate by 1% leads to profit higher by Rs. 355 lakhs	Increase in Discount rate by 1% leads to profit lower by Rs. 339 lakhs and decrease in growth rate by 1% leads to profit higher by Rs. 355 lakhs
Unquoted equity shares of FSN E-Commerce Ventures Private Limited	DCF	Growth Rate	1%	Increase in Growth rate by 1% leads to profit higher by Rs. 322 lakhs and decrease in growth rate by 1% leads to profit lower by Rs. 258 lakhs	Increase in Growth rate by 1% leads to profit higher by Rs. 192 lakhs and decrease in growth rate by 1% leads to profit lower by Rs. 151 lakhs
Unquoted equity shares of FSN E-Commerce Ventures Private Limited	DCF	Discount rate	1%	Increase in Discount rate by 1% leads to profit lower by Rs. 373 lakhs and decrease in growth rate by 1% leads to profit higher by Rs. 470 lakhs	Increase in Discount rate by 1% leads to profit lower by Rs. 203 lakhs and decrease in growth rate by 1% leads to profit higher by Rs. 259 lakhs

The IAN Fund is a fund holding units in seed and early stage start-up companies and many of the such

Notes forming part of the Consolidated financial statements

companies has recently started operations. The change in the valuation by 1% may not have material impact on the Group.

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. 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, 2020 and March 31, 2019 based on contractual undiscounted payments :-

(Rs. in Lakhs)

	0-1 Years	1-5 Years	More than 5 Years	Total
March 31, 2019				
Interest bearing borrowings	27,190.95	29,938.08	583.87	57,712.90
Trade payable	18,319.13	247.94	-	18,567.07
Other financial liabilities	682.73	-	-	682.73
March 31, 2020				
Interest bearing borrowings	30,643.10	25,826.17		56,469.27
Trade payable	13,909.43	-	-	13,909.43
Other financial liabilities	3,705.99	-	-	3,705.99

Notes forming part of the Consolidated financial statements

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, 2020	As at 31-Mar-19
(i) Non-Current borrowings	13	25,826.17	30,147.53
(ii) Short-term borrowings	18	24,332.45	21,764.87
(iii) Current maturity of long term borrowings	18	6,310.65	5,426.08
Processing fees adjusted from borrowings		-	374.42
		56,469.27	**57,712.90**

Reconciliation of other financial liability

(Rs. in Lakhs)

	Schedule no	As at March 31, 2020	As at 31-Mar-19
Other financial liabilities	18	10,016.64	6,108.81
Less: Current maturities of long term borrowings	18	(6,310.65)	(5,426.08)
		3,705.99	**682.73**

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

Notes forming part of the Consolidated financial statements

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, 2019, March 31, 2020 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, 2020 and March 31, 2019. 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, 2020, and March 31, 2019.

(i) 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. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

Foreign currency risk sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, Euro, Rand and GBP exchange rates, with all other variables held constant. The impact on the Group profit before tax is due to changes in the fair value of monetary assets and liabilities.

Notes forming part of the Consolidated financial statements

Unhedged foreign currency exposures recognized by the Group are as under:

(Rs. in Lakhs)

Currency	March 31, 2020 Foreign currency	March 31, 2020 Indian rupees	Currency	Increase/ decrease in rate	Impact on profit before tax (Decrease in rate)	Impact on profit before tax (Increase in rate)
Trade payables	3.96	334.23	Euro	1%	3.34	(3.34)
Capital trade payables	0.72	61.25	Euro	1%	0.61	(0.61)
Buyers credit-Short term borrowings	139.27	11,735.02	Euro	1%	117.35	(117.35)
Trade receivables	10.60	870.28	Euro	1%	8.70	(8.70)
Interest Accrued but not due on Buyers Credit	0.24	20.26	Euro	1%	0.20	(0.20)
Trade payables	0.07	6.59	GBP	1%	0.07	(0.07)
Trade receivables	1.29	118.44	GBP	1%	1.18	(1.18)
Trade payables	28.59	2,170.00	USD	1%	21.70	(21.70)
Trade receivables	35.01	2,626.71	USD	1%	26.27	(26.27)
Buyers credit-Short term borrowings	1.87	141.93	USD	1%	1.42	(1.42)
Interest Accrued but not due on Buyers Credit	0.01	0.58	USD	1%	0.01	(0.01)

(Rs. in Lakhs)

Currency	March 31, 2019 Foreign currency	March 31, 2019 Indian rupees	Currency	Increase/ decrease in rate	Impact on profit before tax (Decrease in rate)	Impact on profit before tax (Increase in rate)
Trade payables	3.06	241.76	Euro	1%	2.42	(2.42)
Capital trade payables	0.01	0.53	Euro	1%	0.01	(0.01)
Buyers credit-Short term borrowings	139.27	11,005.23	Euro	1%	110.05	(110.05)
Trade receivables	7.85	598.99	Euro	1%	5.99	(5.99)
Interest Accrued but not due on Buyers Credit	0.42	33.45	Euro	1%	0.33	(0.33)
Trade payables	0.01	1.23	GBP	1%	0.01	(0.01)
Trade receivables	3.13	278.70	GBP	1%	2.79	(2.79)
Trade payables	27.01	1,888.98	USD	1%	18.89	(18.89)
Trade receivables	31.04	2,124.22	USD	1%	21.24	(21.24)
Buyers credit-Short term borrowings	1.87	130.77	USD	1%	1.31	(1.31)
Interest Accrued but not due on Buyers Credit	0.01	0.70	USD	1%	0.01	(0.01)
Trade payables	11.25	7.15	JPY	1%	0.07	(0.07)

Notes forming part of the Consolidated financial statements

The Group has derivative financial instruments such as foreign currency forward contracts to mitigate the risk of changes in exchange rate on foreign currency exposures. The counterparty for these contracts is generally a bank or a financial institution. The details of the outstanding foreign exchange forward are as follows:

Particulars	Currency	March 31, 2020		March 31, 2019	
		Foreign currency	Indian Rupee	Foreign currency	Indian Rupee
Receivables (Forward contract Sell)	USD	7.39	534.11	-	-
Receivables (Forward contract Sell)	GBP	-	-	1.40	124.54
Payables (Forward contract Buy)	USD	0.94	69.48	0.94	65.38
Payables (Forward contract Buy)	Euro	121.76	10,075.83	70.00	5,531.40

(ii) 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 Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates

(Rs. in Lakhs)

Year	Increase/decrease in interest rate	Effect on profit before tax (Decrease)	Effect on profit before tax (Increase)
March 31,2020	0.50%	-153.22	153.22
March 31,2019	0.50%	-139.46	139.46

* excludes short term borrowings i.e. Cash credit, packing credit and working capital demand loan.

iii) Commodity price risk

The Company is affected by the price volatility of certain commodities. Its operating activates require the ongoing purchase of raw material and therefore requires a continues supply. The Company operations may impact due to changes in prices of those raw materials.

Commodity price sensitivity of Raw material

Nature	Change in year end price	Effect on profit before tax
For the year ended March 31, 2020	10%	(6,939.99)
For the year ended March 31, 2020	-10%	6,939.99
For the year ended March 31, 2019	10%	(6,919.54)
For the year ended March 31, 2019	-10%	6,919.54

Notes forming part of the Consolidated financial statements

39 Related party disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Subsidiary companies	Max Speciality Films Limited
	Max Estates Limited
	Max I. Limited
	Max Asset Services Limited (formerly known as Max Learning Limited)
Step down subsidiary	Wise Zone Builders Private Limited
	Pharmax Corporation Limited
	Northern Propmart Solutions Limited
Names of other related parties with whom transactions have taken place during the year	
Key management personnel	Mr. Sahil Vachani (Managing Director)
	Mr. Analjit Singh (Director)
	Mr. Nitin Kumar Kansal (Chief Financial Officer)
	Mr. Gopalakrishnan Ramachandran (Company Secretary) upto February 25, 2019
	Mr. Mohit Talwar
	Mr. K. Narasimha Murthy
	Mr. Dinesh Kumar Mittal
	Mr. Niten Malhan (w.e.f. November 8, 2019)
	Ms. Sujata Keshavan Guha (upto July 24, 2018)
	Mr. Ashok Brijmohan Kacker
	Ms. Gauri Padmanabhan (w.e.f. November 26, 2018)
Relatives of Key Management personnel	Mr. Veer Singh (Son of Mr. Analjit Singh - Director)
	Ms. Piya Singh (Daughter of Mr. Analjit Singh - Director)
Entities controlled or jointly controlled by person or entities where person has significantly influence	Max Ventures Private Limited
	Piveta Estates Private Limited
	Siva Realty Ventures Private Limited
	New Delhi House Services Limited
	Vana Enterprises Limited
	Four Season Foundation
	Lake View Enterprises
	Siva Enterprises Private Limited
	Leeu Collections South Africa Pty Limited
	Azure Hospitality Private Limited
	Max Healthcare Institute Limited
	Max Life Insurance Company Limited
	Max Bupa Health Insurance Company Limited
	Antara Senior Living Limted
	Antara Purukul Senior Living Limited
	Icare Health Projects And Research Private Limited
	Max India Limited
	Max India Foundation
	Max Financial Services Limited
	Riga Foods LLP
	M/s Analjit Singh (HUF)
	Trophy Estates Private Limited
	Max UK Limited
Employee benefit Trust	Max Financial Services Limited Employees' Provident Fund Trust
	Max Speciality Films Limited Employees Group Superannuation Trust

Notes forming part of the Consolidated financial statements

39(a) Details of transactions and balance outstandings with related parties

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
1	**Reimbursement of expenses (Received from)**	Max Ventures Private Limited	0.72	0.19
		Total	**0.72**	**0.19**
2	**Reimbursement of expenses (Paid to)**	Max Financial Services Limited	158.19	163.32
		New Delhi House Services Limited	75.45	51.84
		Max Ventures Private Limited	0.60	0.23
		Max Life Insurance Company Limited	3.67	7.21
		Max Healthcare Institute Limited	0.02	0.08
		Vana Enterprises Limited	9.80	-
		Antara Senior Living Limted	-	15.63
		Antara Purukul Senior Living Limited	0.09	9.38
		Riga Foods LLP	-	5.74
		Total	**247.82**	**253.43**
3	**Shared Services rendered (to)**	Max Ventures Private Limited	40.00	50.47
		Piveta Estates Private Limited	-	3.74
		Antara Senior Living Limited	159.88	
		Pharmax Corporation Limited	-	4.17
		Four Season Foundation	-	1.10
		Siva Realty Ventures Private Limited	33.04	-
		Max Financial Services Limited		9.41
		Max India Limited		46.24
		Total	**232.92**	**115.13**
4	**Insurance expense**	Max Life Insurance Company Limited	16.31	65.51
		Max Bupa Health Insurance Company Limited	26.51	31.11
		Total	**42.82**	**96.62**
5	**Travelling and conveyance**	Max Ventures Private Limited		0.53
		Total	**-**	**0.53**
6	**Legal and professional**	Max UK Limited	0.74	6.08
		Max India Limited	12.80	-
		Total	**13.54**	**6.08**
7	**Repair & Maintenance**	New Delhi House Services Limited	57.76	**-**
		Total	**57.76**	**-**
8	**Interest recd. on Securty Deposit**	Forum 1 Aviation Limited	2.92	
		Total	**2.92**	**-**
9	**Sale of Investment**	Max Ateev Limited	718.48	**-**
		Total	**718.48**	**-**

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
10	**Premium on Redemption of 9% Cumulative Redeemable Preference Shares**	Max India Limited	3,340.14	-
		Total	**3,340.14**	**-**
11	**Sales of BOPP films**	Toppan Printing Co. Limited	133.41	-
		Total	**133.41**	**-**
12	**Payment of lease liabilities**	Lakeview Enterprises	43.93	-
		Piya Singh	73.22	-
		Total	**117.16**	**-**
13	**Interest expense on lease liabilities**	Lakeview Enterprises	14.53	-
		Piya Singh	24.21	-
		Total	**38.74**	**-**
14	**Rent expense (Paid to)**	Lakeview Enterprises	-	64.84
		Piya Singh	-	108.07
		SKA diagnostics	29.17	
		Max Life Insurance Company Limited	763.67	-
		Total	**792.84**	**172.91**
15	**Purchase of Tangible Assets**	Max Ventures Investment Holdings P. Ltd.	6.53	-
		Pharmax Corporation Limited		2,700.00
		Total	**6.53**	**2,700.00**
16	**Contribution to employee benefit Trust**	Max Financial services Limited Employees' Provident Fund Trust	131.31	118.72
		Max Speciality Films Limited Employees Group Superannuation Trust	16.23	15.06
		Total	**147.54**	**133.78**
17	**Key managerial remuneration - Short term employement benefits**	Sahil Vachani	279.20	239.76
		Saket Gupta	31.45	-
		Nitin Kumar Kansal	103.57	86.35
		Gopalakrishnan Ramachandran	-	55.37
		Total	**414.22**	**381.48**
18	**Key managerial remuneration - Post employement benefits***	Sahil Vachani	7.40	6.68
		Nitin Kumar Kansal	5.02	4.65
		Saket Gupta	1.41	-
		Gopalakrishnan Ramachandran	-	1.92
		Total	**13.83**	**13.25**

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
19	**Sitting Fees to Directors**	Analjit Singh	4.00	3.00
		Mohit Talwar	15.00	16.00
		K.N Murthy	17.00	28.00
		D.K Mittal	21.00	18.00
		Sujata Keshavan	-	1.00
		Ashok Kacker	16.00	15.00
		Gauri Padmanabhan	6.00	-
		Niten Malhan	1.00	-
		Total	**80.00**	**81.00**
20	**Revenue from Project**	Max India Limited	8,234.78	-
		Max Life Insurance Company Limited	27,990.79	-
		Total	**36,225.58**	-
21	**Project Management Consultancy (rendered to)**	Leeu Italy SRL	29.16	-
		The Unstuffy Hotel Co Limited	12.77	-
		Vanavastra Private Limited	15.00	-
		Total	**56.93**	-
22	**Marketing secondment fees paid**	Antara Purukul Senior Living Limited	30.00	-
		Antara Senior Living Limited	87.25	-
		Total	**117.25**	-
23	**Revenue from Other operating income**	Vanavastra Private Limited	13.52	-
		Max Ateev Limited	0.22	-
		Max One Distribution And Services Limited	0.11	-
		Max Ventures Private Limited	0.05	-
		Max Financial Services Limited	0.01	-
		Max Skill First Limited	0.72	-
		Max Life Insurance Company Limited	235.75	-
		SEE-Max India	0.13	-
		Max India Foundation	5.37	-
		Max India Limited	144.38	-
		Total	**634.75**	-
24	**Security deposit (received)**	Lakeview Enterprises	83.90	-
		Max India Limited	25.45	-
		Vanavastra Private Limited	1.86	-
		Vanavastra Private Limited	10.59	-
		RIGA Foods LLP	6.18	-
		Total	**127.98**	-
25	**Security deposit (given)**	SKA Diagonstics	12.50	-
			12.50	-

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
26	**Land development rights taken**	Trophy Estates Private Limited	537.73	45.48
		Mr Analjit Singh	627.57	53.07
		Mr Analjit Singh HUF	108.95	9.21
		Total	**1,274.25**	**107.76**
27	**Interest on Initial Capex Pay Back**	Trophy Estates Private Limited	-	6.87
		Mr Analjit Singh	-	8.02
		Mr Analjit Singh HUF	-	1.39
		Total	**-**	**16.28**

(b) Balances outstanding at year end

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	As at March 31, 2020	As at March 31, 2019
1	**Statutory dues payable**	Max Speciality Films Limited Employees Group Superannuation Trust	**1.36**	1.26
		Max Financial Services Limited Employees' Provident Fund Trust	**11.35**	9.29
		Total	**12.71**	**10.55**
2	**Trade Receivables**	Max Ventures Private Limited	**-**	181.10
		Piveta Estates Private Limited	**-**	0.29
		Max Financial Services Limited	**-**	10.16
		Antara Senior Living Limited	**22.87**	-
		Leeu Italy SRL	**3.96**	-
		Max Ateev Limited	**0.06**	-
		Max Life Insurance Company Limited	**5.53**	-
		Max One Distribution And Services Limited	**0.06**	-
		Max Skill First Limited	**0.39**	-
		Vanavastra Private Limited	**0.89**	-
		Siva Realty Ventures (P) Ltd.	**0.32**	-
		The Unstuffy Hotel Co Limited	**12.77**	-
		Four Season Foundation	**-**	0.02
		Toppan Printing Co. Limited	**30.87**	-
		Max India Limited	**25.30**	8.12
		Max India Foundation	**0.11**	7.06
		Total	**103.13**	**206.75**

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	As at March 31, 2020	As at March 31, 2019
3	**Other Receivables**	Max Ventures Private Limited	**5.14**	8.43
		Piveta Estates Private Limited	**9.65**	15.65
		Max Life Insurance Co. Limited	**0.61**	0.45
		Total	**15.40**	**24.52**
	Advance to party	Max India Foundation	**14.22**	-
		SKA Diagnostic Private Limited	**37.83**	-
		Total	**52.05**	**-**
	Lease liabilities	Piya Singh	**45.16**	-
		Lakeview Enterprises	**27.10**	-
		Total	**72.26**	**-**
	Security Deposit made	SKA Diagnostic Private Limited	**12.50**	-
		Total	**12.50**	**-**
4	**Security Deposit (Receivable)**	LakeView Enterprises	**24.59**	28.99
		Antara Senior Living Limited	**83.90**	-
		Max India Limited	**25.45**	-
		Vanavastra Private Limited	**12.45**	-
		RIGA Foods LLP	**6.18**	-
		Piya Singh	**40.98**	48.32
		Total	**193.55**	**77.31**
5	**Trade payables**	New Delhi House Services Limited	**45.40**	7.11
		Piya Singh	**-**	17.54
		Max Ventures Private Limited	**-**	59.42
		Piveta Estates Private Limited	**6.82**	6.82
		Max UK Limited	**-**	2.54
		Max Healthcare Institute Limited	**0.02**	0.02
		Vana Enterprises Limited	**9.80**	-
		Max India Limited	**3,493.99**	-
		Max Skill First Limited	**0.18**	-
		Vana Retreats Pvt. Ltd.	**1.91**	-
		Max Life Insurance Company Limited	**207.54**	-
		Antara Purukul Senior Living Limited	**-**	4.25
		Pharmax Corporation Limited	**-**	2,443.36
		Max Financial Services Limited	**165.18**	167.40
		Antara Senior Living Limted	**12.91**	5.63
		Total	**3,943.75**	**2,714.09**

Notes forming part of the Consolidated financial statements

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	As at March 31, 2020	As at March 31, 2019
6	**Advances recoverable in cash or kind**	Max Bupa Health Insurance Company Limited	**0.43**	1.28
		Max Financial Services Limited	**-**	3.96
		Lakeview Enterprises	**-**	5.68
		Max Life Insurance Company Limited	**1.59**	0.57
		Total	**2.02**	**11.49**
7	**Development rights paid in advance #**	Trophy Estates Pvt Ltd	**-**	80.39
		Mr Analjit Singh	**-**	225.53
		Mr Analjit Singh HUF	**-**	15.54
		Total	**-**	**321.46**
8	**Advance from customers on area cancellation**	Max India Limited	**-**	7,320.00
		Max Life Insurance Company Limited	**-**	6,710.00
		Total	**-**	**14,030.00**

* The remuneration to the key managerial person 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.

Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period / year-end are unsecured and interest free and settlement occurs in cash\kind. There have been no guarantees provided or received for any related party receivables or payables. There is no impairment of receivables relating to amounts owed by related parties (March 31, 2019: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Notes forming part of the Consolidated financial statements

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.

Particulars	For the year ended March 31, 2020			For the year ended March 31, 2019		
	In cash (Rs. in Lakhs)	Yet to be paid in cash	Total (Rs. in Lakhs)	In cash (Rs. in Lakhs)	Yet to be paid in cash	Total (Rs. in Lakhs)
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) **On Purposes other than (i) above :**						
a) Promoting education	-	-	-	2.26	-	2.26
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	-	-	-	47.22	-	47.22
h) Others	116.20	-	116.20	16.85	-	16.85
Total	**116.20**	**-**	**116.20**	**66.33**	**-**	**66.33**

41 Segment reporting

For management purposes, based on the guiding principles given in IND AS 108 on “Segment Reporting” the Group’s business segments include: Packaging film, real estate, education and Business investments. No operating segments have been aggregated to form the above reportable operating segments

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.

Notes forming part of the Consolidated financial statements

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

(Rs. in Lakhs)

PARTICULARS	Packaging Films		Real Estate		Education / Facility management		Business investments		Total	
	for the year ended March 31, 2020	for the year ended March 31, 2019	for the year ended March 31, 2020	for the year ended March 31, 2019	for the year ended March 31, 2020	for the year ended March 31, 2019	for the year ended March 31, 2020	for the year ended March 31, 2019	for the year ended March 31, 2020	for the year ended March 31, 2019
1. REVENUE										
External sales (Gross)	96,602.39	85,747.40	38,012.21	3,719.35	796.58	-	-	-	135,411.19	89,466.75
Other Operating Income		1,616.31		15.49			2,794.21	1,171.04	2,794.21	2,802.84
Inter segment sales	-	-		74.33	-	-	2,965.84	2,449.79	2,965.84	2,524.12
Total Revenue	**96,602.39**	**87,363.71**	**38,012.21**	**3,809.17**	**796.58**	**-**	**5,760.05**	**3,620.83**	**141,171.24**	**94,793.71**
Less: Inter Segment sales	-	-	153.89	74.33	62.88	-	2,732.93	2,449.79	2,949.70	2,524.12
Total revenue	**96,602.39**	**87,363.71**	**37,858.32**	**3,734.84**	**733.70**	**-**	**3,027.12**	**1,171.04**	**138,221.54**	**92,269.59**
2. RESULTS										
Segment results	8,258.76	2,284.18	3,222.49	(306.04)	(70.40)	(412.86)	2,375.77	(455.94)	13,786.63	1,109.34
Unallocated expenses (net of income)									-	-
Operating profit	**8,258.76**	**2,284.18**	**3,222.49**	**(306.04)**	**(70.40)**	**(412.86)**	**2,375.77**	**(455.94)**	**13,786.63**	**1,109.34**
Interest expense and finance cost	-	-	-	-	-	-	-	-	7,095.24	4,189.45
Profit before tax	-	-	-	-	-	-	-	-	**6,691.39**	**(3,080.11)**
Provision for taxation	-	-	-	-	-	-	-	-	2,282.05	(147.97)
Net (Loss)/Profit before minority interest	-	-	-	-	-	-	-	-	**4,409.34**	**(2,932.14)**
-Minority interest	-	-	-	-	-	-	-	-	666.30	(621.63)
Net Loss/(Profit)	-	-	-	-	-	-	-	-	**3,743.04**	**(2,310.51)**
3. OTHER INFORMATION										
A. ASSETS										
Segment assets	82,211.95	83,063.84	86,078.85	82,503.46	487.31	80.68	18,133.07	22,887.84	186,911.18	188,535.82
Unallocated assets									1,051.12	1,286.54
Total assets	**82,211.95**	**83,063.84**	**86,078.85**	**82,503.46**	**487.31**	**80.68**	**18,133.07**	**22,887.84**	**187,962.30**	**189,822.36**
B. LIABILITIES										
Segment liabilities	56,822.41	59,753.94	21,778.42	33,276.42	543.18	19.35	3,679.39	1,017.39	82,823.40	94,067.10
Unallocated liabilities									867.45	419.98
Total liabilities	**56,822.41**	**59,753.94**	**21,778.42**	**33,276.42**	**543.18**	**19.35**	**3,679.39**	**1,016.58**	**83,690.85**	**94,487.08**
C. OTHERS										
Capital expenditure	1,529.73	27,880.98	65,399.72	72.57	1.81	150.79	507.01	453.42	67,438.28	28,557.76
Depreciation and amortisation expense	3,533.98	2,997.42	771.73	16.90	1.30	14.05	304.69	19.15	4,611.70	3,047.52
Non cash expenses other than Depreciation	165.54	22.59	-	0.73	-	204.80	-	**2.67**	165.54	230.80

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

Notes forming part of the Consolidated financial statements

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, 2020	for year ended March 31, 2019
i. within India	115,060.60	74,834.80
ii. Outside India	23,160.94	17,553.97
	138,221.54	**92,388.77**

The revenue from external customer includes revenue from one customer which is equal to 10% or more of entity's revenue. Gross amount of revenue amounts to Rs. 13,181.41 Lakhs ; (March 31, 2019: Rs. 12,513.36 Lakhs)

(Rs. in Lakhs)

Trade receivables	As at March 31, 2020	As at March 31, 2019
i. within India	9,147.22	11,902.99
ii. Outside India	3,802.43	3,206.52
Total Trade receivables (Gross)	**12,949.65**	**15,109.51**
Less: Provision for doubtful receivables	-	125.02
Trade receivables	**12,949.65**	**14,984.49**

The Group has common fixed assets for manufacturing goods for domestic market and overseas market. Hence, separate figures for fixed assets/additions to fixed assets 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:

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
i. within India	128,425.41	62,126.91
ii. Outside India	-	-
	128,425.41	**62,126.91**

42 During the year ended March 31, 2019, the Holding Company (Max Venturees and Industries Limited) issued 7,37,53,787 equity shares of the company of face value of Rs. 10/- each ("Rights Equity Shares") at an issue price of Rs. 61 per Rights equity share (including a premium of Rs. 51 per Rights equity share) on rights basis.

Notes forming part of the Consolidated financial statements

Proceeds from the rights issue have been utilized upto March 31, 2020 in the following manner

(Rs. in Lakhs)

	Planned	Actual
Gross Proceeds through the rights issue	44,989.81	44,989.81
Less: Issue expenses	593.30	593.30
Net proceeds of the issue after deducting the issue related expenses from the rights issue	**44,396.51**	**44,396.51**
Net proceeds of the issue after deducting the issue related expenses from the rights issue	44,396.51	44,396.51

Utilization:

(Rs. in Lakhs)

	Planned	Actual
Investment in Max Estates Limited, one of our Subsidiaries, for further investment in Wise Zone Builders Private Limited (WZBPL), step down subsidiary for pre-payment / repayment of loan availed from IDFC Bank Limited for repayment to Piveta Estates Private Limited	25,000.00	25,000.00
Investment in Max Estates Limited for further investment in WZBPL, for construction and completion of Max Towers in the Delhi One project	7,525.00	7,525.00
Investment in Max Estates Limited for purchase of interest in property and a portion of the land at Max House (Okhla Project) from Pharmax Corporation Limited	2,430.00	2,430.00
General corporate purpose	9,441.51	9,441.51
Total	**44,396.51**	**44,396.51**
Unutilised proceeds		-

43 Material Partly owned subsidiaries

Max Speciality Films Limited is a material partly owned subsidiary. Financial information of non-controlling interests in it is provided below:

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

Country of Incorporation	March 31, 2020	March 31, 2019
India	49%	49%

b) Information regarding non-controlling interest

(Rs. in Lakhs)

	March 31, 2020	March 31, 2019
Accumulated balances of material non-controlling interest	16,775.31	11,612.95
Profit/(loss) allocated to material non-controlling interest	732.57	(12.49)

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

Notes forming part of the Consolidated financial statements

Summarised statement of profit and loss for the year ended March 31, 2020 and March 31,2019:

(Rs. in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Revenue (including other incomes)	97,331.74	89,112.64
Cost of raw material and components consumed	70,631.60	70,745.82
Changes in inventories of finished goods, traded goods, stock in trade and work-in-progress	(1,231.72)	(1,550.44)
Excise duty on sale of goods	-	-
Employee benefits expense	3,925.75	3,320.97
Other expenses	12,932.96	11,420.62
Depreciation and amortization expense	3,533.98	2,997.41
Finance costs	5,332.87	4,040.86
Profit before tax	2,206.30	(1,862.61)
Less: Income tax	727.34	(593.97)
Profit for the year	1,478.96	(1,268.63)
Add/(Less): Other Comprehensive Income/loss	16.15	(49.63)
Total comprehensive income	1,495.11	(1,318.26)
Attributable to non-controlling interests	732.57	(645.98)
Dividends paid to non-controlling interests	-	-

Summarised balance sheet as at March 31, 2020 and March 31, 2019

(Rs. in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Current assets, including cash and cash equivalents	27,434.57	26,704.79
Non-current assets	55,324.44	57,190.88
Assets classified as held for sale	-	-
Current liabilities, including tax payable	42,667.02	39,905.29
Non-current liabilities, including deferred tax liabilities	14,896.92	20,290.42
Total equity	25,195.07	23,699.96
Attributable to:		
Equity holders of parent	13,582.12	12,087.01
Non-controlling interest	11,612.95	11,612.95

Summarised cash flow information as at March 31, 2020 and March 31, 2019

(Rs. in Lakhs)

Particulars	March 31, 2020	March 31, 2019
Operating	8,349.77	5,485.92
Investing	(1,778.83)	(5,936.49)
Financing	(6,482.30)	14.33
Net increase/(decrease) in cash and cash equivalents	88.63	(436.25)

Notes forming part of the Consolidated financial statements

44 Business combinations and acquisition of non-controlling interests

Acquisitions during the year ended 31 March 2020

On November 25, 2019, the Group acquired 85.17% of equity shares of Pharmax Corporation Limited. The fair values of the identifiable assets and liabilities of A Limited as at the date of acquisition were:

	Fair Value (INR Lakhs)
Assets	
Property, plant and equipment	6.20
Investment Property	8,974.80
Investment	699.06
Loans	38.00
Trade receivables	0.47
Cash and Cash equivalents	8.57
Other financial assets	2,337.42
Other current assets	57.12
Total Assets	**12,121.64**
Liability	
Other financial liabilities	126.46
Trade payables	171.17
Other financial liabilities	4,693.57
Other current liabilities	0.21
Total liabilities	**4,991.41**
Total identifiable net assets at fair value	**7,130.23**
Non-controlling interests measured at fair value	1,057.18
Purchase consideration transferred	**6,073.05**

From the date of acquisition, Pharmax Corporation Limited has contributed INR 22.99 lacs of revenue and INR (61.69) lacs to the profit before tax from continuing operations of the Group. If the combination had taken place at the beginning of the year, revenue from continuing operations would have been INR 138,241.05 lacs and the profit before tax from continuing operations for the Group would have been INR 6,508.75 lacs.

45 Details of expenditure on research and development activities is as under

(Rs. in Lakhs)

	March 31, 2020	March 31, 2019
Revenue expenditures		
Salary & wages (including other employee benefits)	153.83	170.54
Raw material, stores and spare consumed	81.10	59.38
Total revenue expenditure	**234.93**	**229.92**
Capital expenditure (included in Property plant and equipment)		
Capital equipments	149.53	-
Total capital expenditure	**149.53**	**-**

Notes forming part of the Consolidated financial statements

46 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, 2020	As at March 31, 2019
Borrowings	50,158.62	51,912.40
Other financial liabilities	10,016.64	5,904.10
Trade payables	13,909.43	18,567.07
Less: Cash and Cash equivalents	1,192.16	716.85
Other Bank Balances	9,707.52	11,224.70
Net Debt	**63,185.01**	**64,442.02**
Equity Share Capital	14,662.41	14,660.08
Other Equity	72,833.73	69,062.25
Non-controlling interest	16,775.31	11,612.95
Total Equity	**104,271.45**	**95,335.28**
Total Capital and net debt	**167,456.46**	**159,777.30**
Gearing ratio	38%	40%

47 Additional information:

Name of the Subsidiary	As at March 31, 2020				As at March 31, 2019			
	Net Assets i.e. total assets minus total liabilities#		Share in Total Comprehensive Income		Net Assets i.e. total assets minus total liabilities		Share in Total Comprehensive Income	
	As % of consolidated net assets	(Rs. in Lakhs)	As % of consolidated profit or loss	(Rs. in Lakhs)	As % of consolidated net assets	(Rs. in Lakhs)	As % of consolidated profit or loss	(Rs. in Lakhs)
Parent								
Max Ventures and Industries Limited	4.59%	4,782.87	27.90%	1,235.31	14.57%	12,198.26	-29.83%	883.96
Subsidiary								
Max Speciality Films Limited	24.87%	25,936.59	33.76%	1,495.11	14.96%	12,522.91	44.48%	(1,318.26)
Max Estates Limited	13.29%	13,856.43	-28.80%	(1,275.56)	7.25%	6,069.24	65.34%	(1,936.33)
Max I. Limited	8.94%	9,325.23	37.33%	1,652.89	11.49%	9,621.68	-6.77%	200.66
Northern Propmart Solutions Limited*	10.09%	10,517.59	-1.25%	(55.37)	0.00%	-	0.00%	-
Pharmax Corporation Limited*	6.96%	7,258.23	-4.76%	(210.81)	0.00%	-	0.00%	-
Max Asset Services Limited	-0.03%	(26.87)	-1.95%	(86.55)	0.07%	61.33	16.53%	(489.92)
Wise Zone Builders Private Limited *	31.29%	32,621.38	37.79%	1,673.25	51.66%	43,248.91	10.24%	(303.52)
	100.00%	**104,271.44**	**100.00%**	**4,428.28**	**100.00%**	**83,722.33**	**100.00%**	**(2,963.40)**

* Step down subsidiary of Max Estates Limited

#net assets excludes non-controlling interest

Notes forming part of the Consolidated financial statements

48 The outbreak of Coronavirus disease (COVID-19) pandemic globally and in India and consequent nationwide lockdown ordered by the Governments is causing significant disturbance and slowdown of economic activity. Consequently, the management has assessed the impact of this pandemic on its business operations and has assessed the recoverability and carrying values of its financial and non-financial assets as at the balance sheet date using various internal and external information up to the date of approval of these consolidated financial statements. Basis this the management has concluded that neither there is any material adverse impact on operations of the Group nor any material adjustments required at this stage in the consolidated financial results of the Group for the year ended March 31, 2020.

However, the impact assessment of Covid-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of Covid-19 may be different from that estimated as at the date of approval of these consolidated financial results and the Group will continue to monitor any material changes to future economic conditions.

49 During the year, the subsidiary Company (Max Estates Limited) has incorporated a new subsidiary Northern Propmart Solutions Limited on June 24, 2019.

50 Effective November 25, 2019, Max Estates Limited acquired 85.17% in Pharmax Corporation Limited from Max India Limited and paid Rs. 6,073.05 lakhs towards its consideration.

51 The figures have been rounded off to the nearest Lakhs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-. The previous year figures has been regrouped/ rearranged wherever necessary to make them comprable

The accompanying notes are integral part of the financial statements

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

Place : Gurugram
Date: June 5, 2020

For and on behalf of the Board of Directors of Max Ventures and Industries Limited

Dinesh Kumar Mittal
(Director)
DIN: 00040000

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

Nitin Kumar Kansal
(Chief Financial Officer)

Saket Gupta
(Company Secretary)

Place : New Delhi
Date: June 5, 2020