INDEPENDENT AUDITOR'S REPORT

To the Members of Max Ventures and Industries Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Max Ventures and Industries Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS 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 standalone Ind AS financial statements.

Emphasis of Matter

We draw attention to Note 39 of the accompanying standalone Ind AS financial statements which, describes the management's evaluation of impact of uncertainties related to COVID-I9 pandemic and its consequential effects on the carrying value of its assets as at March 31, 2020 and the operations of the Company. 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 standalone Ind AS financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone 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 standalone 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 standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone 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 of investments in subsidiaries and amounts recoverable from subsidiaries (as described in note 5 of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Company has significant investments in subsidiaries. As at March 31, 2020, the carrying value of Company’s investments in subsidiaries amount to Rs. 62,235.35 lakhs.
The management assesses at least annually the existence of impairment indicators for its investment in each subsidiary, and and if impairment indicator exists, these investments are subject to an impairment test.
Impairment indicators were identified by the management with respect to investments in subsidiaries and amounts recoverable from subsidiaries. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of these investment 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 the underlying projects being undertaken by these subsidiaries.
The determination of the recoverable amount of investments in subsidiaries and other receivables involved significant judgments due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.
Considering, that impairment assessment involves key assumptions and significant judgement, the same has been considered as key audit matter.</td><td>Our audit procedures related to this key audit matter included, amongst others:
• We assessed the compliance of Company’s accounting policies for impairment of assets with Ind AS 36-‘Impairment of Assets’ and Ind As 109 ‘Financial Instruments”.
• We understood, evaluated and tested the operating effectiveness of internal controls implemented by the Company relating to identification of impairment indicators (such as negative net worth) and determination of recoverable amount of investments and other receivables in subsidiaries.
• We considered the objectivity, competence and independence of management’s specialists involved in the determination of recoverable amount.
• We assessed the impact of COVID-19 pandemic based on current economic and market conditions on management impairment assessment for its investments in subsidiaries and other receivables.
• We assessed prospective financial information included in the long-term plans of such investments and long-term growth rates and discount rates.
• We also evaluated potential changes in key drivers such as recent sale transactions of subsidiaries with buyers, to evaluate whether the inputs and assumptions used were suitable.
• We compared the recoverable amount of the investment and other receivables to the carrying value in books.
• We assessed the disclosures made in the Ind AS financial statements regarding such investment and other receivables.</td></tr>
</table>

Other Information

The 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 standalone Ind AS financial statements and our auditor’s report thereon.

Our opinion on the standalone 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 standalone 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 Ind AS 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 standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 Company has adequate internal financial controls with reference to Ind AS financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid standalone 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 as on March 31, 2020 taken on record by the Board of Directors, none of the directors 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 of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been provided by the Company to its 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:

i. The Company does not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Pravin Tulsyan
Partner
Membership Number: 108044
UDIN: 20108044AAAADG8831
Place of Signature: Gurugram
Date: June 5, 2020

Annexure 1 referred to in paragraph 1 under the heading 'Report on Other Legal and Regulatory Requirements' of our report of even date

Re: Max Ventures and Industries Limited ('the Company')

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c. According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

ii. The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors including entities in which they are interested to which section 185 of the Companies Act apply and hence not commented upon. Further, as per information and explanation given to us by the management, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.

a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance, duty of excise and duty of customs are not applicable to the Company.

b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of excise and duty of customs are not applicable to the Company.

c. According to the records of the Company, there are no dues of income-tax, value added tax, service tax, goods and service tax which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, duty of excise, duty of custom, cess are not applicable to the Company.

vii. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.

viii. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of further public offer for the purposes for which they were raised. Company has not raised any money by way of term loans and debt instrument.

ix. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Ind AS financial statements and according to the information and explanations given by the management, we report that no material fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

x. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

xi. In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

xii. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Ind AS financial statements, as required by the applicable accounting standards.

xiii. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.

xiv. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

xv. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

per Pravin Tulsyan
Partner
Membership Number: 108044
UDIN: 20108044AAAADG8831
Place of Signature: Gurugram
Date: June 5, 2020

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS FINANCIAL STATEMENTS OF MAX VENTURES AND INDUSTRIES LIMTED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Max Ventures and Industries Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone 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 as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these standalone 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 standalone 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 standalone 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

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

A company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS 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 standalone 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 Ind AS 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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone 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 Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Pravin Tulsyan
Partner
Membership Number: 108044
UDIN: 20108044AAAADG8831
Place of Signature: Gurugram
Date: June 5, 2020

Standalone 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	524.70	78.10
Capital work in progress	3	-	366.22
Other intangible assets	3	1.98	4.24
Right of use assets	4	2,610.53	-
Financial assets			
(i) Investments	5	62,235.35	60,628.68
(ii) Loans	6(i)	31.56	0.07
(iii) Other bank balances	6(ii)	645.65	0.25
Deferred tax assets (net)	15	89.86	202.21
Non-Current tax assets	7	210.50	160.60
Other non-current assets	8	-	26.92
		66,350.13	**61,467.29**
Current assets			
Financial assets			
(i) Trade receivables	9(i)	570.46	743.90
(ii) Cash and cash equivalents	9(ii)	459.18	308.46
(iii) Bank balances other than (ii) above	9(iii)	3,224.02	11,151.32
(iv) Loans	9(iv)	18,847.91	10,592.50
(v) Other financial assets	9(v)	117.72	1,321.46
Other current assets	10	36.49	37.86
		23,255.78	**24,155.50**
TOTAL ASSETS		**89,605.91**	**85,622.79**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11(i)	14,662.41	14,660.08
Other equity	11(ii)	71,160.68	70,001.92
Total equity		**85,823.09**	**84,662.00**
Non-current liabilities			
Financial liabilities			
(i) Borrowings	12(i)	-	7.69
(ii) Lease liabilities	12(ii)	2,325.79	-
(iii) Other financial liabilities	12(iii)	14.99	11.96
Long term provisions	13	38.23	22.58
Other non-current liabilities	14	97.10	30.16
		2,476.11	**72.39**
Current liabilities			
Financial liabilities			
(i) Lease liabilities	16(i)	352.43	-
(ii) Trade payables	16(ii)		

(Rs. in Lakhs)

	Notes	As at March 31, 2020	As at March 31, 2019
(a) Total outstanding dues of micro enterprises and small enterprises		1.74	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		698.27	594.73
(iii) Other financial liabilities	16(iii)	103.67	171.64
Other current liabilities	17	43.94	50.77
Short term provisions	18	106.66	71.26
		1,306.71	**888.40**
TOTAL LIABILITIES		**3,782.82**	**960.79**
TOTAL EQUITY AND LIABILITIES		**89,605.91**	**85,622.79**
Summary of significant accounting policies	2		
Other notes on accounts	3-40		

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

Standalone 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	19A	2,965.84	2,563.65
Other income	19B	819.56	832.44
Total income		**3,785.40**	**3,396.09**
EXPENSES			
Employee benefits expense	20	855.46	742.42
Finance costs	21	300.65	3.37
Depreciation and amortisation expense	22	304.36	18.82
Other expenses	23	821.43	1,536.01
Total expenses		**2,281.90**	**2,300.62**
Profit before tax		**1,503.50**	**1,095.47**
Tax expenses	24		
- Current tax		377.03	229.60
- Deferred tax credit		(12.25)	(25.21)
Total tax expense		**364.78**	**204.39**
Profit after tax		**1,138.72**	**891.08**
Other comprehensive income (net of taxes)			
Items that will not to be reclassified to profit or loss:			
Re-measurement gains on defined benefit plans		3.69	1.26
Income tax effect		(1.07)	(0.37)
Other comprehensive income for the year (net of tax)	25	**2.62**	**0.89**
Total comprehensive income for the year, net of tax		**1,141.34**	**891.97**
Earnings per equity share (Nominal Value of share Rs.10/-)	26		
Basic (Rs.)		0.78	0.75
Diluted (Rs.)		0.78	0.75
Summary of significant accounting policies	2		
Other notes on accounts	3-40		

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

Standalone 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 April 1, 2018	**72,648,105**	**7,264.81**
Add: Equity share issued	73,753,787	7,375.38
Add: Shares issued for stock options exercised during the year	198,890	19.89
As at March 31, 2019	**146,600,782**	**14,660.08**
Add: Equity share issued	-	-
Add: Shares issued for stock options exercised during the year	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				Total equity
	Capital reserve (Refer note 11(ii))	Securities premium account (Refer note 11(ii))	Employee stock options outstanding (Refer note 11(ii))	Retained earnings (Refer note 11(ii))	
As at April 1, 2018	**13,042.52**	**12,875.83**	**20.91**	**6,000.78**	**31,940.04**
Profit for the year	-	-	-	891.08	891.08
Other comprehensive income for the year	-	-	-	0.89	0.89
Premium on right issue of share capital	-	37,637.70	-	-	37,637.70
Exercise of share option under ESOP scheme	-	20.91	(20.91)	-	-
Premium on issue of employee stock options	-	-	36.92	-	36.92
Share issue expenses adjusted with Securities Premium	-	(504.71)	-	-	(504.71)
As at March 31, 2019	**13,042.52**	**50,029.73**	**36.92**	**6,892.75**	**70,001.92**
Profit for the year	-	-	-	1,138.72	1,138.72
Other comprehensive income for the year	-	-	-	2.62	2.62
Premium on issue of employee stock options	-	3.32	14.10	-	17.42
As at March 31, 2020	**13,042.52**	**50,033.05**	**51.02**	**8,034.09**	**71,160.68**
Summary of significant accounting policies	2				
Other notes on accounts	3-40				

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

Standalone Statement of Cash flow

for the year ended March 31, 2020

(Rs. in Lakhs)

	Note	for the year ended March 31, 2020	for the year ended March 31, 2019
Cash flow from operating activities			
Profit before tax		1,503.50	1,095.47
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation and amortisation expense	22	304.36	18.82
Re-measurement gains on defined benefit plans	25	3.69	1.26
Provision for doubtful advances		-	329.00
Employee stock option expense	20	14.10	36.91
Profit on sale of current investment	19	(260.82)	(332.21)
Fair value gain on financial instruments at fair value through profit or loss	19	-	213.03
Net loss on disposal of property plant and equipment		-	2.67
Unwinding of interest on zero coupon non-convertible debentures	18	(466.71)	(527.36)
Unwinding of discount on security deposit		(0.59)	(40.68)
Guarantee Fee		(20.18)	(22.66)
Finance costs (including fair value change in financial instruments)	21	298.19	3.37
Operating profit before working capital changes		**1,375.54**	**777.62**
Working capital adjustments:			
Decrease/(Increase) in trade receivables		173.20	(331.06)
Decrease/(Increase) in other financial assets		1,476.21	(835.60)
Increase in trade payables		25.95	87.11
Increase in provisions		65.62	27.10
Increase in other liabilities		85.28	126.84
Cash generated from operations		**3,201.80**	**(147.99)**
Income tax paid		(316.90)	(277.51)
Net cash flows from/ (used) in operating activities		**2,884.90**	**(425.50)**
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment		-	24.23
Purchase of property, plant and equipment and including intangible assets		(258.36)	(453.42)
Redemption of non-converitble debenture by subsidiary		1,710.73	-
Investment in subsidiaries		(2,768.74)	(32,158.04)
Loan repaid by subsidiaries		18,992.40	1,715.00
Loan given to subsidiaries		(27,550.52)	(6,526.00)
Purchase of current investments in financial instruments		(21,810.00)	(2,830.00)
Proceeds from sale of current investment		22,070.82	7,562.19
Net movement in deposits		7,281.90	(11,151.32)
Net cash flows from/(used) in investing activities		**(2,331.77)**	**(43,817.36)**

(Rs. in Lakhs)

	Note	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		5.65	6.25
Lease liability- principle amount paid		(391.74)	-
Interest paid		(1.25)	(3.37)
Proceeds from long-term borrowings		-	28.79
Repayment of long-term borrowings		(15.07)	(22.43)
Net cash flows (used)/from financing activities		**(402.41)**	**44,494.34**
Net increase in cash and cash equivalents		150.72	251.48
Cash and cash equivalents at the beginning of the year		308.46	56.98
Cash and cash equivalents at year end		**459.18**	**308.46**

Components of cash and cash equivalents:-

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
Balances with banks:			
On current accounts		458.70	88.97
Cheques on hand		-	219.00
Cash on hand		0.48	0.49
		459.18	**308.46**
Summary of significant accounting policies	2		
Other notes on accounts	3-40		

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

Significant accounting policies

1 Corporate Information

Max Ventures and Industries Limited (the Company) is a company registered under Companies Act, 2013 and incorporated on January 20, 2015. The Company is primarily engaged in the business of making business investments and providing shared services to the group companies.

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 standalone financial statements were authorised for issue in accordance with a resolution by the Board of directors of the Company on June 5, 2020.

Significant accounting policies

2A Basis of preparation

These separate financial statement of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of division II of Schedule III to the Companies Act 2013 (Ind AS Compliant Schedule III), as applicable to these separate financial statement.

The financial statements have been prepared on a historical cost basis, except certain financial assets and liabilities which are measured at fair value (refer accounting policy regarding financial instruments).

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

2B Summary of significant accounting policies

a. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

a) Expected to be realized or intended to be sold or consumed in normal operating cycle;

b) Held primarily for the purpose of trading;

c) Expected to be realized within twelve months after the reporting period; or

d) 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:

a) It is expected to be settled in normal operating cycle;

b) It is held primarily for the purpose of trading;

c) It is due to settled within twelve months after the reporting period; or

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

The Company classifies all other liabilities as non-current.

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

Significant accounting policies

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

b. Property, Plant and Equipment

Under the previous GAAP (Indian GAAP), all assets were carried in the Balance Sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemption of Ind AS 101 to continue carrying value of all property, plant and equipment as at the date of transition as its deemed cost.

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

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

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

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

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

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

Assets	Useful lives estimated by the management (years)
Furniture and fixtures	10 Years
Office equipment	3 - 5 Years
Computers	3- 6 Years
Vehicles	3 - 8 Years
Leasehold improvements are amortised over the period of lease.	

c. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Significant accounting policies

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.

d. Impairment of non-financial assets

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

The Company bases its impairment

Significant accounting policies

calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In this case, the growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

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

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

e. Financial Instruments

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

(i) Financial assets

The Company classified its financial assets in the following measurement categories: -

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

All financial assets (other than equity in subsidiaries) 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. Equity investment in subsidiaries are recognised at cost. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. 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

Significant accounting policies

For purposes of subsequent measurement, financial assets are classified in following categories:

a) Debt instruments at amortized cost

b) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

(i) Business model test: The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and

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

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

Debt instruments at Fair value through profit and loss

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. 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 Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company 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 Company may transfer the cumulative gain or loss within equity. Equity

Significant accounting policies

instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

Investment in Compound Financial Instruments issued by subsidiaries

Company considers issuance of Zero Coupon Non-Convertible Debentures by subsidiary as compound instrument comprising a loan with market terms and a capital injection and hence treat the difference between the cash paid and fair value on initial recognition as an addition to the investment in the subsidiary and presented separately as 'Equity component of Zero Coupon Non-Convertible Debentures under 'Non-Current Investments'. Equity Component is not subsequent remeasured.

Derecognition

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

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

a) the Company has transferred the rights to receive cash flows from the financial assets or

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

Where the Company has transferred its right to receive cash flows from an asset or has entered into a pass-through agreement, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

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

Impairment of financial assets

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

- Financial assets measured at amortised cost; e.g. Loans, Security deposits, trade receivable, bank balance, other financial assets etc;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);
- Financial guarantee contracts are which are not measured at fair value through profit or loss (FVTPL)

The Company follows "simplified approach" for recognition of impairment loss allowance

Significant accounting policies

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

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analysed.

Reclassification of financial assets

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

(ii) Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at fair value

Significant accounting policies

through profit or loss

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

Financial liabilities at amortised cost (Loans and borrowings)

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

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and

Significant accounting policies

there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

f. Investment in Subsidiaries

The investment in subsidiaries are carried at cost as per IND AS 27. Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee.

On disposal of investment, the difference between it carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

g. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer. 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.

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 Company transfers the related services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related services to the customer).

The Company 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.

Shared Service Income

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

Gain on sale of investments

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

Significant accounting policies

and loss statement.

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 Company 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 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 Company's right to receive dividend is established by the reporting date.

h. Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, 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

Significant accounting policies

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

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

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

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

Deferred tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

Sales/ value added tax/ GST paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/ value added taxes/ GST (Goods and Service Tax) 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 receivables or payables in the balance sheet.

i. Borrowing costs

Borrowing cost includes interest expense as

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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 is substantially ready for their intended use. 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.

j. Leases

The Company 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.

Company as a lessee

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

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 Company 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 Company 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.

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ii) Lease Liabilities

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company 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 Company's lease liabilities are included in Interest-bearing loans and borrowings.

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

The Company 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.

Company as a lessor

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

k. Provision and Contingent liabilities

Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be

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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 (except where time value of money is material) and are determined based on the best estimate required to settle the obligation at the reporting date when discounting is used, the increase in provision due to passage of time is recognised as finance cost. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities

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

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

l. **Retirement and other employee benefits**

Provident fund

The Company contributed to employee's 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 Company 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 Company has obtained actuarial valuation to determine the shortfall, if any, as at the Balance Sheet date.

Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year

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

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets).

The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

a) Service cost comprising current service cost, past service cost, gain &

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loss on curtailments and non-routine settlements.

b) Net interest expenses or income

Compensated Absences

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

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

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service up to 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

The Company has a long-term incentive plan for certain employees. The Company recognises benefit payable to employee as an expenditure, when an employee renders the related service on actual basis.

m. 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 Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of

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the Company'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 transactions is measured initially at fair value at the grant date using a binomial model. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognized in employee benefits expense.

n. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

o. Earnings per share

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the year and the weighted average number of shares outstanding during the year adjusted for the effects of all potential equity shares.

p. Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). the Company's financial statements are presented in Indian rupee (`Rs.) which is also

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the Company's functional and presentation currency.

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

Exchange differences arising on settlement or translation of monetary items are recognized as income or expense in the period in which they arise with the exception of exchange differences on gain or loss arising on translation of non-monetary items measured at fair value which is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

q. Fair value

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:

a) In the principal market for the asset or liability, or

b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Company 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 restated 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:

a) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

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b) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

c) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Company's management determines the policies and procedures for both recurring and non-recurring fair value measurement measured at fair value.

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 Company's accounting policies.

For the purpose of fair value disclosures, the Company 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 32)
- Quantitative disclosures of fair value measurement hierarchy (note 32)
- Financial instruments (including those carried at amortised cost) (note 32)

2C Changes in accounting policies and disclosures

New and amended Standards

The Company 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 Company. The Company 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 Company is the lessor.

The Company 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

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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 Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 01, 2019. Instead, the Company 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. The Appendix did not have an impact at transition on the financial statements of the Company.

Refer note 27 b

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 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 Company 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.

Upon adoption of the Appendix C to Ind AS 12, the Company considered whether it has any uncertain tax positions. The Appendix did not have an impact on the financial statements of the Company.

2D Significant accounting judgements, estimates and assumptions

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

Capital-management Note 38

- Financial risk management objectives and policies Note 33

Judgements

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

(a) Determining the lease term of contracts with renewal and termination options - Company as lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an

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option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised

The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset)

Refer to Note 27b for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term

Estimates and assumptions

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

(a) Defined benefit plans

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long-term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 30.0

(b) Fair value measurement of financial instruments

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The Company use Net asset value for valuation of investment in mutual fund. Refer note 32

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related to fair valuation disclosures.

(c) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(d) Impairment of non-financial assets

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

(e) Share based payments

The Company initially measures the cost of cash settled transactions with employees using a binomial model to determine the fair value of the liability incurred. Estimating fair value for share based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. For cash settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognized in the profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The assumptions and models used for estimating fair value for share based payment transactions are disclosed in note 30.3

Notes forming part of the standalone financial statements

3. Property, plant and equipment (PPE) and Other Intangible assets

(Rs. in Lakhs)

	Office equip-ment	Furni-ture and fixture	Motor vehi-cles*	Com-puters and data process-ing units	Leas-hold Improve-ment	Total	Capital Work-in-Progress	Soft-ware licences	Total
At deemed cost									
As at April 1, 2018	**2.00**	**3.54**	**47.02**	**23.30**	**-**	**75.86**	**366.22**	**8.51**	**450.59**
Additions	1.08	-	58.61	0.59	-	60.28	-	-	60.28
Disposals	-	-	30.28	-	-	30.28	-	-	30.28
As at March 31, 2019	**3.08**	**3.54**	**75.35**	**23.89**	**-**	**105.86**	**366.22**	**8.51**	**541.15**
Additions	6.49	68.03	6.53	35.03	390.93	507.01	24.71	-	531.72
Disposals	-	-	-	-	-	-	390.93	-	390.93
As at March 31, 2020	**9.57**	**71.57**	**81.88**	**58.92**	**390.93**	**612.87**	**-**	**8.51**	**681.94**
Depreciation									
As at April 1, 2018	**0.60**	**0.30**	**6.70**	**6.98**	**-**	**14.58**	**-**	**2.01**	**16.59**
Depreciation charge for the year	0.80	0.34	10.66	4.76	-	16.56	-	2.26	18.82
Disposals	-	-	3.38	-	-	3.38	-	-	3.38
As at March 31, 2019	**1.40**	**0.64**	**13.98**	**11.74**	**-**	**27.76**	**-**	**4.27**	**38.79**
Depreciation charge for the year	1.98	6.53	10.83	10.24	30.83	60.41	-	2.26	62.67
Disposals	-	-		-	-	-	-	-	-
As at March 31, 2020	**3.38**	**7.17**	**24.81**	**21.98**	**30.83**	**88.17**	**-**	**6.53**	**101.46**
Net book value									
As at March 31, 2020	**6.19**	**64.40**	**57.07**	**36.94**	**360.10**	**524.70**	**-**	**1.98**	**580.48**
As at March 31, 2019	**1.68**	**2.91**	**61.37**	**12.14**	**-**	**78.10**	**366.22**	**4.24**	**502.35**

***** Motor vehicles amounting to Nil (March 31, 2019 - Rs. 35.53 lakhs) are subject to charge against vehicle loan.

4. Right of use assets

(Rs. in Lakhs)

	Total
As at April 1, 2019	-
Addition	2,852.22
Depreciation	241.69
As at March 31, 2020	**2,610.53**

Refer note 27b for disclosure on lease liability, expense recognised in profit and loss etc.

Notes forming part of the standalone financial statements

5. Non-current financial assets- Investments

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
A. Investment carried at cost		
i) Investment in equity shares of subsidiary companies		
Max Speciality Films Limited	10,017.83	10,017.83
19,842,191 (March 31, 2019 - 19,842,191) Equity shares of Rs. 10 each fully paid up		
Max Estates Limited	7,791.00	6,800.00
77,910,000 (March 31, 2019 -68,000,000) Equity shares of Rs. 10 each fully paid up		
Max Asset Services Limited (formerly known as Max Learning Limited)	205.00	205.00
2,050,000 (March 31, 2019 - 2,050,000) Equity shares of Rs. 10 each fully paid up		
Max I Limited#	5.00	5.00
50,000 (March 31, 2019 - 50,000) Equity shares of Rs. 10 each fully paid up		
ii) Investment in debentures of subsidiary companies (in nature of equity)		
Max Estates Limited	36,964.00	35,187.00
36,964 (March 31, 2019 - 35,187) Zero Coupon Compulsory Convertible Debentures of Rs. 100,000 each fully paid up		
iii) Investment in subsidiaries arising on account of fair valuation of debentures given below market rate		
Max I Limited	2,667.68	3,002.62
Equity portion of 5,390 (March 31, 2019 - 7,100) Zero Coupon Non Convertible Debentures of Rs. 100,000 each fully paid up (net of deferred tax)		
iv) Additional investment in Wise Zone Builders Private Limited *	156.75	89.15
v) Additional investment in Max Estates Limited **	14.36	-
B. Investment carried at amortised cost		
i) Investment in debentures of subsidiary company		
Max I Limited	4,413.73	5,322.08
5,390 (March 31, 2019 - 7,100) Zero Coupon Non Convertible Debentures of Rs. 100,000 each fully paid up		
Total Investments	**62,235.35**	**60,628.68**
Aggregate book value of unquoted investments	**62,235.35**	**60,628.68**
Aggregate book value of quoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

#36,964 (March ,31,2019 - 35,187) Zero coupon compulsory convertible debentures remain outstanding as on the expiry of 24 months and 60 months from the date of their issue respectively and allotment shall be compulsory converted into 369,640,000 equity shares

* Guarantee has been given by the Company on behalf of its step down subsidiary, Wise Zone Builders Private Limited for loan of Rs. 8,600 lakhs (Sanction limit Rs. 11,700 lakhs) from ICICI Bank Limited (refer note 27)

** Guarantee has been given by the Company on behalf of its subsidiary, Max Estates Limited for loan of

Notes forming part of the standalone financial statements

Rs. 1,500 lakhs (Sanction limit Rs. 4,500 lakhs) from ICICI Bank Limited (refer note 27)

6. Other non-current financial assets

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
6(i) Loans (amortized cost) (unsecured considered good)		
Security deposits	31.56	0.07
	31.56	**0.07**
6(ii) Other bank balances		
Deposits with remaining maturity for more than 12 months	645.65	0.25
	645.65	**0.25**

7. Non-Current tax assets

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Advance tax and tds recoverable (net of provision for taxes)	210.50	160.60
	210.50	**160.60**

8. Other non-current assets (unsecured considered good)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Capital advance	-	26.92
	-	**26.92**

9. Current financial assets

9(i) Trade receivables

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Unsecured and considered good		
Trade receivable from related parties	570.46	743.90
	570.46	**743.90**

Trade Receivables are non-interest bearing and have average credit period is 60 days. No trade or other receivable are due from directors or others officers of the Company either severally or jointly with any other person. The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Refer note 34(b)

Notes forming part of the standalone financial statements

9(ii) Cash and cash equivalents
Balances with banks:

(Rs. in Lakhs)

	As at March 31, 2020	**As at March 31, 2019**
- On current accounts	458.70	88.97
Cheques on hand	-	219.00
Cash on hand	0.48	0.49
	459.18	**308.46**

9(iii) Bank balances other than (ii) above

(Rs. in Lakhs)

	As at March 31, 2020	**As at March 31, 2019**
Deposits with original maturity of less than three months and remaining maturity less than twelve months	3,224.02	11,151.32
	3,224.02	**11,151.32**

9(iv) Loans (unsecured and considered good, unless otherwise stated)

(Rs. in Lakhs)

	As at March 31, 2020	**As at March 31, 2019**
(Unsecured and considered good)		
Loans to related parties	18,847.89	10,289.77
Security deposits	0.02	302.73
(Unsecured and considered doubtful)		
Loans to related parties- credit impaired	1,062.00	1,062.00
Provision for doubtful loan	(1,062.00)	(1,062.00)
	18,847.91	**10,592.50**

* Loan given to related parties is repayable on demand and carries interest rate of 9.25%. Refer note 34(b)

9(v) Other financial assets (unsecured and considered good)

(Rs. in Lakhs)

	As at March 31, 2020	**As at March 31, 2019**
Interest accrued on deposits with bank	38.50	272.75
Interest accrued on loans	20.05	942.61
Other receivables #	59.17	106.10
	117.72	**1,321.46**

Other receivables includes Rs. 59.17 lakhs (March 31, 2019 : Rs.106.10 lakhs) from related parties. Refer note 34 (b)

Notes forming part of the standalone financial statements

Break up of financial assets carried at amortised cost

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
i	Trade receivables	570.46	743.90
ii	Cash and cash equivalents	459.18	308.46
iii	Other bank balances (current and non current)	3,869.67	11,151.57
iv	Loans (current and non current)	18,879.47	10,592.57
		23,778.78	**22,796.50**

10. Other current assets (unsecured and considered good)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
- related parties (refer note 34(b))	18.72	-
- others	0.88	9.67
Prepaid expenses	16.51	26.14
Balance with government authorities	0.38	2.05
	36.49	**37.86**

11 (i) Equity share capital

a) Authorized share capital

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
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		
146,624,062 (March 31, 2019 - 14,66,00,782) 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 year	146,600,782	14,660.08	72,648,105	7,264.81
Add: Shares issued for stock options exercised (Refer note no 30.3)	23,280	2.33	198,890	19.89
Add: Shares issued during the year (Refer note no. 35)	-	-	73,753,787	7,375.38
At the end of the year	146,624,062	14,662.41	146,600,782	14,660.08

Notes forming part of the standalone financial statements

c) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	March 31, 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 30.3.

11(ii) Other equity

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Capital reserve (refer note a below)	13,042.52	13,042.52
Securities premium account (refer note b below)	50,033.05	50,029.73
Employee stock options outstanding (refer note c below)	51.02	36.92
Retained earnings (refer note d below)	8,034.09	6,892.75
	71,160.68	**70,001.92**

Notes forming part of the standalone financial statements

Notes:

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
a)	**Capital reserve**		
	Balance as at beginning of the year/period	13,042.52	13,042.52
		13,042.52	**13,042.52**
b)	**Securities premium account**		
	At the beginning of the year	50,029.73	12,875.83
	Add: premium on Rights issue of equity shares (refer note 36)	-	37,614.43
	Add: premium on issue of employee stock options	3.32	23.27
	Add: transferred from employee stock options outstanding	-	20.91
	Less: share issue expenses	-	(504.71)
		50,033.05	**50,029.73**
c)	**Employee stock options outstanding**		
	At the beginning of the year	36.92	20.91
	Add: expenses recognized during the year	14.10	36.92
	Less: transferred to securities premium on exercise of stock options	-	20.91
		51.02	**36.92**
d)	**Retained earnings**		
	At the beginning of the year	6,892.75	6,000.78
	Profit for the year	1,138.72	891.08
	Other comprehensive income for the year (net of tax)	2.62	0.89
		8,034.09	**6,892.75**

Nature and purpose of reserves

a) Capital reserve

The company recignises profit or loss on purchase, sale issue or cancellation of the Company's own equity instruments to Capital Reserve

b) Securities premium account

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 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

Notes forming part of the standalone financial statements

12 Non current financial liabilities

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
12(i)	**Borrowings**		
	Vehicle loans (secured)	-	15.07
		-	**15.07**
	Less: Amount disclosed under "other current financial liabilities" [refer note 16(iii)]	**-**	**7.38**
		-	**7.69**
	Aggregate Secured loans	**-**	**15.07**
	Aggregate Unsecured loans	-	-
12(ii)	**Lease liabilities**		
	Lease liability (refer note 27b)	2,325.79	-
		2,325.79	**-**
12(iii)	**Other financial liabilities**		
	Security deposits	14.99	11.96
		14.99	**11.96**

13. 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 30.0)	38.23	22.58
	38.23	**22.58**

14. Other non-current liabilities

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Deferred guarantee income	97.10	30.16
	97.10	**30.16**

15. Deferred tax assets (net)

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
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	89.13	75.16
MAT Credit entitlement	4.29	127.82
	93.42	202.98
Less: Differences in block of fixed assets as per tax books and financial books	3.56	0.77
	3.56	0.77
Deferred Tax assets (Net)	**89.86**	**202.21**

Notes forming part of the standalone financial statements

16. Current financial liabilities

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
16(i)	**Lease liabilities**		
	Lease liability (refer note 27b)	352.43	-
		352.43	**-**
16(ii)	**Trade payables**		
	Total outstanding dues of micro and small enterprises*	1.74	-
	Total outstanding dues of creditors other than micro and small enterprises	698.27	594.73
		700.01	**594.73**

Trade payables are non interest bearing and generally have credit term of 60-90 days. Trade payables include due to related parties Rs. 224.17 lakhs (March 31, 2019 - Rs.211.60 lakhs). Refer note 34(b)

***Details of dues to Micro and Small Enterprises as per MSMED Act, 2006**

(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.	1.74	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
16(iii)	**Other financial liabilities**		
	Current maturity of long term borrowings (refer note 12)	-	7.38
	Security deposit received	83.90	-
	Capital creditors	19.77	164.27
		103.67	**171.64**

Notes forming part of the standalone financial statements

17. Other current liabilities

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Deferred guarantee	10.11	15.28
Statutory dues	33.83	35.49
	43.94	**50.77**

18. Short term provision

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits		
- Provision for compensated leaves	106.16	56.42
- Provision for gratuity (refer note 30.0)	0.50	0.27
Provision for taxation (net of advances and tds)	-	14.57
	106.66	**71.26**

19A. Revenue from operations

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Revenue from contract with customers		
(a) Income from rendering services		
Income from shared services (Refer note 34(a))	1,499.97	1,232.30
Sub-total (a)	**1,499.97**	**1,232.30**
(b) Income from other operating activities		
Interest income on		
- loans to subsidiary companies (Refer note 34(a))	999.16	803.99
- zero coupon non-convertible debentures (Refer note 34(a))	466.71	527.36
Sub-total (b)	**1,465.87**	**1,331.35**
Total (a+b)	**2,965.84**	**2,563.65**

1. The performance obligation is satisfied over-time and payment is generally due upon completion of service.

2. Refer note 9(i) for contract balances (trade receivables)

Notes forming part of the standalone financial statements

19B. Other income

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Interest income on		
- on security deposits	0.59	40.68
- on fixed deposits	537.93	646.80
Gain on mutual fund investments	260.82	332.21
Fair value gain on financial instruments at fair value through profit or loss	-	(213.03)
Amortisation of guarantee fees	20.18	22.66
Others	0.04	3.12
	819.56	**832.44**

20. Employee benefits expense

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Salaries, wages and bonus	783.94	644.63
Contribution to provident and other funds	29.56	26.32
Employee stock option scheme	14.10	36.91
Gratuity expense (refer note 30.0)	13.14	10.18
Staff welfare expenses	14.72	24.38
	855.46	**742.42**

21. Finance costs

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Interest expense		
- on debt and borrowings	0.63	2.26
- on income tax	2.46	-
- on lease liabilities	296.94	-
Bank charges	0.62	1.11
	300.65	**3.37**

22. 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)	60.41	16.56
Depreciation on right to use asset (refer note 4)	241.69	-
Amortization of intangible assets (refer note 3)	2.26	2.26
	304.36	**18.82**

Notes forming part of the standalone financial statements

23. Other expenses

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Rent	29.87	217.39
Insurance	10.52	15.38
Rates and taxes	29.66	43.16
Shared service expenses	153.00	155.00
Repairs and maintenance building	127.84	90.30
Travelling and conveyance	90.60	55.57
Legal and professional fees (refer note a below)	217.84	339.15
Provision for doubtful loan and interest receivable	-	329.00
Interest receivable written off	-	92.88
Directors' sitting fees	80.00	69.00
Printing and stationery	10.02	27.55
CSR expenses (refer note b below)	13.22	5.07
Net loss on sale/disposal of property, plant and equipment	-	2.67
Electricity	10.67	37.17
Miscellaneous expenses	48.19	56.72
	821.43	**1,536.01**

Note

(a) 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	27.50	27.04
Other services (certification fees)	5.00	2.97
Reimbursement of expenses	1.47	0.71
	33.98	**30.71**

(b) Details of CSR expenditure

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Gross amount required to be spent by the Company during the year	13.22	4.07
Amount spent during the year		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	13.22	4.07

Notes forming part of the standalone financial statements

24 Income Tax

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

(Rs. in Lakhs)

Particulars		for the year ended March 31, 2020	for the year ended March 31, 2019
(a)	**Statement of profit and loss :**		
	Current income tax :		
	Current tax	372.51	167.32
	Adjustment of current tax related to earlier years	4.52	62.28
	Sub total (a)	**377.03**	**229.60**
	Deferred tax :		
	Relating to origination and reversal of temporary differences	(53.26)	(25.21)
	Adjustment of deferred tax related to earlier years	41.01	-
	Sub total (b)	**(12.25)**	**(25.21)**
	Income tax expense charged in the statement of profit and loss (a+b)	**364.78**	**204.39**
(b)	**OCI section :**		
	Deferred tax relating to re-measurement gains on defined benefit plans	(1.07)	(0.37)
	Income tax charged in other comprehensive income	**(1.07)**	**(0.37)**

(c) 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)

Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
Accounting profit/(loss) before tax	1,503.50	1,095.47
Accounting profit/(loss) before income tax	**1,503.50**	**1,095.47**
At India's statutory income tax rate of 29.12 % (March 31, 2019: 29.12 %)	437.82	319.00
Non-Taxable Income for tax purposes:		
Unwinding of interest on zero coupon non-convertible debentures	(135.91)	(153.57)
Guarantee Fees	(5.88)	(6.60)
Adjustment of earlier year taxes	4.52	(62.28)
Non-deductible expenses for tax purposes:		
Non deductible tax expense	-	95.80
Impact of decrease in tax rate	10.11	-
Others	53.39	12.03
At the effective income tax rate	**364.06**	**204.39**
Income tax expense reported in the statement of profit and loss	364.78	204.39
Total tax expense	**364.78**	**204.39**

Notes forming part of the standalone financial statements

Deferred tax relates to the following:

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities		
Accelerated depreciation for tax purposes	3.56	0.77
Difference in book base and tax base in investments	-	-
Gross deferred tax liabilities (a)	**3.56**	**0.77**
Deferred tax assets		
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	89.13	75.16
Others	-	-
Gross deferred tax assets (b)	**89.13**	**75.16**
MAT Credit (c)	**4.29**	**127.82**
Deferred tax assets (net) (a - b - c)	**(89.86)**	**(202.21)**

Reconciliation of deferred tax liabilities (net):

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Opening balance as of 1st April	(202.21)	(136.35)
Tax expense during the period recognised in the statement of profit or loss	(53.26)	(25.21)
Adjustment of deferred tax related to earlier years	41.01	-
Tax expense during the period recognised in OCl	1.07	0.37
MAT credit utilised/(availed)	123.53	(41.02)
Closing balance	**(89.86)**	**(202.21)**

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.

25. Components of Other comprehensive income

(Rs. in Lakhs)

		for the year ended March 31, 2020	for the year ended March 31, 2019
OCI - gratuity	Re-measurement losses on defined benefit plans (refer note 30.0)	3.69	1.26
	Income tax effect	(1.07)	(0.37)
		2.62	**0.89**

Notes forming part of the standalone financial statements

26. Earnings Per Share

(Rs. in Lakhs)

	for the year ended March 31, 2020	for the year ended March 31, 2019
Basic EPS		
Profit after tax (Rs. in Lakhs)	1,138.72	891.08
Net profit for calculation of basic EPS	1,138.72	891.08
Weighted average number of equity shares outstanding during the year (Nos.)	146,608,510	118,737,904
Basic earnings per share (Rs.)	**0.78**	**0.75**
Dilutive EPS		
Profit after tax (Rs. in Lakhs)	1,138.72	891.08
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	146,802,078	118,949,139
Anti Diluted/Diluted earnings per share (Rs.)	**0.78**	**0.75**
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 period/year (Nos.)	146,608,510	118,737,904
Add: ESOP/Warrants	193,568	211,235
	146,802,078	**118,949,139**

27 Commitments and Continencies

a Financial guarantee

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31,2019
(i)	Guarantees to Banks against credit facilities extended to group companies	16,200.00	1,500.00
(ii)	Bank guarantee	-	224.95

a) Guarnatee of 100% bank loan of Max Estates Limited, wholly owned subsidiary, to the maximum amount of Rs. 4,500 lakhs (March 31, 2019 - Nil) from ICICI Bank Limited. Upto March 31, 2020, Max Estates Limited has drawn Rs. 1,500 lakhs (March 31, 2019 - Nil).

b) Guarantee of 100% of bank loan of Wise Zone Builders Private Limited, step down subsidiary, to the maximum amount of Rs. 11,700 lakhs (March 31, 2019 - Rs. 15,000 lakhs) from ICICI Bank Limited (March 31, 2019 - Axis Bank Limited). Upto March 31, 2020, Wise Zone Builders Private Limited has drawn Rs. 8,600 lakhs (March 31, 2019 - Rs.11,850 Lakhs) from ICICI Bank Limited (March 31, 2019 - Axis Bank Limited).

b Company as lessee

The Company has lease contracts for buidlings from related parties. 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.

Notes forming part of the standalone financial statements

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	-	-
Additions	2,852.22	2,852.22
Reclassified from prepaid expenses	-	-
Depreciation expense	241.69	241.69
As at March 31, 2020	**2,610.53**	**2,610.53**

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

(Rs. in Lakhs)

Particulars	Building	Total
As at April 01, 2019	-	-
Additions	2,769.29	2,769.29
Accretion of interest	296.94	296.94
Payments	(388.01)	(388.01)
As at March 31, 2020	**2,678.22**	**2,678.22**
Current lease liabilities	352.43	
Non-current lease liabilities	2,325.79	
Total	**2,678.22**	

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	352.43	352.43
After one year but not more than five years	1,544.04	1,544.04
More than five years	3,025.08	3,025.08
Total	**4,921.55**	**4,921.55**

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

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	241.69	241.69
Interest expense on lease liabilities	296.94	296.94
Total amount recognised in profit or loss	**538.63**	**538.63**

Notes forming part of the standalone financial statements

28 Estimated amount of contracts remaining to be executed on capital account and not provided for- Nil (March 31, 2019- Rs. 137.35 lakhs)

29 Investment in subsidiaries

(a) These financial statement are separate financial statements prepared in accordance with Ind AS-27" Separate Financial Statements".

(b) The Company's investments in subsidiaries are as under:

Name of the Subsidiary	Country of incorporation	Portion of ownership interest as at March 31, 2020	Portion of ownership interest as at March 31, 2019	Method used to account for the investment
Max Speciality Films Limited	India	51%	51%	At transition date at deemed cost and subsequently at cost
Max Estates Limited	India	100%	100%	At transition date at deemed cost and subsequently at cost
Max Asset Services Limited (formerly known as Max Learning Limited)	India	100%	100%	At transition date at deemed cost and subsequently at cost
Max I. Limited	India	100%	100%	At transition date at deemed cost and subsequently at cost

30. Gratuity (Unfunded)

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

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age.

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.

The following tables 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:

Notes forming part of the standalone financial statements

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
a)	**Changes in present value of defined benefit obligation are as follows**		
	Defined benefit obligation at the beginning of the year	22.85	16.71
	Interest cost	1.75	1.30
	Current service cost	11.39	8.88
	Benefit paid	-	(4.26)
	Acquisition adjustment	6.42	1.47
	Remeasurement of gain/(loss)in other comprehensive income	(3.69)	(1.26)
	Defined benefit obligation at year end	**38.73**	**22.85**
b)	**Net defined asset/(liability) recognised in the balance sheet.**		
	Present value of defined benefit obligation	38.73	22.85
	Amount recognized in balance sheet- asset / (liability)	**(38.73)**	**(22.85)**
	Current	0.50	0.27
	Non current	38.23	22.58
		38.73	**22.85**
c)	**Net defined benefit expense (recognized in the statement of profit and loss for the year)**		
	Current service cost	11.39	8.88
	Interest cost on benefit obligation	1.75	1.30
	Net defined benefit expense debited to statement of profit and loss	**13.14**	**10.18**
d)	**Other comprehensive income**		
	Actuarial changes arising from changes in demographic assumptions	0.02	-
	Actuarial changes arising from changes in financial assumptions	5.04	0.53
	Actuarial changes arising from changes in experience adjustments	(8.75)	(1.79)
		(3.69)	**(1.26)**
e)	**Principal assumptions used in determining defined benefit obligation**		
	Discount rate	6.76%	7.66%
	Future Salary Increases	10.00%	10.00%
	Mortality Rate (% of IALM 06-08)	100.00%	100.00%
f)	**Quantitative sensitivity analysis for significant assumptions is as below:**		
	Increase / (decrease) on present value of defined benefits obligations at the end of the year		
	Discount rate		
	Increase by 0.50%	(3.02)	(1.89)
	Decrease by 0.50%	3.33	2.10

Notes forming part of the standalone financial statements

(Rs. in Lakhs)

		As at March 31, 2020	As at March 31, 2019
	Salary growth rate		
	Increase by 0.50%	1.02	0.69
	Decrease by 0.50%	(0.93)	(0.72)
g)	**The following payments are expected contributions to the defined benefit plan in future years**		
	Within the next 12 months (next annual reporting period)	0.50	0.27
	Between 2 and 5 years	1.89	1.06
	Beyond 5 Years	36.34	21.52

h) The average duration of the defined benefit plan obligation at the end of the reporting period is 20 Years (March 31, 2019 : 22 years)

i) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.

j) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.

k) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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 standalone financial statements

30.1 Leave Encashment (unfunded)

The Company recognises the leave encashment expenses in the statement of profit and loss based on actuarial valuation

The expenses recognised in the statement of profit & loss and the Leave encashment liability at the beginning and at the end of the year

(Rs. in Lakhs)

	As at March 31, 2020	As at March 31, 2019
Liability at the beginning of the year	56.42	36.34
Provided during the year	49.74	20.08
Liability at the end of the year	**106.16**	**56.42**

30.3 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.

Notes forming part of the standalone financial statements

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	2.50	110,205	3.50
01-04-2018 (Grant Type II)	83,365	3.00	83,365	4.00

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, 2019, 23,280 (March 31, 2019 - 198,890) nos of stock options were allotted to 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 / vested / exercised during the year.

30.4 Provident Fund

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 Company.

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.

Notes forming part of the standalone financial statements

The details of fund and plan asset position as at March 31, 2020 as per the actuarial valuation of active members are as follows:

(in INR lakhs)

	March 31, 2020	March 31, 2019
Plan assets at year end at fair value	429.23	176.00
Present value of defined benefit obligation at period/year end	425.57	172.31
Surplus as per actuarial certificate	3.66	3.69
Shortfall recognized in balance sheet	-	-
Active members as at period/year end (Nos)	10	9

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)	29.56	26.32
	29.56	**26.32**

Segment information

As the Company's business activity primarily falls within a single business and geographical segment, thus there are no additional disclosures to be provided under Ind AS 108 - " Operating Segment'. The management considers that having investments in various subsidiaries and providing shared services to group companies constitutes single business segment, since the risk and reward from these services are not different from one another. The Company has 3 major customers contributing to 10% or more of total amount of revenue.

Non - current operating assets

The company has non- current operating assets within India. Hence, separate figures for domestic as well as overseas market are not required to be furnished.

A. 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 are as follows:

Notes forming part of the standalone financial statements

(Rs. in Lakhs)

Category	Carrying value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1) Financial asset at amortized cost				
Non-Current				
Investments (refer note 5)	4,584.84	5,411.23	4,584.84	5,411.23
Loans (refer note 6 (i))	31.56	0.07	31.56	0.07
Other bank balances (refer note 6 (i))	645.65	0.25	645.65	0.25
Current				
Loans (refer note 9 (iv))	18,847.91	10,592.50	18,847.91	10,592.50
Other financial assets (refer note 9 (v))	117.72	1,321.46	117.72	1,321.46
2) Financial liabilities at amortized cost				
Non-Current				
Borrowings (refer note 12)	-	7.69	-	7.69
Current				
Other financial liabilities (refer note 16 (iii))	103.67	171.64	103.67	171.64

Investment in equity shares of subsidiaries are measured at cost as per Ind AS 27- “Separate Financial Statements” and are not required to be disclosed here.

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

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

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

The fair value of non - current investment, loans taken, other financial assets and other 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 is the market rate of interest of 9.5%-11%. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

Notes forming part of the standalone financial statements

B. Fair value hierarchy

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

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

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

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

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

(Rs. in Lakhs)

Particulars	As at March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Non-Current				
Investments (refer note 5)	4,584.84	-	4,584.84	-
Loans (refer note 6(i))	31.56	-	31.56	-
Current				
Loans (refer note 9 (iii))	18,847.91	-	18,847.91	-
Other financial assets (refer note 9 (v))	117.72	-	117.72	-

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

(Rs. in Lakhs)

Particulars	As at March 31, 2019	Fair value		
		Level 1	Level 2	Level 3
Non-Current				
Investments (refer note 5)	5,411.23	-	5,411.23	-
Loans (refer note 6(i))	0.07	-	0.07	-
Current				
Loans (refer note 9 (iii))	10,592.50	-	10,592.50	-
Other financial assets (refer note 9 (v))	1,321.46	-	1,321.46	-
Current investments (refer note 9 (i))	-	-	-	-

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

(Rs. in Lakhs)

Particulars	As at March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Non-Current				
Security deposits (refer note 12)	14.99	-	14.99	-
Current				
Other financial liabilities (refer note 16 (iii))	103.67	-	103.67	-

Notes forming part of the standalone financial statements

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

(Rs. in Lakhs)

Particulars	**As at March 31, 2019**	**Fair value**		
		Level 1	**Level 2**	**Level 3**
Non-Current				
Borrowings (refer note 12)	7.69	-	7.69	-
Security deposits (refer note 12)	11.96	-	11.96	-
Current				
Other financial liabilities (refer note 16(iii))	171.64	-	171.64	-

33 Financial risk management objectives and policies

The Company has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Corporate Finance department, evaluates financial risks in close co-operation with the various stakeholders. The Company is exposed to capital risk, market risk, credit risk and liquidity risk. These risks are managed pro-actively by the Senior Management of the Company, duly supported by various Groups and Committees.

a) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company 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.

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2019 and March 31, 2020 based on contractual undiscounted payments :-

(Rs. in Lakhs)

March 31, 2019	**0-1 Years**	**1-5 Years**	**More than 5 Years**	**Total**
Interest bearing borrowings	7.38	7.69	-	15.07
Trade payable	594.73	-	-	594.73
Other financial liabilities	164.26	-	-	164.26
Security Deposit	-	11.96		11.96
March 31, 2020				
Trade payable	700.01	-	-	700.01
Other financial liabilities	103.67	-	-	103.67
Security Deposit	-	14.99	-	14.99

Notes forming part of the standalone financial statements

Reconciliation of Interest bearing borrowings

(Rs. in Lakhs)

	Schedule no	As at March 31, 2020	As at March 31, 2019
Non-Current borrowings	12	-	7.69
Current borrowings	16(iii)	-	7.38
		-	**15.07**

The non - current investment, loans taken, other financial assets and other 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 is the market rate of interest of 9.5% to 11%. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

Reconciliation of other financial liability

(Rs. in Lakhs)

	Schedule no	As at March 31, 2020	As at March 31, 2019
Other financial liabilities	16(iii)	103.67	171.64
Less: Current maturities of long term borrowings	16(iii)	-	(7.38)
		103.67	**164.27**

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 Company is exposed to credit risk including deposits with banks, foreign exchange transactions and other financial assets.

(i) Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management team assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Outstanding customer receivables are regularly monitored . An impairment analysis is performed at each reporting date on group\category basis. The calculation is based on exchange losses historical data and available facts as on date of evaluation. The Company evaluates the concentration of risk with respect to trade receivables as low, as its receivables are from its related parties, therefore it is not exposed to any risk.

(ii) Financial instruments and cash deposit

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

Notes forming part of the standalone financial statements

regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 and March 31, 2019 is the carrying amounts as illustrated in note 5,6 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 & March 31, 2019. Company is not exposed to interest risk and price risk at year end since there are no investments in mutual funds and interest fixed instruments at year end.

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

The Company don't have any material foreign currency risk as at March 31, 2020. As on March 31, 2020, Company have unhedged foreign currency exposures of trade payable of Rs. 8.31 lakhs. 1% decrease or increase in value of foreign exchange will bring a gain or loss of Rs. 8310.

Notes forming part of the standalone financial statements

34 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 Limited
Names of other related parties with whom transactions have taken place during the year/period	
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)
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
	Max Life Insurance Company Limited
	Max Healthcare Institute Limited
	Siva Enterprises Private Limited
	Pharmax Corporation Limited
	Max India Limited
	SKA Diagnostic Private Limited
	Antara Purukul Senior Living Limited
	Riga Foods LLP
	Max Financial Services Limited
	Max UK Limited
Employee benefit Trust	Max Financial Services Limited Employees' Provident Fund Trust

Notes forming part of the standalone financial statements

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

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 Speciality Films Limited	0.13	1.87
		Max Estates Limited	62.86	8.38
		Max Asset Services Limited	59.88	
		Max I. Limited	127.90	53.65
		Max Ventures Private Limited	0.72	0.19
		Wise Zone Builders Private Limited	9.90	0.25
		Northern Propmart Solutions Limited	0.42	-
		Pharmax Corporation Limited	0.95	-
		Total	**262.76**	**64.34**
2	**Reimbursement of expenses (Paid to)**	Max Life Insurance Company	1.23	1.88
		Max Asset Services Limited	9.09	-
		Riga Foods LLP	-	3.44
		Antara Purukul Senior Living Limited	0.09	0.45
		Total	**10.41**	**5.77**
3	**Shared Services rendered (to)**	Max Speciality Films Limited	719.59	493.34
		Max Estates Limited	266.93	292.85
		Max Asset Services Limited	4.53	0.00
		Max I. Limited	9.08	16.74
		Max Ventures Private Limited	40.00	50.47
		Piveta Estates Private Limited	-	3.74
		Four Season Foundation	-	1.10
		Siva Realty Ventures Private Limited	-	-
		Max Financial Services Limited	-	9.41
		Max India Limited	33.04	46.24
		Max India Floundation	-	25.55
		Wise Zone Builders Private Limited	266.93	292.84
		Antara Senior Living Limited	159.88	-
		Total	**1,499.97**	**1,232.30**
4	**Shared services charges (paid to)**	Max Financial Services Limited	153.00	155.00
		Total	**153.00**	**155.00**
5	**Unwinding of interest on zero coupon non-convertible debentures**	Max I. Limited	466.71	527.36
		Total	**466.71**	**527.36**
6	**Interest received (from)**	Max Speciality Films Limited	5.95	-
		Max Estates Limited	956.25	676.95
		Max I. Limited	22.12	37.93
		Max Asset Services Limited	14.84	89.11
		Total	**999.16**	**803.99**

Notes forming part of the standalone financial statements

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
7	**Repair & Maintenance**	New Delhi House Services Limited	57.76	41.75
		Max Assets Services Limtied	42.45	-
		Total	**100.22**	**41.75**
8	**Travelling and conveyance**	Max Ventures Private Limited	0.60	0.53
		Total	**0.60**	**0.53**
9	**Legal and professional**	Max India Limited	12.80	-
		Max UK Limited	0.74	6.08
		Total	**13.54**	**6.08**
10	**Rent expenses (paid to)**	Max Life Insurance Company Limited	173.48	-
		Wise Zone Builders Private Limited	152.03	-
		SKA diagnostics	29.17	-
		Total	**354.67**	**-**
11	**Purchase of Tangible Assets**	Max Ventures Investment Holdings P. Ltd.	6.53	-
		Max Estates Limited	-	6.58
		Max Asset Services Limited	-	13.00
		Total	**6.53**	**19.58**
12	**Business Promotion expenses**	Vana Enterprises Limited	9.80	-
		Total	**9.80**	**-**
13	**Contribution to Provident Fund Trust**	Max Financial services Limited Employees' Provident Fund Trust	54.78	47.82
		Total	**54.78**	**47.82**
14	**Key managerial remuneration - Short term employement benefits**	Sahil Vachani	279.20	239.76
		Nitin Kumar Kansal	103.57	86.35
		Gopalkrishnan Ramachandran	-	55.37
		Saket Gupta	31.45	-
		Total	**414.22**	**381.48**
15	**Key managerial remuneration - Post employement benefits***	Sahil Vachani	7.40	6.68
		Nitin Kumar Kansal	5.02	4.65
		Gopalkrishnan Ramachandran	-	1.92
		Saket Gupta	1.41	-
		Total	**13.83**	**13.25**
16	**Sitting Fees to Directors**	Analjit Singh	4.00	3.00
		Mohit Talwar	15.00	16.00
		K.N Murthy	17.00	16.00
		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**	**69.00**

Notes forming part of the standalone financial statements

S.No	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
17	**Loan given**	Max Estates Limited	26,509.29	5,996.00
		Max Asset Services Limited	112.16	345.00
		Max I. Limited	624.94	201.00
		Max Speciality Films Limited	304.12	-
		Total	**27,550.52**	**6,542.00**
18	**Repayment of loan given**	Max Estates Limited	18,240.24	1,685.00
		Max Asset Services Limited	112.16	30.00
		Max I. Limited	640.00	-
		Total	**18,992.40**	**1,715.00**
18	**Investment made**	Max Estates Limited	2,782.36	32,187.00
		Max I Limited	466.71	527.36
		Wise Zone Builders Private Limited- Guaranteefee- Deemed Equity	63.44	(6.30)
		Total	**3,312.51**	**32,708.06**
19	**Investments redeemed**	Max I Limited- debentures	1,375.06	-
		Max I Limited- deemed equity	334.94	-
		Total	**1,710.00**	**-**
20	**Guarantee Fees**	Wise Zone Builders Private Limited	20.12	22.66
		Max Estates Limited	0.06	-
		Total	**20.18**	**22.66**
21	**Provision of doubtful debts**	Max Asset Services Limited	-	89.46
		Total	**-**	**89.46**
21	**Provision for doubtful loan and interest receivable**	Max Asset Services Limited	-	1,179.16
		Total	**-**	**1,179.16**
22	**Security deposit received**	Antara Senior Living Limited	83.90	-
		Total	**83.90**	**-**
23	**Security deposit paid**	Max Asset Services Limited	21.90	-
		SKA Diagonstics	12.50	-
		Total	**34.40**	**-**

* The remuneration to the key managerial personnel 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.

Notes forming part of the standalone financial statements

(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 Financial services Limited Employees' Provident Fund Trust	4.54	3.48
		Total	**4.54**	**3.48**
2	**Interest Accrued on ICD's**	Max Estates Limited	0.03	902.43
		Max Asset Services Limited	121.65	-
		Max I. Limited	10.18	40.18
		Max Speciality Films Limited	5.35	-
		Total	**137.21**	**942.61**
	Provision made against above	Max Asset Services Limited	117.16	-
		Total	**117.16**	**-**
3	**Trade Receivables**	Max Speciality Films Limited	422.89	432.68
		Max Estates Limited	7.51	60.03
		Max Asset Services Limited	1.14	-
		Max I. Limited	5.78	22.13
		Max Ventures Private Limited	87.55	121.36
		Piveta Estates Private Limited	6.29	6.06
		Four Season Foundation		0.02
		Max India Limited	16.78	8.12
		Max Financial Services Limited	-	10.16
		Max India Foundation	-	7.06
		Wise Zone Builders Private Limited	7.40	76.27
		Antara Senior Living Limited	15.10	
		Total	**570.46**	**743.90**
4	**Other Receivables**	Max Speciality Films Limited	9.16	9.08
		Max Estates Limited	0.18	20.65
		Max Asset Services Limited	15.41	-
		Max I. Limited	19.63	55.31
		Max Ventures Private Limited	5.14	10.03
		Piveta Estates Private Limited	9.65	9.65
		Wise Zone Builders Private Limited	-	1.38
		Total	**59.17**	**106.10**
5	**Advance to party**	Max India Foundation	14.22	-
		SKA Diagnostic Private Limited	37.83	-
		Total	**52.05**	**-**
6	**Inter Corporate Deposit Receivable**	Max Estates Limited	18,070.83	9,801.77
		Max Asset Services Limited	1,062.00	1,062.00
		Max I. Limited	472.94	488.00
		Max Speciality Films Limited	304.12	-
		Total	**19,909.89**	**11,351.77**

Notes forming part of the standalone financial statements

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	As at March 31, 2020	As at March 31, 2019
	Provision made against above	Max Asset Services Limited	1,062.00	1,062.00
		Total	**1,062.00**	**1,062.00**
7	**Investment in Debentures**	Max Estates Limited	36,964.00	35,187.00
		Max Estates Limited- Deemed Equity	14.36	-
		Max I Limited - Deemed Equity	2,667.68	3,002.62
		Max I. Limited	4,413.73	5,322.08
		Wise Zone Builders Private Limited- deemed equity	156.75	-
		Total	**44,216.52**	**43,511.70**
8	**Trade payables and Capital Creditors**	Max Financial Services Limited	165.18	167.40
		Vana Enterprises Limited	9.80	-
		Max Estates Limited	-	30.85
		Piveta Estates Private Limited	6.82	6.82
		Max UK Limited	-	2.54
		Max Healthcare Institute Limited	-	0.02
		New Delhi House Services Limited	32.33	3.98
		Max India Limited	10.04	-
		Total	**224.17**	**211.60**
9	**Security Deposit received**	Antara Senior Living Limited	83.90	-
		Total	**83.90**	**-**
10	**Security Deposit made**	Max Asset Services Limited	21.90	-
		SKA Diagnostic Private Limited	12.50	-
		Total	**34.40**	**-**

Terms and conditions of transactions with related parties

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

b) The income/expense from sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

Notes forming part of the standalone financial statements

35 Disclosure required under Section 186 (4) of the Companies Act, 2013.

(a) Particulars of Loans given:

(Rs. in Lakhs)

Sr. No	Name of the Loanee	As at March 31, 2019	Loan given	Repayment of loan given	As at March 31, 2020	Purpose
1	Max Estates Limited	9,801.77	26,509.29	18,240.24	18,070.82	Operational Cash Flow requirement
2	Max Asset Services Limited	1,062.00	112.16	112.16	1,062.00	Operational Cash Flow requirement
3	Max Speciality Films Limited	-	304.12	-	304.12	Operational Cash Flow requirement
4	Max I. Limited	488.00	624.94	640.00	472.94	Operational Cash Flow requirement
		11,351.77	**27,550.52**	**18,992.40**	**19,909.89**	
	Provision made against above	(1,062.00)			(1,062.00)	
		10,289.77	**27,550.52**	**18,992.40**	**18,847.89**	

(b) Particulars of Guarantee given:

(Rs. in Lakhs)

Sr. No	Name of the financial institutions / banks/NBFC	Opening Balance	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
1	Axis Bank Limited	15,000.00	-	15,000.00	-	Corporate gurantee has been given for loan taken for business purpose by Wise zone builders private limited, step down subsidiary
2	ICICI Bank	-	16,200.00	-	16,200.00	Corporate gurantee has been given for loan taken by Max Estates Limited and Wise Zone Builders Private Limited for construction of Max House Okhla and LRD of Max Towers respectively
		15,000.00	**16,200.00**	**15,000.00**	**16,200.00**	

Notes forming part of the standalone financial statements

(c) Particulars of Investments made in equity and debentures:

(Rs. in Lakhs)

Sr. No	Name of the Investee	As at March 31, 2019	Investment made	Investment redeemed	As at March 31, 2020	Purpose
	Investment in Equity					
1	Max Speciality Films Limited	10,017.83	-	-	10,017.83	Strategic investment
2	Max Estates Limited	6,800.00	991.00	-	7,791.00	Strategic investment
3	Max Asset Services Limited (formerly known as Max Learning Limited)	205.00	-	-	205.00	Strategic investment
4	Max I. Limited	3,007.62	-	(334.94)	2,672.68	Strategic investment
5	Wise Zone Builders Private Limited	89.15	67.60	-	156.75	Corporate guarantee
6	Max Estates Limited	-	14.36	-	14.36	Corporate guarantee
	Investment in Debentures					
1	Max I. Limited	5,322.08	(908.35)	-	4,413.73	Strategic investment
2	Max Estates Limited	35,187.00	1,777.00	-	36,964.00	Strategic investment
		60,628.68	**1,941.61**	**(334.94)**	**62,235.35**	

36 During the year ended March 31, 2019, the Company 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.

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**

*Actual expenses incurred were INR 504.71 lakhs

Notes forming part of the standalone financial statements

(Rs. in Lakhs)

	Planned	Actual
Net proceeds of the issue after deducting the issue related expenses from the rights issue	44,396.51	44,396.51
Utilization:		
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		**-**

37 Changes in liabilities arising from financing activities

Particulars	1-Apr-19	Cash flows	New leases	31-Mar-20
Current lease liabilities	-	-	352.43	352.43
Non- current borrowings	7.69	(7.69)	-	-
Non-current lease liabilities	-	-	2,325.79	2,325.79
Total liabilities from financing activities	**7.69**	**(7.69)**	**2,678.22**	**2,678.22**

Particulars	1-Apr-18	Cash flows	New leases	31-Mar-19
Non- current borrowings	8.71	(1.02)	-	7.69
Total liabilities from financing activities	**8.71**	**(1.02)**	**-**	**7.69**

38 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital attributable to the equity shareholders of the Company, securities premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio upto maximum of 40%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Notes forming part of the standalone financial statements

	As at March 31, 2020	As at March 31, 2019
Borrowings	-	7.69
Other financial liabilities	103.67	171.64
Trade payables	-	-
Less: Cash and Cash equivalents	459.18	308.46
Net Debt	(355.51)	(129.13)
Equity	85,823.09	84,662.00
Total Equity	**85,823.09**	**84,662.00**
Total Capital and net debt	**85,467.58**	**84,532.87**
Gearing ratio	-0.42%	-0.15%

39 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 Company 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 financial results. Basis this the management has concluded that neither there is any material adverse impact on operations of the Company nor any material adjustments required at this stage in the financial results of the Company 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 Ind AS financial results and the Company will continue to monitor any material changes to future economic conditions.

40 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 have been regrouped/ rearranged wherever necessary to make them comparable.

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