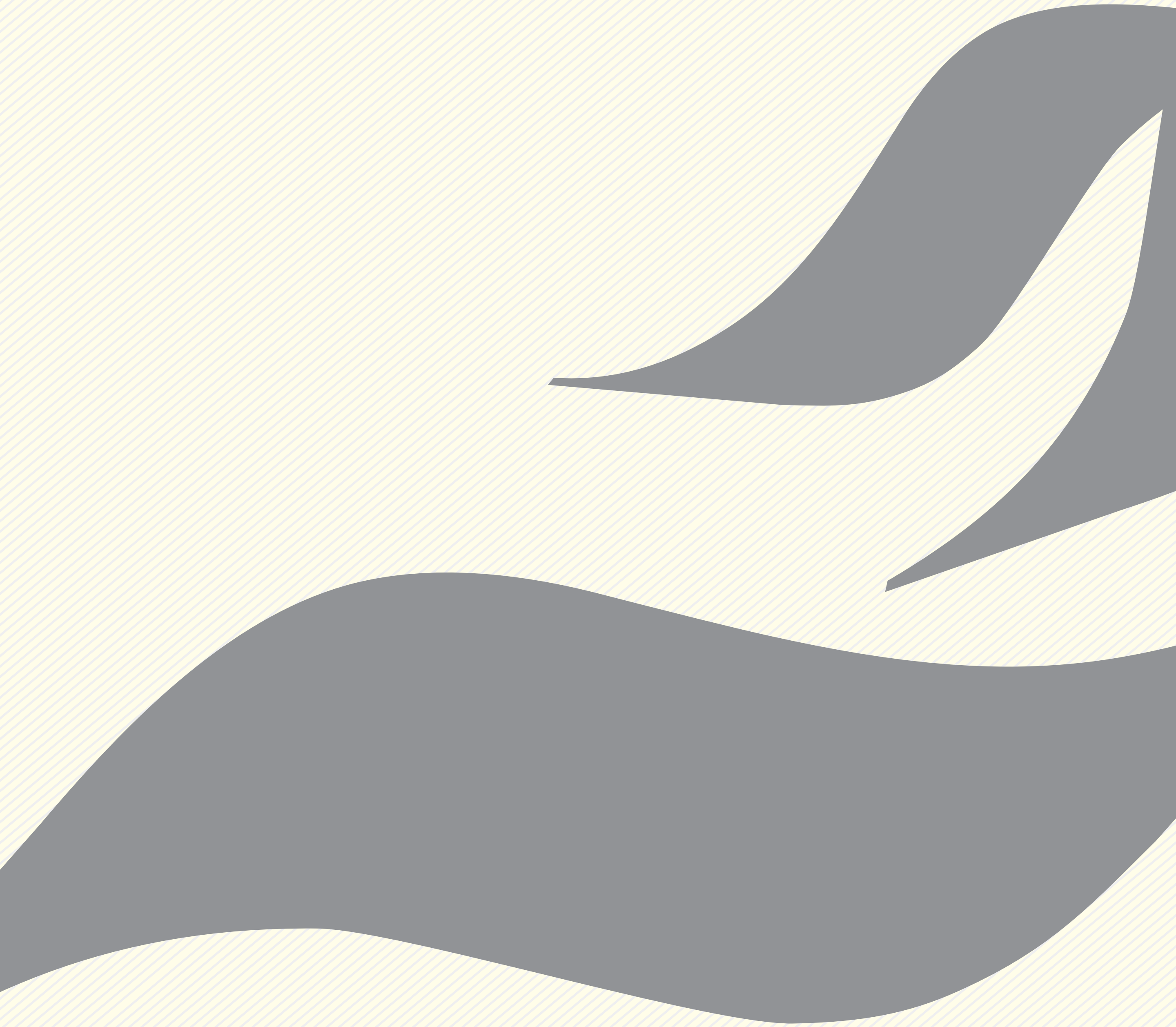
Pharmax Corporation Limited

Annual Report 2019-20



Board of Directors

Mr. Kishansingh Ramsinghaney

Mr. Rishi Raj

Mr. Anshul Gaurav

Mrs. Kiran Sharma

Mr. Sanjay Khandelwal

Chief Financial Officer

Mr. Archit Goyal

Auditors

Dewan P. N. Chopra & Co.

Chartered Accountants

Bankers

HDFC Bank Limited

IDBI Bank Limited

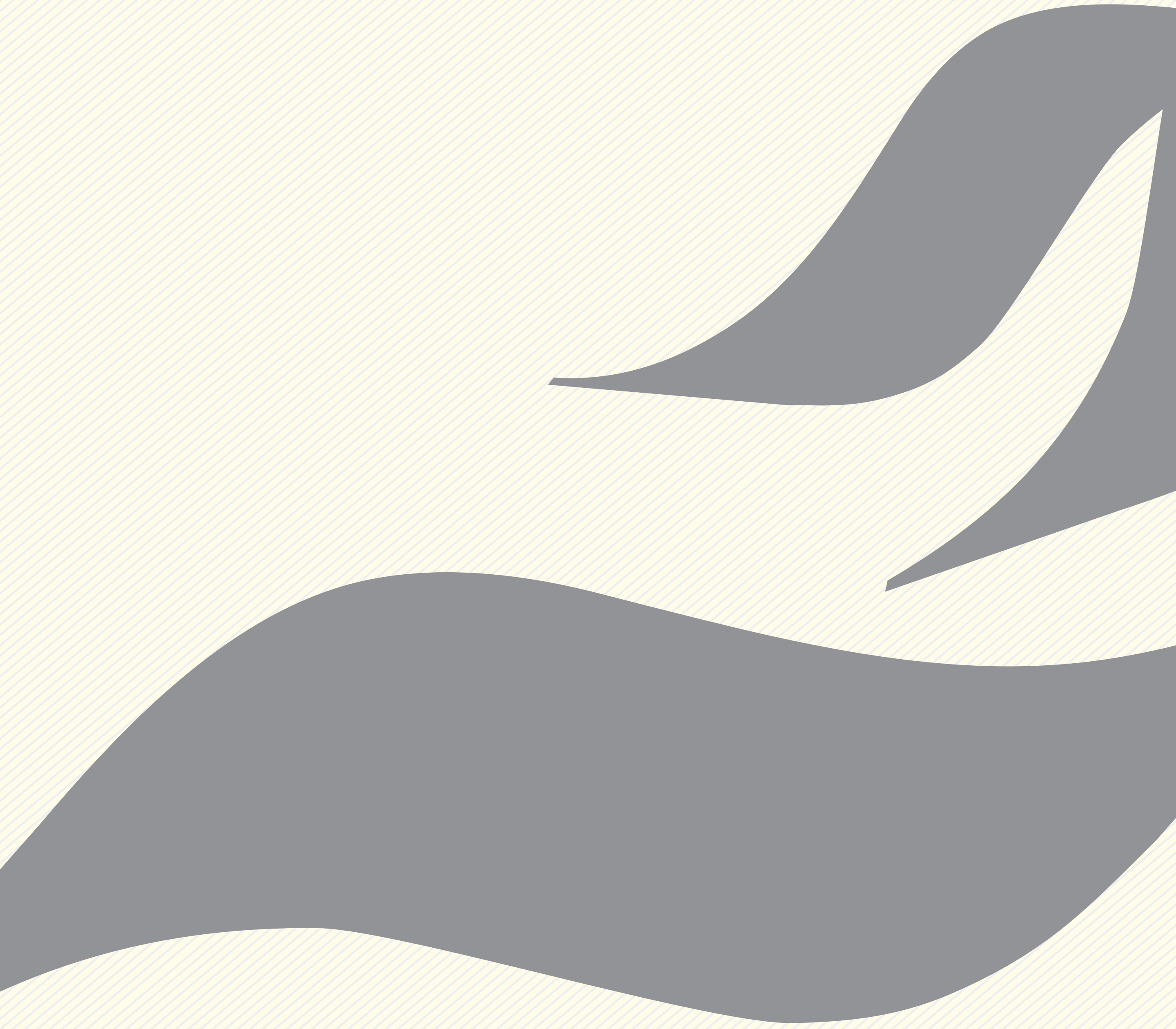
Registered Office

Bhai Mohan Singh Nagar

Village Ralimajra, Tehsil Balachaur

District - Nawanshahr

Punjab - 144 533



CONTENTS

Board's Report

Dear Members,

Your Directors have great pleasure in presenting the 31st Board's Report together with the Audited Financial Statements for the Financial Year ended March 31, 2020 ("FY 2020").

FINANCIAL RESULTS & OPERATIONS

Standalone Financial Results

The standalone financial performance of your Company is summarized below:

(Rs. in Lakhs)

Particulars	FY 2020	FY 2019
Revenue from Operations	21.67	164.59
Other Income	25.60	1,634.73
Total Income	**47.27**	**1,799.32**
Finance costs	164.53	145.98
Depreciation and amortization expense	8.84	42.36
Other expenses	117.37	501.9
Employee benefits expense	0.81	-
Total Expense	**291.55**	**690.24**
Profit/(Loss) before tax	**(244.28)**	**1,109.08**
Tax Expense		
Current tax	3.65	244.79
MAT credit entitlement	-	(203.95)
Tax related to previous years	6.51	-
Deferred tax	109.23	(79.41)
Profit for the period	**(363.67)**	**1,147.65**
Total Comprehensive Income for the period	(363.67)	1,147.65
EPS	(0.66)	2.07

Consolidated Financial Results

The consolidated financial performance of your Company and its associate company is summarized below:

(Rs. in Lakhs)

Particulars	FY 2020	FY 2019
Revenue from Operations	21.67	164.59
Other Income	6.18	1634.73
Total Income	**27.85**	**1799.32**
Finance costs	164.53	145.98
Depreciation and amortization expense	8.84	42.36
Other expenses	476.59	501.9
Employee benefits expense	0.81	**-**
Total Expense	**650.77**	**690.24**
Profit/(Loss) before share of profit of joint venture and tax	**(622.92)**	**1109.08**

Particulars	FY 2020	FY 2019
Share of profit of Joint Venture	19.37	57.29
Profit/(loss) before Tax	**(603.55)**	**1,166.37**
Tax Expense		
Current tax	3.65	244.79
MAT credit entitlement	-	(203.95)
Tax related to previous years	6.51	-
Deferred tax	109.23	(79.41)
Profit for the period	**(722.94)**	**1204.94**
Total Comprehensive Income for the period	(720.86)	1204.95
EPS	(1.30)	2.18

In accordance with the Companies Act, 2013 ("the Act"), the audited consolidated financial statements are provided as part of this Annual Report and shall also be laid before the ensuing Annual General Meeting of the Company.

The Standalone and Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

SHARE CAPITAL

There is no change in the Authorized Capital of the Company during FY 2020 which stood at Rs. 25,70,00,000/- (Rupees Twenty Five Crore Seventy Lakh only) comprising of (i) 6,00,00,000 equity shares of Re. 1 each, (ii) 4,70,000 – 10% Cumulative Convertible Preferences Shares of Rs. 100/- each and (iii) 15,00,000 – 9% Cumulative Redeemable Preference Shares of Rs. 100/- each as on March 31, 2020.

The Board of Directors of the Company had allotted 1,15,400 -10% Cumulative Convertible Preference Shares of face value of Rs.100/- (Rupees One Hundred only) each (the "CCPS"), at an issue price of Rs. 1,300/- (Rupees One Thousand Three Hundred only) each for cash to Max Estates Limited, Holding Company on March 30, 2020 on a preferential basis.

Further, the Board of Directors of the Company vide resolution passed on March 30, 2020 had also redeemed 15,00,000 (Fifteen Lakhs) 9% Cumulative Redeemable Preference Shares of Rs. 100/- (Rupees One Hundred Only) each issued and allotted by the Company on April 1, 2000.

The Paid-up Capital of the Company as on March 31, 2020 stood at Rs. 6,68,65,752/- (Rupees Six Crore Sixty Eight Lakh Sixty Five Thousand Seven Hundred and Fifty Two Only) comprising of 5,53,25,752 fully paid up equity shares of Re. 1/- each and 1,15,400 fully paid up 10% Cumulative Convertible Preference Shares of Rs. 100/- each. Further, the Company also have 2,65,960 forfeited equity shares of Re. 1/- each.

HOLDING, SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANY

On November 25, 2019, Max India Limited, the erstwhile holding company of your Company sold its entire equity shareholding in your Company to Max Estates Limited. Accordingly, effective that date, your Company became a subsidiary of Max Estates Limited. Further, Max Ventures and Industries Limited is the ultimate Holding Company of your Company.

Further, the Company has sold 74,87,251 (Seventy Four Lac Eighty Seven Thousand Two Hundred and Fifty One) fully paid up Equity Shares of Rs. 10/- (Rupees Ten Only) each held by the Company in Forum I Aviation Private Limited by way of outright sale on March 17, 2020.

Your Company does not have any subsidiary, associate or joint venture as on March 31, 2020.

Form AOC-1 containing the salient features of financial statements of the Company's associate during FY 2020 i.e. Forum I Aviation Private Limited, is enclosed with this Report as **Annexure-1**. The basic details of the associate of the Company form part of the Extract of Annual Return given in **Annexure-5** to this Report.

DIVIDEND

Considering future plans of the Company, your directors have not recommended any dividend for FY 2020.

BOARD OF DIRECTORS

The composition of the Board of Directors of your Company as at March 31, 2020, is as follows:

S. No.	Name of Director	Designation
1	Mr. Rishi Raj	Managing Director
2	Mr. Kishansingh Ramsinghaney	Director
3	Mr. Anshul Gaurav	Director
4	Mr. Sanjay Khandelwal	Independent Director
5	Ms. Kiran Sharma	Independent Director

Mr. Jatin Khanna, Managing Director and Mr. Patnam Dwarakanath, Director resigned from the Board of Directors of the Company w.e.f. November 25, 2019. The Board places on record the appreciation for the valuable contribution made by them during their association with the Company

Further, during FY 2020, Mr. Rishi Raj was appointed as an Additional Director in the capacity of Managing Director and Mr. Anshul Gaurav was appointed as an Additional Director of the Company effective from November 25, 2019 till ensuing Annual General Meeting of the Company ("AGM"). Mr. Rishi Raj has resigned as Managing Director of the Company w.e.f. May 19, 2020 and continues to be a Non-Executive Director.

Further, the Board of Directors of the Company in its meeting held on July 28, 2020 has re-appointed Ms. Kiran Sharma and Mr. Sanjay Khandelwal, Independent Directors of the Company for another term of 5 (five) years subject to the approval of Members of the Company.

The Company has received notice under Section 160 of the Companies Act, 2013, from Max Estates Limited, proposing candidature of Mr. Rishi Raj and Mr. Anshul Gaurav for appointment as Directors and for Ms. Kiran Sharma and Mr. Sanjay Khandelwal for appointment as Independent Directors of the Company. The Board of Directors recommend to the Members, their appointment at the ensuing AGM.

Furthermore, in terms of Section 152 of the Act, Mr. Kishansingh Ramsinghaney shall retire at the ensuing AGM and being eligible, offers himself for re-appointment. The Board of Directors recommend to the Members, his re-appointment at the ensuing AGM.

The relevant information containing detailed profiles of the directors seeking appointment / re-appointment forms part of the Notice of AGM.

BOARD MEETINGS

The Board met 09 (nine) times during the FY 2020 as detailed below:

S. No.	Date of Meeting	No. of Directors entitled to attend	No. of Directors attended
1.	April 19, 2019	05	04
2.	May 28, 2019	05	05
3.	June 26, 2019	05	04
4.	August 7, 2019	05	04
5.	October 30, 2019	05	04
6.	November 25, 2019	07	07
7.	February 06, 2020	05	05
8.	February 12, 2020	05	05
9.	March 23, 2020	05	05

The attendance of the Directors at the aforesaid meetings is as follows:

Name of Director	No. of Meetings	
	Held during tenure	Attended
Mr. Rishi Raj*	04	04
Mr. Kishansingh Ramsinghaney	09	05
Mr. Anshul Gaurav*	04	04
Mr. Sanjay Khandelwal	09	09
Ms. Kiran Sharma	09	09
Mr. P. Dwarakanath**	06	05
Mr. Jatin Khanna**	06	05

**Appointed with effect from November 25, 2019*

***Resigned from the position of Director w.e.f. November 25, 2019*

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

In terms of Section 149(7) of the Act, the Company has received declaration of Independence from its Independent Directors namely Ms. Kiran Sharma and Mr. Sanjay Khandelwal. Also, the Board has evaluated the independence of Directors and opines that the Independent Directors fulfil the conditions specified in the Act and are independent of the Management.

COMMITTEE OF BOARD OF DIRECTORS

The Company had following committees as at March 31, 2020, which have been established in compliance with the requirements of the relevant provisions of applicable laws and statutes.

1. **Audit Committee**

During FY 2020, the Board of Directors have reconstituted the composition of Audit Committee in its meeting held on November 25, 2019 pursuant to changes in the Board of Directors. The Audit Committee of the Company as on March 31, 2020 comprised of Mrs. Kiran Sharma, Mr. Sanjay Khandelwal and Mr. Rishi Raj.

The Committee met 02 (two) times during FY 2020 viz. on May 28, 2019 & February 06, 2020. The composition of the Committee, details of the meeting and attendance thereof are as follows:

Name of the Director	Designation	No. of Meetings	
		Held during tenure	Attended
Mrs. Kiran Sharma	Member	02	02
Mr. Sanjay Khandelwal	Member	02	02
Mr. Rishi Raj*	Member	01	01
Mr. Jatin Khanna**	Member	01	01

**Appointed as a member effective from November 25, 2019*

***Resigned effective from November 25, 2019*

2. **Nomination & Remuneration Committee**

During FY 2020, the Board of Directors have reconstituted the composition of Nomination & Remuneration Committee in its meeting held on November 25, 2019 pursuant to changes in the Board of Directors. The Nomination & Remuneration Committee of the Company as on March 31, 2020 comprised of Mrs. Kiran Sharma, Mr. Sanjay Khandelwal and Mr. Rishi Raj.

The Committee met 03 (three) times during FY 2020 viz. on April 19, 2019, October 30, 2019 and November 25, 2019. The composition of the Committee, details of the meeting and attendance thereof are as follows:

Name of the Director	Designation	No. of Meetings	
		Held during tenure	Attended
Mrs. Kiran Sharma	Member	03	03
Mr. Sanjay Khandelwal	Member	03	03
Mr. Rishi Raj*	Member	Nil	Nil
Mr. Jatin Khanna**	Member	03	03

**Appointed as a member effective from November 25, 2019*

***Resigned as member of Committee effective from November 25, 2019*

3. **Stakeholders Relationship Committee:**

During FY 2020, the Board of Directors have reconstituted the composition of Stakeholders Relationship Committee in its meeting held on November 25, 2019 pursuant to changes in the Board of Directors. The Stakeholders Relationship Committee of the Company as on March 31, 2020, comprised of Mr. Kishansingh Ramsinghaney, Mr. Anshul Gaurav and Mr. Rishi Raj.

The Committee met once during FY 2020 viz. on November 25, 2019. The composition of the Committee, details of the meeting and attendance thereof are as follows:

Name of the Director	Desig-nation	No. of Meetings	
		Held during tenure	Attended
Mr. Kishansingh Ramsinghaney	Member	01	Nil
Mr. Anshul Gaurav*	Member	Nil	Nil
Mr. Rishi Raj*	Member	Nil	Nil
Mr. Jatin Khanna**	Member	01	01
Mr. Patnam Dwarakanath**	Member	01	01

**Appointed as a Member effective from November 25, 2019*

***Resigned effective from November 25, 2019*

4. **Committee of Independent Directors:**

The Committee of Independent Directors comprising of Ms. Kiran Sharma and Mr. Sanjay Khandelwal met on May 28, 2019 to:

1. Review the performance of non-independent Directors and the Board as a whole; and

2. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The review concluded by affirming that the Board as a whole as well as all of its members, individually and the Committees of the Board continued to display commitment to good governance by ensuring a constant improvement of processes and procedures and contributed their best in overall growth of the organization.

5. **Corporate Social Responsibility Committee:**

During FY 2020, in compliance Section 135 of the Companies Act, 2013, the Board of Directors of the Company has constituted a Corporate Social Responsibility Committee in its meeting held on February 06, 2020. The terms of reference of the CSR Committee are in line with the relevant provisions of the Act.

The Committee met once during FY 2020 i.e. on February 12, 2020. The composition of the Committee, details of the meeting and attendance thereof are as follows:

Name of the Director	Designation	No. of Meetings	
		Held during tenure	Attended
Mr. Rishi Raj	Member	01	01
Mr. Anshul Gaurav	Member	01	01
Mr. Sanjay Khandelwal	Member	01	01

Except as disclosed above, the Company is not required to constitute any other Committee of the Board of Directors under the provisions of the Act and the Rules made thereunder.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

Pursuant to Section 135 of the Act and Rules made thereunder, the CSR Committee of the Company had formulated and recommended the CSR Policy indicating therein the projects or programs, the Company plans to undertake, falling within the purview of Schedule VII to the Act, which had also been approved by the Board of Directors of the Company. The said policy forms part of this report as **'Annexure- 2'**.

Further, your Company was not required to spend any amount during FY 2020 towards CSR activities in compliance with Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014. An Annual Report on CSR forms part of this report as **'Annexure- 3'**.

KEY MANAGERIAL PERSONNEL

During the FY 2020, following changes took place in the Key Managerial Personnel of the Company:

1. Mr. Ankit Kalra was appointed as the Chief Financial Officer (CFO) of the Company w.e.f. April 19, 2019;

2. Ms. Jyoti Antil was appointed as Company Secretary of the Company w.e.f. October 30,

2019 in place of Ms. Priya Mehrotra who resigned from the position of Company Secretary of the Company effective from closure of Business hours on April 30, 2019.

3. Mr. Rishi Raj was appointed as Managing Director by the Board of Directors of the Company in its meeting held on November 25, 2019 and he has stepped down as Managing Director of the Company w.e.f. May 19, 2020 and continues to be a Non-Executive Director of the Company;

4. Mr. Archit Goyal was appointed as CFO of the Company w.e.f. November 25, 2019 in place of Mr. Ankit Kalra who has resigned from the position of CFO w.e.f. November 25, 2019; and

5. Ms. Jyoti Antil resigned from the position of Company Secretary of the Company effective from closure of Business hours on March 15, 2020.

UPDATES ON RE-DEVELOPMENT OF MAX HOUSE PROPERTY

Max House, New Delhi will be a LEED Gold office development (~0.3 mn sq. ft.) located within walking distance from Okhla NSIC metro station in the heart of New Delhi. Phase 1 of the development scheduled to be completed and handed over to tenants for occupation in early Q2 of FY 21 after factoring in some delays due to the 'lock down'. Once completed this will be tallest building in Okhla industrial area and would command premium views of the Baha'i Temple (Lotus Temple). Under Phase 2 of the development construction is expected to start by Q4 FY 21.

While we expect some delays in leasing decisions by occupiers in light of COVID-19 triggered uncertainty across businesses, our business development and leasing teams have productively used the time during the lock-down in getting the digital leasing toolkit ready. Additionally, just prior to the lockdown triggered by COVID-19 development, the Company was in the advanced stages of discussion on pre-commitment of ~40 percent of office space in Phase 1 of the Max Towers, Okhla project. We expect these discussions to resume post lockdown as clients start to settle down in respective businesses.

POLICY ON QUALIFICATION AND REMUNERATION FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND OTHER EMPLOYEES

The Company has framed a Policy for determining qualifications, positive attributes and independence of a Director and remuneration for the Directors, Key Managerial Personnel and other employees. The Policy is attached herewith marked as **Annexure-4.**

PUBLIC DEPOSITS

During FY 2020, the Company has not accepted or renewed any deposits from the public.

LOANS, GUARANTEES OR INVESTMENTS IN SECURITIES

The details of loans, guarantees and investments pursuant to the provisions of Section 186 of the Act have been provided in Notes 5, 6, 7 and 22 to the standalone financial statements of the Company for the FY 2020 enclosed with this Annual Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions entered during the financial year were in the ordinary course of business of the Company and were on arm's length basis. Accordingly, the requirement of furnishing details in Form AOC-2 are not applicable to the Company.

Further, there were no materially significant related party transactions entered by the Company with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company.

TRANSFER TO RESERVES

The closing balance of retained earnings of the Company for FY 2020, after all appropriations and adjustments was Rs. (3.66) Crores.

AUDITOR & AUDITORS' REPORT

Pursuant to Sections 139 & 142 of the Act, M/s. Dewan P. N. Chopra & Co., Chartered Accountants (FRN. 000472N) was appointed as the Statutory Auditors of the Company at 28th Annual General Meeting held on September 26, 2017 to hold office for a period of five consecutive years till the conclusion of the 33rd Annual General Meeting, subject to ratification of their appointment by members at every Annual General Meeting required by the Companies Act 2013.

The Ministry of Corporate Affairs vide its notification dated May 7, 2018, has done away with the requirement of seeking ratification of members for appointment of auditors at every Annual General Meeting. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors.

The Notes to the Financial Statements read with the Auditors' Reports are self-explanatory and therefore, do not call for any further comments or explanations. There are no audit qualifications or reporting of fraud in the Auditors Report issued by M/s Dewan P. N Chopra & Co., Statutory Auditors of the Company for the FY 2020 as annexed elsewhere in this Annual Report.

INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During FY 2020, such controls were tested and no reportable material weaknesses in the design or operation were observed.

REPORTING OF FRAUDS BY AUDITORS

During FY 2020, the statutory auditors have not reported to the Board, any instances of fraud committed against the Company by its officers or employees under Section 143(12) of the Act, the details of which would needs to be mentioned in the Board's Report.

PARTICULARS OF EMPLOYEES

There is no employee in the Company as on March 31, 2020.

SECRETARIAL STANDARDS

Your Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), from time to time.

RISK MANAGEMENT POLICY

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organizational structure, processes, standards, code of conduct and behavior together form Risk Management Policy that governs how the Company conducts the business and manages associated risks.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO

The disclosures to be made under sub-section (3) (m) of Section 134 of the Act read with Rule (8) (3) of the Companies (Accounts) Rules, 2014 by your Company are explained as under:

(A) Conservation of Energy & Technology Absorption

The Company has taken measures to reduce the energy consumption, by using energy efficient equipment, incorporating latest technology and regular maintenance. No expenditures were incurred on Research and Development.

(B) Foreign Exchange Earnings and Outgo

There has been no foreign exchange earnings and outgo during FY 2020.

EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Act, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extracts of the Annual Return as at March 31, 2020 forms part of this report as **Annexure-5**.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Act, it is hereby confirmed that:

(a) In the preparation of the annual financial statements, the applicable accounting standards had been followed along with proper explanation relating to material departures;

(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit/(loss) of the Company for that period;

(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) The Directors had prepared the annual financial statements on a going concern basis;

(e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company has requisite policy in place, for prevention, prohibition and redressal of sexual harassment of women at workplace ("Policy"). This comprehensive policy ensures gender equality and the right to work with dignity. The Internal Complaints Committee (ICC) has been constituted as per provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During FY 2020 and till the date of this report, no complaint under the said Act has been reported to ICC.

MATERIAL CHANGES AFFECTING FINANCIAL POSITION

There were no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2020 and the date of the Directors' report i.e. July 28, 2020.

SIGNIFICANT AND/OR MATERIAL ORDERS PASSED BY REGULATORS OR THE COURTS

There were no significant and/or material orders passed against your Company by the regulators / courts / tribunals during FY 2020 review impacting the going concern status and your Company's operations in future

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation for the co-operation and assistance received from Shareholders, Bankers, Regulatory Bodies and other business constituents during FY 2020.

By Order of the Board
For Pharmax Corporation Limited

	Rishi Raj	**Kishansingh Ramsinghaney**
Date: July 28, 2020	Director	Director
Place: New Delhi	DIN: 08490762	DIN: 00329411

Annexure- 1

Form AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

Part A – Subsidiaries

Not Applicable since there is no subsidiary of the Company.

PART – B – Associates and Joint Ventures

(Amount Rs. in Lakhs, except otherwise stated)

S. No.	Particulars	Forum I Aviation Private Limited #
1.	Latest audited Balance Sheet Date	March 31,2020*
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	Nil
	Amount of Investment in Associates/Joint Venture	Nil
	Extend of Holding %	Nil
3.	Description of how there is significant influence	Holding 20% of shares till 17 March 2020#
4.	Reason why the associate/joint venture is not consolidated	NA
5.	Networth attributable to Shareholding as per latest audited Balance Sheet	Nil
6.	Profit / Loss for the year	
	Considered in Consolidation	21.45 (including OCI)**
	Not Considered in Consolidation	45.36

The Company has sold its entire shareholding i.e. 74,87,251 (Seventy Four Lakh Eighty Seven Thousand Two Hundred and Fifty One) fully paid up equity shares of Rs. 10/- (Rupees Ten Only) each held by the Company in Forum I Aviation Private Limited by way of outright sale on March 17, 2020.

*Consolidated financial statements include unaudited financial statements of Forum I Aviation Private Limited.

**OCI- Other Comprehensive Income

By Order of the Board
For Pharmax Corporation Limited

Rishi Raj
Director
DIN: 08490762

Kishansingh Ramsinghaney
Director
DIN: 00329411

Date: July 28, 2020
Place: New Delhi

Archit Goyal
(Chief Financial Officer)

Annexure - 2

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. PREAMBLE

1.1 Corporate Social Responsibility has been an area of focus for the Max Group and Pharmax Corporation Limited ("**PCL**" or **the** "**Company**") since inception. Max Group being in the "*Business of Life*", there has been a conscious effort to make a difference in the lives of the less privileged through its CSR initiatives. PCL by giving due priority to CSR has and will attempt to effect positive change in the quality of life of the underserved in line with the Group philosophy.

1.2 The Companies Act, 2013 brings an even greater emphasis on CSR with Rules that provide guidance on minimum CSR spend, reporting mechanism, review structure and reporting to the shareholders of the Company. A CSR Committee has been formed at the Board level to oversee CSR activities of the Company.

1.3 Further to the above stated, the Board shall approve the CSR Policy as formulated and proposed by the CSR Committee with an objective to outline its CSR focus areas, recommending the amount of CSR Expenditure, execution process, review & monitoring mechanism, and, reporting process to the Management and the Board of Directors of the Company.

II. PHILOSOPHY & OBJECTIVES

PCL has the vision to facilitate Intellectual & Financial Capital to promising and proven early-stage organizations across identified sunrise sectors. Care for the environment and community is PCLs' Core Value to bring about strong social relevance. Our objective is to make a meaningful and sustained impact on the lives of the beneficiaries of our programs.

III. DEFINITIONS AND INTERPRETATIONS

"CSR" means corporate social responsibility.

"**Act**" shall mean the Indian Companies Act, 2013, along with amendments thereto.

"**CSR Activities**" shall mean the permissible CSR activities as per Schedule VII to the Act including but not limited to the following –

(i) Health & Hygiene;
(ii) Sanitation;
(iii) Education;
(iv) Rural Development;
(v) Social and Economic Development;
(vi) Environment;
(vii) Protection of National Heritage, Art and Culture;
(viii) Armed Forces, War Widows and their dependents;
(ix) Sports;
(x) Technology Incubators; and,
(xi) Slum area development.

"**CSR Committee**" shall mean the CSR Committee of the Board instituted by the Company.

"**CSR Rules**" shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time.

"**PCL CSR Policy**" or "**CSR Policy**" shall mean this CSR Policy of PCL.

"**Max Group**" shall mean (i) Max Ventures and Industries Limited, (ii) Max India Limited, (iii) Max Financial Services Limited and the their subsidiaries/ associates.

"Max India Foundation" means the registered not-for-profit Trust, founded by Max India Limited as its Founder/Settlor on January 31, 2002.

"**Implementation Plan**" shall mean the annual implementation plan in respect of the CSR Activities as may be approved by the authorised officials appointed by the CSR Committee of PCL.

"**Rules**" shall mean the rules prescribed under the Companies Act, as amended from time to time.

"**Schedule VII**" shall mean the Schedule VII under the Act.

IV. MODALITIES OF EXECUTION AND IMPLEMENTATION SCHEDULES

1.1 Implementation approach: The CSR activities shall be executed by the Company through following modes:

(a) either directly by the Company, and/ or

(b) through Max India Foundation which will in turn work with relevant credible NGOs and organisations to execute work on the ground.

1.2 NGO Support: Max India Foundation will execute projects with the help of NGOs and employee engagement. Max India Foundation may seek the support of NGOs who are working on ground on issues decided upon. Max India Foundation will also provide requisite training support to volunteers to carry out / support in CSR activities.

1.3 Volunteering: PCL and Max India Foundation should work together to create a comprehensive Employee Volunteering programme to ensure greater participation of employees in CSR activities. This programme should also include the recognition programme for CSR volunteers. PCL Management will encourage volunteer programmes / participation of the PCL employees.

1.4 Modality of Execution of CSR Activities: The Company shall execute and undertake the CSR activities in compliance with the provisions of Section 135 of the Act and in line with Implementation Plan.

1.5 While formulating the implementation plan, following points must be taken care of:

(i) Programme Objective
(ii) Duration of the programme
(iii) Funds allocated to the programme
(iv) Implementation schedule
(v) Responsibilities and authorities
(vi) Major results expected and measurable outcome
(vii) Effective monitoring and evaluation

1.6 Geographical Areas for CSR Activities:

PCL shall undertake the CSR activities in and around the areas where the Company operates or as may be identified in consultation with Max India Foundation.

V. CSR FUNDING AND CSR EXPENDITURE

5.1 **CSR Budget**: In order to ensure funding for the CSR Activities, PCL shall strive to allocate 2% (two per cent) of the average net profits made by the Company (Shareholders' Profit) in its immediately preceding three financial years.

5.2 **CSR Expenditure:** The Implementation Plan of the Company shall include the CSR expenditure in line with the CSR budget. The implementation plan shall be presented before the CSR Committee **/** Board on an annual basis or as and when required by the CSR Committee/ Board.

5.3 **Declaration**: The Company hereby declares that any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

VI. Monitoring Process of CSR Activities

1.1 Approval of Implementation Plan – CSR Committee shall authorise from time to time the officials of the Company/ Holding Company to formulate the

Implementation Plan. In this regard, any Director of the Company and Head- Human Resource and Business Strategy of Max Ventures and Industries Limited, the ultimate holding Company, are authorised to formulate, approve and modify the Implementation Plan of the Company. Human Resource Department/Implementation Team shall be responsible to present the progress updates before the CSR Committee/ Board as may be required from time to time.

1.2 Reporting to CSR Committee- Human Resource Department/ Implementation Team of the Company in consultation with Max India Foundation shall provide a detailed progress report on the CSR activities to the CSR Committee annually or at such intervals and at such times as the CSR Committee shall require to do so. The progress on CSR activities selected by the Company shall be reported in the Annual Report in the format prescribed under CSR Rules.

1.3 Reporting to the Board- The CSR Committee shall submit its report giving status of the CSR Activities undertaken, CSR Expenditure incurred and such other details as may be required by the Board, in accordance with applicable laws.

1.4 Board Report and Annual Report-The Board shall publish this Policy and an annual report on CSR Activities as per applicable laws.

By Order of the Board
For Pharmax Corporation Limited

Date: July 28, 2020
Place: New Delhi

Rishi Raj
Director
DIN: 08490762

Kishansingh Ramsinghaney
Director
DIN: 00329411

Annexure – 3

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1.	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	:	The Board of Directors has adopted a CSR Policy as recommended by the Corporate Social Responsibility Committee. The CSR Policy comprises Vision and Mission Statement, philosophy and objectives. Under the said policy, the Company had proposed to undertake or contribute for the activities relating to community development, promotion of healthcare and education etc.
2.	The Composition of the CSR Committee as at March 31, 2020	:	a) Mr. Rishi Raj b) Mr. Anshul Gaurav c) Mr. Sanjay Khandelwal
3.	Average net profit of the Company for last three financial years	:	Nil
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	:	Not applicable as the Company does not meet criteria prescribed under Section 135 of the Companies Act, 2013 and Rules framed thereunder for the last preceding Financial year ended on March 31, 2019
5.	Details of CSR spent during the financial year		
a)	Total amount to be spent for the financial year	:	Nil
b)	Amount spent during the FY 2020 towards CSR obligation	:	Not applicable
c)	Amount unspent, if any	:	Not applicable
d)	Manner in which the amount spent during the financial year is detailed below	:	Not applicable
6.	Reasons for not spending the prescribed amount	:	Not applicable
7.	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company	:	The CSR Committee of Company does confirm that the Company has implemented and monitored the CSR Policy in compliance with CSR objectives and policy.

By Order of the Board
For Pharmax Corporation Limited

Rishi Raj
Director
DIN: 08490762

Kishansingh Ramsinghaney
Director
DIN: 00329411

Date: July 28, 2020
Place: New Delhi

Annexure - 4

APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE COMPANIES ACT, 2013 ("THE ACT")

Preamble

In terms of Section 178 of the Act, the Nomination & Remuneration Committee ("NRC") shall formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel ("KMP") and other employees.

Appointment Criteria and Qualification

It is the responsibility of the NRC to develop competency requirements for the Board based on the industry and strategy of the Company. For this purpose, the NRC shall identify and ascertain the integrity, qualification, expertise and experience of the person, conduct appropriate reference checks and due diligence before recommending him /her to the Board.

For the appointment of KMPs [other than Managing Director/ Whole time Director/Manager/CEO], Senior Management and other employees, a person should possess adequate qualification, expertise and experience for the position, he / she is considered for the appointment.

Remuneration Policy

The remuneration policy of the Company is aimed at rewarding the performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice. This Policy has been adopted in accordance with the requirements of Section 178 of the Act with respect to the appointment and remuneration of the Directors, Key Managerial Personnel and Senior Management.

Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fee, as the case may be, to the Non-Executive/ Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board /shareholders. An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Act, as amended from time to time.

By Order of the Board
For Pharmax Corporation Limited

	Rishi Raj	**Kishansingh Ramsinghaney**
Date: July 28, 2020	Director	Director
Place: New Delhi	DIN: 08490762	DIN: 00329411

Annexure - 5

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2020

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS:

CIN	U24232PB1989PLC009741
Registration Date	27-09-1989
Name of the Company	Pharmax Corporation Limited
Category and Sub-category	Public Company / Company Limited by Shares
Address of the Registered office & contact details	Bhai Mohan Singh Nagar Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab 144 533. Phone : 01881-462000 Fax : 01881-273607
Whether listed company	No
Name, Address & contact details of the Registrar & Transfer Agent, if any.	MAS Services Limited T-34, 2nd Floor, Okhla Industrial Area, Phase – II, New Delhi – 110020 Phone : 011- 26387281/82/83 Fax : 011 – 26387384 E-mail : info@masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY: The Company has leasing of its properties (NIC code: 68100) situated at 1, Dr. Jha Marg, Okhla, New Delhi – 110 020 as its only business activity.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES- Particulars of Holding and Associate Companies as on March 31, 2020 are as under:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%of shares held	Applicable Section
1.	Max Estates Limited 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District Nawanshehar PB 144533	U70200PB2016PLC040200	Holding Company	85.17%	2 (46) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	4,71,22,747	4,71,22,747	85.17	4,71,22,747	-	4,71,22,747	85.17	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	
Total shareholding of Promoter (A)	**-**	**4,71,22,747**	**4,71,22,747**	**85.17**	**4,71,22,747**	**-**	**4,71,22,747**	**85.17**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	6,45,778	6,45,778	1.17	-	6,45,778	6,45,778	1.17	0.00
b) Banks / FI	2,12,033	1,00,875	3,12,908	0.56	2,12,033	1,00,875	3,12,908	0.56	0.00
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	1,43,834	1,43,834	0.26	-	1,43,834	1,43,834	0.26	0.00
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify) FDI	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**2,12,033**	**8,90,487**	**11,02,520**	**1.99**	**2,12,033**	**8,90,487**	**11,02,520**	**1.99**	**0.00**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	3,553	6,11,221	6,14,774	1.11	5,705	6,24,676	6,30,381	1.14	0.03
ii) Overseas	-	-	-	-	-	-	-	-	
b) Individuals									
ii) Individual shareholders holding nominal share capital up to Rs.2 lakh	8,414	64,54,376	64,62,790	11.68	56,074	63,91,109	64,47,183	11.65	(0.03)
c) Others (specify)									
Non Resident Indians / OCBs	-	22,921	22,921	0.04	-	22,921	22,921	0.04	0.00
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	**11,967**	**70,88,518**	**71,00,485**	**12.83**	**61,779**	**70,38,706**	**71,00,485**	**12.83**	**0.00**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**2,24,000**	**79,79,005**	**82,03,005**	**14.83**	**2,73,812**	**79,29,193**	**82,03,005**	**14.83**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**2,24,000**	**5,51,01,752**	**5,53,25,752**	**100.00**	**4,73,96,559**	**7,92,9193**	**5,53,25,752**	**100.00**	**0.00**

B) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year [As on April 1, 2019]			Shareholding at the end of the year [As on March 31, 2020]			% change in share-holding during the year
		No. of Shares	% of total Shares of the com-pany	%of Shares Pledged / encum-bered to total shares	No. of Shares	% of total Shares of the com-pany	% of Shares Pledged / encum-bered to total shares	
1.	Max India Limited	4,71,22,747	85.17%	0.00	0	0.0	0.00	(85.17%)
2.	Max Estates Limited	0	0.0	0.00	4,71,22,747	85.17%	0.00	85.17%
	TOTAL	**4,71,22,747**	**85.17%**	**0.00**	**4,71,22,747**	**85.17%**	**0.00**	**0.00**

C) **Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Shareholding		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Max India Limited**				
	At the beginning of the year	4,71,22,747	85.17		
	Increase / Decrease in Share-holding during the year - Shares sold to Max Estates Limited on November 25, 2019	(4,71,22,747)	(85.17)	Nil	Nil
	At the end of the year	**Nil**	**Nil**		
2.	**Max Estates Limited**				
	At the beginning of the year	Nil	Nil		
	Increase / Decrease in Share-holding during the year - Shares purchased from Max India Limited on November 25, 2019	4,71,22,747	85.17	4,71,22,747	85.17
	At the end of the year	**4,71,22,747**	**85.17**		

D) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	**Unit Trust of India**				
	At the beginning of the year	6,45,778	1.17		
	Increase / Decrease in Shareholding during the year	0	0	645778	1.17
	At the end of the year	6,45,778	1.17		

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
2.	**Medicare Investments Limited**				
	At the beginning of the year	4,50,000	0.81		
	Increase / Decrease in Shareholding during the year	0	0	4,50,000	0.81
	At the end of the year	450000	0.81		
3.	**General Insurance Corporation of India**				
	At the beginning of the year	2,12,033	0.38		
	Increase / Decrease in Shareholding during the year	0	0	2,12,033	0.38
	At the end of the year	2,12,033	0.38		
4.	**National Insurance Co. Ltd.**				
	At the beginning of the year	1,10,852	0.20		
	Increase / Decrease in Shareholding during the year	0	0	1,10,852	0.20
	At the end of the year	1,10,852	0.20		
5.	**SBI Capital Markets Limited**				
	At the beginning of the year	1,04,450	0.19		
	Increase / Decrease in Shareholding during the year	0	0	1,04,450	0.19
	At the end of the year	104450	0.19		
6.	**Canara Bank**				
	At the beginning of the year	1,00,875	0.18		
	Increase / Decrease in Shareholding during the year	0	0	1,00,875	0.18
	At the end of the year	1,00,875	0.18		
7.	**United India Insurance Co. Ltd.**				
	At the beginning of the year	32,982	0.06		
	Increase / Decrease in Shareholding during the year	0	0	32,982	0.06
	At the end of the year	32,982	0.06		
8.	**Sukhbir Singh Dhupia**				
	At the beginning of the year	28,310	0.05		
	Increase / Decrease in Shareholding during the year	0	0	28,310	0.05
	At the end of the year	28,310	0.05		
9.	**Shyam Sundar Mullick**				
	At the beginning of the year	20,000	0.04		
	Increase / Decrease in Shareholding during the year	0	0	20,000	0.04
	At the end of the year	20,000	0.04		
10.	**Salam Hasim Bardolia**				
	At the beginning of the year	20,000	0.04		
	Increase / Decrease in Shareholding during the year	0	0	20,000	0.04
	At the end of the year	20,000	0.04		

E) **Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Kishansingh Ramsinghaney				
	At the beginning of the year	338	0.00		
	Increase / Decrease in Shareholding during the year	0	0	338	0.00
	At the end of the year	338	0.00	338	0.00

IV. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment: **Nil**

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL -

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: The Company has not paid any Remuneration to its Managing Director.

B. Remuneration to other Directors:

Mrs. Kiran Sharma : Rs. 1.05 Lakhs /- (Sitting fees)
Mr. Sanjay Khandelwal : Rs. 1.13 Lakhs /- (Sitting fees)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

During the year under review, the Company paid Rs. 0.15 Lakhs /- to Ms. Priya Mehrotra, Company Secretary and Rs.0.81 Lakhs/- to Ms. Jyoti Antil, Company Secretary of the Company. No remuneration was paid to the Chief Financial Officer of the Company.

VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

By Order of the Board
For Pharmax Corporation Limited

Rishi Raj
Director
DIN: 08490762

Kishansingh Ramsinghaney
Director
DIN: 00329411

Date: July 28, 2020
Place: New Delhi

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Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of Pharmax Corporation Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the Standalone Financial Statements of Pharmax Corporation Limited ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by 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, and loss (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial statements of the current period 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 Companies Act, 2013, we give in the "Annexure A" statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

3. 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 other comprehensive income), statement of changes in equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements – Refer Note 22 to the Standalone Financial Statements;

      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 **Dewan P. N. Chopra & Co.**
Chartered Accountants
Firm Regn. No. 000472N

(Sandeep Dahiya)
Partner
Membership No. 505371
UDIN: 20505371AAAAET6849

Place of Signature: New Delhi
Date: 4th June, 2020

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph - 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date.)

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that::-

(i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipments.

(b) As explained to us, the management has physically verified the property, plant and equipments at reasonable intervals and no material discrepancies were noticed on such verification.

(c) The title deeds of immovable properties are held in the name of the Company.

(ii) The company does not have inventory, hence paragraph 3(ii) of this order is not applicable.

(iii) The company has granted 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.

(a) In our opinion, the rate of interest and other terms and conditions of such loans are not, prima facie, prejudicial to the company's interest.

(b) In our opinion, the schedule of repayment of principal and payment of interest has been stipulated and the repayments and/or receipts are regular.

(c) There are no overdue amounts overdue for more than 90 days.

(iv) In our opinion, in respect of loans, investments, guarantees, and security provisions of Section 185 and 186 of Companies Act, 2013 have been complied with.

(v) The company has not accepted any deposits, hence the paragraph 3(v) of the order is not applicable.

(vi) In our opinion, paragraph 3(vi) of the order is not applicable.

(vii) (a) On the basis of our examination of the records of the company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have generally been regularly deposited during the year by the company with the appropriate authorities, though there has been slight delay in a few cases to the extent applicable to it.

In our opinion, no undisputed amounts payable in respect of provident fund, income tax, goods and services tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) On the basis of our examination of the books of accounts and records, there is no dues of income tax or goods and services tax or sales tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited on account of any dispute

(viii) Company has not taken any loans from financial institutions, Banks, Government or through debentures during the audit period.

(ix) In our opinion the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans raised during the year have been applied for the purpose for which they were obtained.

(x) In our opinion, no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations given to us, No managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Hence, paragraph 3(xii) of the Order is not applicable.

(xiii) Based on our examination of the records of the Company and in our opinion, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) Based on our examination of the records of the Company, during the year, the Company has made private placement of 10% Cumulative Compulsory Preference Shares (refer note 11). The company has complied with the requirement of section 42 of the companies Act, 2013 and the amount raised have been used for the purposes for which the funds were raised.

(xv) Based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

(xvi) Based on our examination of the records of the Company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **Dewan P. N. Chopra & Co.**
Chartered Accountants
Firm Regn. No. 000472N

(Sandeep Dahiya)
Partner
Membership No. 505371
UDIN : 20505371AAAAET6849

Place of Signature: New Delhi
Date: 4th June, 2020

ANNEXURE – B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN ATE ON THE STANDALONE FINANCIAL STATEMENTS OF PHARMAX CORPORATION LIMITED

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

We have audited the internal financial controls over financial reporting of Pharmax Corporation Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the Standalone 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 **Dewan P. N. Chopra & Co.**
Chartered Accountants
Firm Regn. No. 000472N

(Sandeep Dahiya)
Partner
Membership No. 505371
UDIN: 20505371AAAAET6849

Place of Signature: New Delhi
Date: 4th June, 2020

Standalone Balance sheet

as at March 31, 2020

CIN- U24232PB1989PLC009741

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	3	5.21	238.39
Capital work-in-progress	3	-	578.73
Investment Property	4	2,168.75	-
Financial assets			
(i) Investment	5	-	699.06
(ii) Loans	6	38.00	38.00
Deferred tax assets (net)	20	43.83	153.06
		2,255.79	**1,707.24**
Current assets			
Financial assets	7		
(i) Loans		1,000.00	-
(ii) Trade receivables		2.39	10.76
(iii) Investments		-	129.35
(iv) Other financial assets		245.37	2,473.67
(v) Cash and cash equivalents		79.96	18.87
Other current assets	8	313.66	54.22
Current tax assets	9	5.60	6.27
		1,646.98	**2,693.14**
TOTAL ASSETS		**3,902.77**	**4,400.38**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	10	555.92	555.92
Other equity	10	(348.76)	1,967.46
Total equity		**207.16**	**2,523.38**
Non-current liabilities			
Financial liabilities	11		
(i) Borrowings		96.53	-
(ii) Other financial liabilities		12.70	101.23
		109.23	**101.23**
Current liabilities			
Financial liabilities	12		
(i) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		9.87	85.36
(ii) Other financial liabilities		3,561.83	1,509.93

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Other current liabilities	13	14.68	4.87
Current tax liabilities		-	175.61
		3,586.38	**1,775.77**
TOTAL LIABILITIES		**3,695.61**	**1,877.00**
TOTAL EQUITY AND LIABILITIES		**3,902.77**	**4,400.38**
Summary of significant accounting policies	2		
Other notes on accounts	3-36		

The accompanying notes are integral part of the financial statements

SANDEEP DAHIYA
Partner
Membership No. 505371

For and on behalf of
Dewan P.N. Chopra & Co.
Chartered Accountants
FRN : 000472N

Place : New Delhi
Date : 4th June, 2020

For and on behalf of the Board of Directors of
Pharmax Corporation Limited

Rishi Raj
(Director)
(DIN 08490762)

Kishansingh Ramsinghaney
(Director)
(DIN 00329411)

Archit Goyal
(Chief Financial Officer)

Place : New Delhi
Date : 4th June, 2020

Standalone Statement of profit and loss

for the year ended March 31, 2020

CIN- U24232PB1989PLC009741

(Rs. in Lakhs)

Particuars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations	14	21.67	164.59
Other income	15	25.60	1,634.73
Total income		47.27	1,799.32
EXPENSES			
Employee benefits expense	16	0.81	-
Finance costs	17	164.53	145.98
Depreciation and amortization expense	18	8.84	42.36
Other expenses	19	117.37	501.90
Total expenses		291.55	690.24
Profit/(Loss) before tax		**(244.28)**	**1,109.08**
Tax expenses			
- Current tax		3.65	244.79
Less: MAT credit entitlement		-	(203.95)
- Deferred tax		109.23	(79.41)
-Income Tax paid for earlier years		6.51	
Total tax expense		**119.39**	**(38.57)**
Profit/(Loss) after tax		**(363.67)**	**1,147.65**
Other comprehensive income			
Other comprehensive income not to be reclassified to profit or loss in subsequent year:			
Income tax effect		-	-
Re-measurement losses on defined benefit plans		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income/(loss) for the year, net of tax		(363.67)	1,147.65
Earnings per equity share (Nominal Value of share Rs.1/-) (refer note 21)			
Basic (Rs.)		(0.66)	2.07
Diluted (Rs.)		(0.66)	2.07
Summary of significant accounting policies	2		
Other notes on accounts	3-36		

The accompanying notes are integral part of the financial statements

SANDEEP DAHIYA
Partner
Membership No. 505371

For and on behalf of
Dewan P.N. Chopra & Co.
Chartered Accountants
FRN : 000472N

Place : New Delhi
Date : 4th June, 2020

For and on behalf of the Board of Directors of Pharmax Corporation Limited

Rishi Raj
(Director)
(DIN 08490762)

Kishansingh Ramsinghaney
(Director)
(DIN 00329411)

Archit Goyal
(Chief Financial Officer)

Place : New Delhi
Date : 4th June, 2020

Standalone Statement of cash flows

for the period ended March 31, 2020

CIN- U24232PB1989PLC009741

(Rs. in Lakhs)

Particulars	for the period ended March 31, 2020	for the period ended March 31, 2019
Cash flow from operating activities		
Profit/(Loss) before tax	(244.28)	1,109.08
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	8.84	42.36
Debit balance written off	-	0.83
Assets written off	-	179.38
Loss on disposal of property, plant and equipment	5.23	-
Profit on sale of current investment	(2.46)	(24.95)
Profit on sale of Fixed Assets	-	(1,606.74)
Profit on sale of Long term Investment	(19.42)	-
Interest income	(3.04)	(3.04)
Guarantee Fee Income - Ind AS	(0.06)	-
Finance costs	164.53	136.64
Operating profit before working capital changes	**(90.66)**	**(166.44)**
Working capital adjustments:		
Increase / (Decrease) in other current finanacial liabilities	56.39	(201.70)
(Increase) / Decrease in Trade Receivables	8.37	(8.40)
(Increase) / Decrease in other non current finanacial assets	-	(2,473.67)
Increase / (Decrease) in other non current finanacial liabilities	(101.23)	-
(Increase) / Decrease in other current assets	(259.44)	-
(Increase) / Decrease in other current financial assets	0.00	(106.48)
Increase / (Decrease) in trade and other payables	(65.68)	211.85
Cash generated from operations	**(452.25)**	**(2,744.84)**
Income tax paid	(185.10)	(68.56)
Net Cash flows from/(used in) operating activities	**(637.35)**	**(2,813.40)**
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	2,256.40	2,275.30
Proceeds from sale of investments in Joint Venture	718.48	-
Proceeds from sale of investments in Mutual Funds	131.81	-
Interest Received	2.34	3.04
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(1,398.31)	-
Purchase of current investments	-	527.74
Net Cash flows from/(used in) investing activities	**1,710.72**	**2,806.08**
Cash flow from financing activities		
Proceeds from Issuance of 10% CCPS	1,500.20	-
Redemption of Preference Shares	(1,500.00)	-

(Rs. in Lakhs)

Particulars	for the period ended March 31, 2020	for the period ended March 31, 2019
Interest paid	(12.48)	-
Loan to Holding Company	(1,000.00)	-
Net Cash flows from/(used in) financing activities	**(1,012.28)**	**-**
Net increase/(decrease) in cash and cash equivalents	61.09	(7.32)
Cash and cash equivalents at the beginning of the year	18.87	26.19
Cash and cash equivalents at year end	**79.96**	**18.87**

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		79.76	18.61
Cash on hand		0.20	0.26
		79.96	**18.87**
Summary of significant accounting policies	2		
Other notes on accounts	3-36		

The accompanying notes are integral part of the financial statements

SANDEEP DAHIYA
Partner
Membership No. 505371

For and on behalf of
Dewan P.N. Chopra & Co.
Chartered Accountants
FRN : 000472N

Place : New Delhi
Date : 4th June, 2020

For and on behalf of the Board of Directors of Pharmax Corporation Limited

Rishi Raj
(Director)
(DIN 08490762)

Kishansingh Ramsinghaney
(Director)
(DIN 00329411)

Archit Goyal
(Chief Financial Officer)

Place : New Delhi
Date : 4th June, 2020

Standalone Statement of changes in equity

for the year ended March 31, 2020

a) Equity share capital

Particulars	Nos.	(Rs. in Lakhs)
As at March 31, 2019	**55,325,752**	**553.26**
Add: Equity share issued during the period/year (refer note 10)	-	-
As at March 31, 2020	**55,325,752**	**553.26**

b) Other equity

(Rs. in Lakhs)

Particulars	Reserves and surplus				Total equity
	Security Premium	Retained earnings	Equity Component of 9% Cumulative Redeemable Preference Shares	Equity Component of 10% Cumulative Compulsory Convertible Preference Shares	
As at March 31, 2018	**-**	**(45.39)**	**865.20**	**-**	**819.81**
Profit / (Loss) for the period/year	-	1,147.65	-	-	1,147.65
Other comprehensive income for the year	-	-	-	-	-
As at March 31, 2019	**-**	**1,102.26**	**865.20**	**-**	**1,967.46**
Add: Premium on 10% Cumulative Compulsory Covertible Preference Shares	1,384.80	-	-	-	1,384.80
Adjustment on extinguishment of original liability of 9% Cumulative Redeemable Preference shares	-	865.20	(865.20)	-	-
Less: Premium on 9% Cumulative Reedemable Preference Shares (CRPS) (Refer Note 10(ii) & Note 30)	(1,384.80)	(1,955.34)	-	-	(3,340.14)
Balance after adjustment of Premium on CRPS	**-**	**12.12**	**-**	**-**	**12.12**
Profit / (Loss) for the period/year	-	(363.67)	-	-	(363.67)
Distribution of Profit on account of Financial Guarantee provided to Holding Company		(14.36)			(14.36)
Equity component of 10% Compound Financial Instruments	-	-	-	17.15	17.15
As at March 31, 2020	**-**	**(365.91)**	**-**	**17.15**	**(348.76)**
Summary of significant accounting policies	2				
Other notes on accounts	3-36				

The accompanying notes are integral part of the financial statements

SANDEEP DAHIYA
Partner
Membership No. 505371

For and on behalf of
Dewan P.N. Chopra & Co.
Chartered Accountants
FRN : 000472N

Place : New Delhi
Date : 4th June, 2020

For and on behalf of the Board of Directors of Pharmax Corporation Limited

Rishi Raj
(Director)
(DIN 08490762)

Kishansingh Ramsinghaney
(Director)
(DIN 00329411)

Archit Goyal
(Chief Financial Officer)

Place : New Delhi
Date : 4th June, 2020

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

Pharmax Corporation Limited

(INR 00,000) except when otherwise stated

1 Corporate Information

The standalone financial statements comprise financial statements of Pharmax Corporation Limited (the company) for the year ended March 31, 2020. Pharmax Corporation Limited ("Pharmax") is a public limited company registered under Companies Act, 2013. The company is engaged in the business of deals in leasing of Estates.

The financial statements were authorised for issue in accordance with a resolution of the directors on 4th June 2020.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2018, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2019 are the first the Company has prepared in accordance with Ind AS. Refer to note 37 for information on how the Company adopted Ind AS.

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

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

Financial Statement are presented in INR and all values are rounded to nearest Lacs

2.2 Summary of significant accounting policies

a. Current versus non-current classification

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

(i) Expected to be realized or intended to be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realized within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to settled within twelve months after the reporting period, or

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

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their

Notes forming part of the standalone financial statements

for the year ended March 31, 2020

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.

c. Investment property

Recognition and initial measurement

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

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

Property held under lease is classified as investment property when it is held to earn rentals or for capital appreciation or for both, rather than for sale in the ordinary course of business or for use in production or administrative functions. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

Asset category* Estimated

Buildings and related equipment 15 to 60

Plant & Machinery & other equipment 6 to 10

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

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

De-recognition

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

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 calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

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

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

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

e. Financial Instruments

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

(i) Financial assets

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

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

Initial recognition and measurement

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

Subsequent measurement

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

(i) Debt instruments at amortized cost

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

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

Debt instruments at amortized cost

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

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

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

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

Debt instruments at FVTPL

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

Derecognition

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

- the rights to receive cash flows from the asset have expired, or

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

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

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

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

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

Inventories

Inventories comprise completed units for sale and property under construction (Work in progress):

(A) Completed Unsold inventory is valued at lower of cost and net realizable value. Cost is determined by including cost of land, materials, services and related overheads.

(B) Work in progress is valued at cost. Cost comprises value of land (including development rights), materials, services and other overheads related to projects under construction.

Impairment of financial assets

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

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

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

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

Notes forming part of the standalone financial statements
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allowance based on 12- months ECL.

Reclassification of financial assets

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

(ii) Financial liabilities

Initial recognition and measurement

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

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

Trade Payables

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

Financial liabilities at fair value through profit or loss

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

Notes forming part of the standalone financial statements
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value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

f. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Revenue from Leasing

Revenue from leasing is recognized over the period of contract, as and when services are rendered.

g. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income

Notes forming part of the standalone financial statements
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Tax Act, 1961 and the income computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporay differences

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

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

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

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

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

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

h. Borrowing costs

Borrowing costs directly attributable to the

Notes forming part of the standalone financial statements

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acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i. **Leases**

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

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the losses in expected inflationary cost increase.

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.

j. **Provision and Contingent liabilities**

Provisions

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

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

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.

k. 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.

l. Earning per share

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

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

m. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

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

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

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

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

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

(i) Level 1 - Quoted (unadjusted) market

Notes forming part of the standalone financial statements

for the year ended March 31, 2020

prices in active markets for identical assets or liabilities

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

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

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

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

- Disclosures for valuation methords, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments (including those carried at amortised cost)

2.3 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.

Property lease classification – Company as lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases

Estimates and assumptions

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

(a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(b) Fair value measurement of financial instrument

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

(c Impairment of Financial assets

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

(d) Impairment of non-Financial assets

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

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

3. Property, plant and equipment (PPE)

(Rs in Lakhs)

Particulars	Land (free-hold)	Build-ing	Land (lease-hold)	Plant and equip-ment	Furni-ture and fixture	Com-puters and data pro-cess-ing units	Total	Capital work in prog-ress	Grand Total
At cost									
As at March 31, 2018	**0.84**	**1,401.16**	**1.82**	**94.92**	**7.47**	**0.29**	**1,506.50**	**243.85**	**1,750**
Additions	-	-	89.83	-	-	-	89.83	334.88	425
Disposals	0.42	1,295.64	-	18.09	7.47	0.29	1,321.91	-	1,322
As at March 31, 2019	**0.42**	**105.52**	**91.65**	**76.83**	**-**	**-**	**274.42**	**578.73**	**853.15**
Additions		-	-	-	-	-	-	-	-
Disposals/ Adjustments (Refer Note 4)	0.42	105.52	91.65	70.17	-	-	267.76	578.73	846.49
As at March 31, 2020	**-**	**-**	**-**	**6.66**	**-**	**-**	**6.66**	**-**	**6.66**
Depreciation									
As at March 31, 2018	**-**	**28.40**	**-**	**15.17**	**(0.64)**	**-**	42.93		**42.93**
Charge for the year		22.56	-	19.34	0.46	-	42.36		42.36
Disposals		47.04	-	2.40	(0.18)	-	49.26	**-**	49.26
As at March 31, 2019	**-**	**3.92**	**-**	**32.11**	**-**	**-**	**36.03**	**-**	**36.03**
Charge for the year	-	-	-	6.88	-	-	6.88	**-**	6.88
Disposals / Adjustments (Refer Note 4)	-	3.92	-	37.54	-	-	41.46	**-**	41.46
As at March 31, 2020	**-**	**-**	**-**	**1.45**	**-**	**-**	**1.45**	**-**	**1.45**
									-
Net carrying amount									-
As at March 31, 2020	**-**	**-**	**-**	**5.21**	**-**	**-**	**5.21**	**-**	**5.21**
As at March 31, 2019	**0.42**	**101.60**	**91.65**	**44.72**	**-**	**-**	**238.39**	**578.73**	**817.12**
As at March 31, 2018	**0.84**	**1,372.76**	**1.82**	**79.75**	**8.11**	**0.29**	**1,463.57**	**243.85**	**1,707.42**

Notes forming part of the standalone financial statements
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4. Investment Property

(Rs in Lakhs)

	Investment Property under development	Land (freehold)	Building	Land (leasehold)	Total
At cost					
As at March 31, 2019	**-**	**-**	**-**	**-**	**-**
Additions					-
Disposals/Adjustments	(1,398.31)	(579.15)	(105.52)	(91.65)	(2,174.63)
As at March 31, 2020	**1,398.31**	**579.15**	**105.52**	**91.65**	**2,174.63**
Amortization					
As at March 31, 2019	**-**	**-**		**-**	**-**
Additions	-	-	1.96	-	1.96
Disposals	-	-	(3.92)	-	(3.92)
As at March 31, 2020	**-**	**-**	**5.88**	**-**	**5.88**
Net carrying amount					
As at March 31, 2020	**1,398.31**	**579.15**	**99.64**	**91.65**	**2,168.75**
As at March 31, 2019	**-**	**-**	**-**	**-**	**-**

* During the year, gross block of freehold land of Rs. 579.15 Lakhs, leasehold land of Rs. 91.65 Lakhs, building of Rs. 105.52 Lakhs with accumulated depreciation thereon of Rs. 3.92 Lakhs was transferred from property, plant and equipments to Investment Properties.

(i) Contractual Obligations

Refer Note 24 For disclosure of contractual commitments for the acquisition of Investment Properties.

(ii) Fair Value hierarchy and valuation technique

As at 31st March, 2020, the fair values of the properties are 9135.00 Lakhs (land value only). The fair value of investment property has been determined by external, independent property valuer, having appropriate recognised professional qualification and recent experience in the location and category of the property being value. A valuation model in accordance with that recommended by international valuation standards committee had been applied. The company obtains independent valuations for its investment property annually and fair value measurement has been categorised as Level 3. Fair Values of land are arrived using sales comparable method. Investment property under development are subject to fair valuation once ready for commercial rental activities.

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

5. Investments

(Rs. in Lakhs)

Particuars	As at March 31, 2020	As at March 31, 2019
Investments carried at cost		
Investment in Joint Venture		
Forum I Aviation Limited *		
Nil (March 31, 2019: 74,87,251) Equity Share of Rs 10/- each fully paid up, Non-Trade	-	699.06
	-	**699.06**
Non-Current	**-**	**699.06**
Aggregate amount of unquoted investments		
- Investment in Joint Venture	**-**	**699.06**
Aggregate amount of quoted investments	**-**	**-**
Aggregate market value of quoted investments	**-**	**-**
Aggregate amount of impairment in value of investments	**-**	**-**

* Forum I Aviation Limited (FIAL) was incorporated on December 28, 2004 and is engaged in the business of operating Aircrafts on Charter basis under the Non-Scheduled Airlines Permit issued to it by the Ministry of Civil Aviations, India. FIAL primarily provides charter services to its affiliates which are member companies who had entered into service agreement with the Company.

* On 17th March, 2020, Company has sold the investment in Forum I Aviation Limited to Max Ateev Limited

6. Loans

(Rs. in Lakhs)

Particuars	As at March 31, 2020	As at March 31, 2019
(unsecured considered good)		
Loans and Advances*	38.00	38.00
*The deposit have been given to Forum I Aviation Ltd at interest rate of 8% p.a.		
	38.00	**38.00**

7. Current financial assets

(i) Loans (Unsecured, considered good)

(Rs. in Lakhs)

Particuars	As at March 31, 2020	As at March 31, 2019
Loans to related parties*	1,000.00	-
	1,000.00	**-**

*The interest free loan has been given to Max Estates Limited.

Notes forming part of the standalone financial statements

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(ii) Trade receivables

(Rs. in Lakhs)

Particuars	As at March 31, 2020	As at March 31, 2019
Unsecured :-		
Trade receivables - considered good	2.39	10.76
Less: Impairment allowance for trade receivable considered doubtful		
	2.39	**10.76**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note 23

Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.

(iii) Investment

(Rs. in Lakhs)

Particuars	As at March 31, 2020	As at March 31, 2019
Unquoted mutual funds		
Birla Sun Life Cash Plus - Direct Plan	-	129.35
Units Nil (March 31, 2019: 43,053.200)		
	-	**129.35**
Aggregate amount of unquoted investments		
- Investment in Others at FVTPL	-	129.35
Aggregate amount of quoted investments	-	-
Aggregate market value of quoted investments	-	-
Aggregate amount of impairment in value of investments	-	-

(iv) Other financial assets

(Rs. in Lakhs)

Particuars	As at March 31, 2020	As at March 31, 2019
Recoverable from MEL for sale of land and building (unsecured, considered good)	244.00	2,473.00
Security deposits	-	
Interest accrued on deposits	1.37	0.67
Other advances :-		
Unsecured, considered good	-	
Security deposits		
	245.37	**2,473.67**

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

(v) Cash and cash equivalents

(Rs. in Lakhs)

Particuars	As at March 31, 2020	As at March 31, 2019
Balances with banks:		
On current accounts	79.76	18.61
Cash in hand	0.20	0.26
	79.96	**18.87**

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

(Rs. in Lakhs)

Particuars	As at March 31, 2020	As at March 31, 2019
Prepaid expenses	0.14	-
Balance with statutory authorities*	313.07	53.77
Securitty Deposit	0.45	0.45
	313.66	**54.22**

*includes GST input credit on Construction services based on the Hon'ble Orissa High Court Judgment in case of Safari Retreats Private Limited.

9. Current tax assets

(Rs. in Lakhs)

Particuars	As at March 31, 2020	As at March 31, 2019
Advance income tax (net of provisions)	5.60	6.27
	5.60	**6.27**

10. Share capital and other equity

(i) Equity share capital

a) Authorized

Particuars	As at March 31, 2020	As at March 31, 2019
60,000,000 (March 31, 2019: 60,000,000) equity shares of Re. 1/- each	600.00	600.00
10% 470,000 (March 31, 2019: 470,000) Cumulative Convertible Preference Shares of Rs. 100/- each	470.00	470.00
9% 1,500,000 (March 31, 2019: 1,500,000) Cumulative Redeemable Preference share of Rs. 100/- each	1,500.00	1,500.00
	2,570.00	**2,570.00**
Issued, subscribed and fully paid-up		
55,325,752 (March 31, 2019: 55,325,752) equity shares of Re. 1/- each fully paid up	553.26	553.26
Forfeited shares	2.66	2.66
Total issued, subscribed and fully paid-up share capital	**555.92**	**555.92**

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

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

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	55,325,752	553.26	55,325,752	553.26
Add: Shares issued during the year	-	-	-	-
Add: Shares issued during the year/period (Refer note no.	-	-	-	-
Less: Cancelled pertaining to scheme of demerger	-	-	-	-
Outstanding at the end of the year	55,325,752	553.26	55,325,752	553.26

c) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Re. 1/- per share. Each holder of equity shares is entitled to one vote per share. The company has not declared any dividend. 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 India Limited	-	-	47,122,747	85.17%
Max Estates Limited	47,122,747	85.17%	-	-

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

(ii) Other equity

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital reserve (refer note a below)	-	-
Securities Premium (refer note b below)	-	-
Retained earnings (refer note c below)	(365.91)	1,102.26
Equity Component of 9% Cumulative Redeemable Preference Shares (refer note d below)	-	865.20
Equity Component of 10% Cumulative Compulsory Convertible Preference Shares (refer note e below)	17.15	-
	(348.76)	**1,967.46**

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

Notes:

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
a) Capital reserve		
Balance as at beginning of the period/year	-	-
Add: additions on account of demerger	-	-
	-	**-**
b) Securities premium account		
At the beginning of the year	-	-
Add: premium on issue of 10% Cumulative Convertible Preference shares	1,384.80	-
Add: additions on ESOPs exercised	-	-
Add: transferred from employee stock options outstanding	-	
Less: Premium on Cumulative Reedemable Preference Shares*	(1,384.80)	
	-	**-**
c) Retained earnings		
At the beginning of the year	1,102.26	(45.39)
Add: Transferred from Equity Component of Cumulative Redeemable Preference Shares on extinguishment of original liability	865.20	-
Less: Premium on 9% Cumulative Reedemable Preference Shares*	(1,955.34)	-
	12.12	**(45.39)**
Profit/(Loss) for the year	(363.67)	1,147.65
Less: Distribution of Profit on account of Financial Guarantee provided to Holding Company	(14.36)	-
Items of other comprehensive income recognized directly in retained earnings		
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	-	-
At the end of the year	**(365.91)**	**1,102.26**
d) Equity Component of 9% Cumulative Redeemable Preference Shares		
At the beginning of the year	865.20	865.20
Less: Transferred to Retained earning on extinguishment of original liability	(865.20)	-
At the end of the year	**-**	**865.20**
e) Equity Component of 10% Cumulative Compulsory Convertible Preference Shares		
At the beginning of the year	-	-
Add: additions during the year	17.15	-
At the end of the year	**17.15**	**-**

* During the year, company has provided for the premium on redemption of 9% Cumulative Redeemable Preference Shares amounting Rs.3340.14 Lacs out of the available profits and security premium account.

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

Nature and purpose of reserves:

Retained earnings - Retained earnings are profits of the company earned till date less transferred to general reserve.

Equity Component of Cumulative Redeemable Preference Shares - Preference shares are to be redeemed on or before March 31, 2020 i.e. 20 years from the date of issue of the said redeemable preference share in terms of Section 80 of the Companies Act, 1956 read with Article 9 of the Articles of Association of the Company.

Equity Component of Cumulative Compulsory Convertible Preference Shares - Preference shares are to be converted on or before March 31, 2040 i.e. 20 years from the date of issue of the said preference share in terms of Section 55 of the Companies Act, 2013.

Security Premium - Securities Premium Reserve is used to record premium on issue of shares. The reserve is utilised as per the provisions of the Companies Act, 2013.

11. (i) Borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current borrowings :-		
Liability Component of Compound Financial Instruments	96.53	
(10% Cumulative Compulsory Convertible Preference share)		
	96.53	**-**
Aggregate Secured loans	**-**	**-**
Aggregate Unsecured loans	96.53	-

Note: Rights, preferences and restriction attached to shares
Preference Shares

(i) The Cumulative Compulsory Convertible Preference shares shall carry coupon rate of 10%. The said shares are compulsory convertible on or before the end of 20 years from the date of allotment i.e. 30th March, 2020. The holder has the option to convert the preference shares at any time on or before the 20 years tenure into 100 equity shares of Re 1/- per preference shares. The preference shareholders have voting rights only in respct of certain matters as per the provisions of Section 47(2) of the Companies Act, 2013. The preference shareholders also carry a preferential right vis-a-vis equity shares of the company with respect to payment of dividend and repayment in case of a winding up or repayment of capital.

(ii) **Details of shares held by shareholders holding more than 5% shares in the company**

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Max Estate Limited	1,15,400 100%	- -

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

(iii) **The 10% Cumulative Compulosry Convertible Preference Shares ("CCPS") are presented in the Balance Sheet as follows:**

(Rs. in Lakhs)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Face Value of CCPS issued	115.40	-
Premium on CCPS issued	1,384.80	-
	1,500.20	-
Less: Liability Component of CCPS	98.25	
	1,401.95	-

*The equity component of 10% Cumulative Compulsory Convertible Preference Shares has been presented in the Statement of Changes in Equity.

(ii) Other Financial Liabilities

(Rs. in Lakhs)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Security deposits received	-	101.23
Unearned Financial Guarantee Fees	12.70	-
	12.70	**101.23**

12. Current financial liabilities

(Rs. in Lakhs)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
(i) Trade payables		
Total outstanding dues of micro enterprises and small enterprises* (Refer Note 28)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	9.87	85.36
	9.87	**85.36**

*** Details of dues to micro and small enterprises as per MSMED Act, 2006**

As per the Act, the Company is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with such suppliers. Based on the information available with the Company, none of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(ii) Other financial liabilities		
Current Maturities of Liability Component of Compound Financial Instruments (Refer Note 11)	1.72	1,347.95
Interest accrued & due on short term borrowings	-	-
Security deposits received	70.69	-
Premium on Redemption of CRPS (Refer Note 30)	3,340.14	-
Unearned Financial Guarantee Fees	1.60	-
Advance from Related Parties	147.68	161.98
	3,561.83	**1,509.93**

13. Other current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	14.68	4.87
	14.68	**4.87**

14 Revenue from operations

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(Revenue from contracts with customers)		
Lease Rentals	21.67	164.59
Total	**21.67**	**164.59**

14.1 Contract Balances

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables	2.39	10.76
Contract Liabilities	-	-

Trade receivables are non interest bearing. Credit period generally falls in the range of 60 to 90 days.

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

14.2 Reconciling the a mount of revenue recognised in the statement of profit and loss with the contracted price

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Revenue as per the contracted price	21.67	164.59
Adjustments		
Discount	-	-
Revenue from contracts with customers	21.67	164.59

14.3 Perfomance obligations

Obligation of the Company is to provide shared services to its group companies and accordingly recognises revenue over the period of the contract based on the services rendered.

15. Other income

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Gurantee Fee Income - Ind AS	0.06	-
Interest received	3.04	3.04
Profit on sale of long term investment	19.42	-
Profit on sale of current investments	2.46	24.95
Profit on sale of Property, Plant and Equipments	-	1,606.74
Other non-operating income	0.62	-
	25.60	**1,634.73**

16. Employee benefits expense

(Rs. in Lakhs)

Particulars	for the period ended March 31, 2020	for the period ended March 31, 2019
Salaries, wages and bonus	0.81	-
	0.81	**-**

17. Finance costs

(Rs. in Lakhs)

	for the period ended March 31, 2020	for the period ended March 31, 2019
Interest on CRPS	152.05	136.64
Interest on Income Tax	12.48	9.34
	164.53	**145.98**

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

18. Depreciation and amortization expense

(Rs. in Lakhs)

Particulars	for the period ended March 31, 2020	for the period ended March 31, 2019
Depreciation of property, plant and equipment (refer note 3)	8.84	42.36
	8.84	**42.36**

19. Other expense

(Rs. in Lakhs)

Particulars	for the period ended March 31, 2020	for the period ended March 31, 2019
Insurance	0.01	0.94
Rates and taxes	10.71	25.21
Power and fuel	2.55	-
Repairs and maintenance:		
Building	63.04	136.83
Printing and stationery	6.68	4.40
Travelling and conveyance	0.04	-
Communication	0.04	7.11
Legal and professional	23.18	136.15
Auditor's Remuneration	2.03	0.75
Directors' sitting fee	2.18	1.20
Debit Balances Written Off	-	0.83
Assets Written Off	-	179.38
Loss on discard of fixed assets	5.23	-
Miscellaneous expenses	1.67	9.10
	117.37	**501.90**
Payment to auditor		
As auditor:		
Audit fee (including limited review)	2.03	0.75
Other services (certification fees)	-	-
	2.03	**0.75**

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

20 Income Tax

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

Statement of profit and loss :
Profit and loss section

(Rs. in Lakhs)

Particulars	for the period ended March 31, 2020	for the period ended March 31, 2019
Current income tax :		
Current tax	3.65	244.79
MAT credit entitlement	-	(203.95)
Income tax paid for earlier years	6.51	-
Deferred tax :		
Relating to origination and reversal of temporary differences	109.23	(79.41)
Income tax expense reported in the statement of profit and loss	**119.39**	**(38.57)**

OCI section :

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

(Rs. in Lakhs)

Particulars	for the period ended March 31, 2020	for the period ended March 31, 2019
Income tax charge/(credit) on remeasurements of defined benefit plans	-	-
Income tax charged to OCI	**-**	**-**

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 period ended March 31, 2020	for the period ended March 31, 2019
Accounting profit before tax	(244.28)	1,109.08
Accounting profit before income tax	**(244.28)**	**1,109.08**
At India's statutory income tax rate of 29.12% (March 31, 2019: 29.12%)	29.12%	29.12%
Computed Tax Expense	(71.13)	322.96
Adjustment:		
MAT Credit Entitlement	-	(203.95)
Ind AS Adjustment	(57.29)	(79.41)
Non-taxable income	(1.11)	-
Others	82.30	(78.17)
Income tax paid for earlier year	6.51	-
Impact of last year return filling	160.12	
At the effective income tax rate	**119.39**	**(38.57)**
Income tax expense reported in the statement of profit and loss	119.39	(38.57)
Total tax expense	**119.39**	**(38.57)**

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

Deferred tax relates to the following:

(Rs. in Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities		
Ind AS Impact Adjustment	-	(50.89)
Gross deferred tax liabilities (a)	**-**	**(50.89)**
Mat Credit (c)	**43.83**	**203.95**
Deferred tax Assets (net)	**43.83**	**153.06**

Reconciliation of deferred tax Assets / (liability)(net):

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Opening balance as of April 1	153.06	(130.30)
Tax expense/(income) during the period recognised in profit or loss	(109.23)	283.36
Tax expense/(income) during the period recognised in OCl	-	-
Closing balance as at March 31	**43.83**	**153.06**

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.

During the year, the Company has sold investment in unlisted company. Company is required to evaluate the fair value of the investment on the date of the sale as required by the relevant provisions of the Income Tax Act, 1961. The management has confirmed that it has sold the investment at fair value and the aforesaid legislations will not have any impact on financial statements, particularly on the amount of tax expenses and that of provision for taxation.

21. Earning Per Share

(Rs. in Lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Basic EPS		
Profit after tax (Rs. in Lakhs)	(363.67)	1,147.65
Less: dividends on convertible preference shares & tax thereon		
Net profit/(loss) for calculation of basic EPS	(363.67)	1,147.65
Weighted average number of equity shares outstanding during the period/year (Nos.)	55,325,752	55,325,752
Basic earnings per share (Rs.)	**(0.66)**	**2.07**
Dilutive EPS		
Profit after tax (Rs. in Lakhs)	(363.67)	1,147.650
Weighted average number of equity shares outstanding during the period/year for dilutive earnings per share (Nos)*	55,325,752	55,325,752
Diluted earnings per share (Rs.)	**(0.66)**	**2.07**

Note: The anti-dilutive effect for the year ended 31 March 2020 is ignored.

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

22 Commitments and contingencies

a) Commitments

(Rs. in Lakhs)

Particulars	for the period ended March 31, 2020	for the period ended March 31, 2019
Captial Commitment		
Estimated amount of contracts remaining to be executed and not accounted for	1,100.00	2,750.00
Less Capital advances	-	-
Net commitments	1,100.00	2,750.00
Other Commitment		
Corporate Guarantee has been given in favour of Max Estate Limited to the bank for Rupee Term Loan not exceeding Rs. 4500 Lakhs	1,500.00	-
Exclusive charge over receivables/cash flows/revenues (including booking amounts) and all insurance proceeds, both present and future to the extent of the Company’s share, arising out of or in connection with the project "Max House" being developed on land located at 1516/338,339,340, Village Bahapur, near Okhla Railway Station, Delhi admeasuring approx. 2,869 square meters.	-	-

b) Contingent liabilities

(Rs. in Lakhs)

Particulars	for the period ended March 31, 2020	for the period ended March 31, 2019
- Arrears of Dividend on 9% Cumulative Redeemable Preference Share	-	2,565.00
- Corporate Dividend Tax	-	522.17
Total Contingencies	-	3,087.17

Notes forming part of the standalone financial statements

for the year ended March 31, 2020

23 Related party disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Ultimate Holding Company	Max Ventures & Industries Limited (w.e.f 25th Nov 2019)
Holding Company	Max India Limited (upto 24th Nov 2019)
	Max Estates Limited (w.e.f 25th Nov 2019)
Fellow Subsidiary Company	Max Bupa Health Insurance Company Limited (upto 24th Nov 2019)
	Max Skill First Limited (upto 24th Nov 2019)
	Max One Distribution And Services Limited(upto 24th Nov 2019)
	Antara Senior Living Limited(upto 24th Nov 2019)
	Antara Purukul Senior Living Limited(upto 24th Nov 2019)
	Max UK Limited, UK(upto 24th Nov 2019)
	Advaita Allied Health Services Limited(upto 24th Nov 2019)
	Northern Propmart Solutions Limited(w.e.f 25th Nov 2019)
	Wise Zone Builders (P) Ltd.(w.e.f 25th Nov 2019)
Joint Venture	Forum I Aviation Limited (upto 17th march, 2020)
Names of other related parties with whom transactions have taken place during the year	
Directors and Key management personnel	Mr. Patnam Dwarakanath(Director) (upto 25th Nov, 2019)
	Mrs. Kiran Sharma(Independent Director) (w.e.f 11th Aug 2015)
	Mr. Sanjay Khandelwal (Independent Director) (w.e.f 11th Aug 2015)
	Mr. Kishansingh Ramsinghaney (Director) (w.e.f 17th Mar 1997)
	Mr. Jatin Khanna (Managing Director) (upto 25th Nov, 2019)
	Mr.Rishi Raj (w.e.f. 25th Nov 2019)
	Mr. Anshul Gaurav (w.e.f 25th Nov 2019)
	Ms. Priya Mehrotra (Company Secretary) (upto 30th April, 2019)
	Ms. Jyoti Antil (Company Secretary) (w.e.f. 30th Oct, 2019 to 15th March, 2019)
	Mr. Archit Goyal (Chief Financial Officer) (w.e.f 25th Nov 2019)
	Mr. Ankit Kalra (Chief Financial Officer) (upto 25th Nov 2019)
Entities controlled or jointly controlled by person or entities where person has significantly influence or entities where person having control is Key Management personnel	Siva Realty Ventures (P) Ltd. (w.e.f 25th Nov 2019)
	Max Skill First Limited (w.e.f 25th Nov 2019)
	Max One Distribution And Services Limited (w.e.f 25th Nov 2019)
	Antara Senior Living Limited (w.e.f 25th Nov 2019)
	Max Ateev Limited (w.e.f 25th Nov 2019)
	Vana Retreats (P) Ltd. (w.e.f. 25th Nov 2019)
	New Delhi House Services Limited(w.e.f 25th Nov 2019)

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

23 (a) Details of transactions with related parties

(Rs. In Lakhs)

S.No.	Nature of transaction	Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
1	**Reimbursement of Expenses (Paid)**	Max Estates Limited	143.67	-
		Max India Limited	-	120.00
		Total	**143.67**	**120.00**
2	**Reimbursement of Expenses (Charged to CWIP/IP)**	Max Estates Limited	1,398.31	-
		Total	**1,398.31**	
3	**Sale of Investment**	Max Ateev Limited	718.48	-
		Total	**718.48**	
4	**Interest recd. on Securty Deposit**	Forum 1 Aviation Limited	2.92	3.04
		Total	**2.92**	**3.04**
5	**Revenue from Lease Rent**	Max Ateev Limited	0.22	0.05
		Max One Distribution And Services Limited	0.11	0.10
		Antara Senior Living Limited	7.08	71.76
		Max Skill First Limited	0.72	0.72
		Max India Limited	9.45	64.49
		Total	**17.58**	**137.12**
6	**Premium on Redemption of 9% Cumulative Redeemable Preference Shares**	Max India Limited	3,340.14	-
		Total	**3,340.14**	-
7	**Issue of 10% Compulsory Convertible Preference Shares**	Max Estates Limited	1,500.20	-
		Total	**1,500.20**	-
8	**Security Deposit Received**	Max Estates Limited	40.00	-
		Total	**40.00**	-
9	**Director`s Sitting Fee**	Sanjay Khandelwal	1.13	0.60
		Kiran Sharma	1.05	0.60
		Total	**2.18**	**1.20**
10	**Loan Given**	Max Estates Limited	1,000.00	
		Total	**1,000.00**	-
11	**Repair & Maintenance**	New Delhi House Services Limited	53.31	
		Total	**53.31**	-
12	**Salary Paid**	Ms. Jyoti Antil	0.81	-
		Total	**0.81**	-
13	**Legal & Professional**	Priya Mehrotra	0.15	0.75
		Total	**0.15**	**0.75**

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

23 (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	**Amount receivable**	Antara Senior Living Limted	1.56	-
		Max Ateev Limited	0.06	0.06
		Max One Distribution And Services Limited	0.06	-
		Max Skill First Limited	0.39	-
		Siva Realty Ventures (P) Ltd.	0.32	-
		Max Estates Limited	229.87	-
		Total	**232.26**	**0.06**
2	**Amount payable**	Max India Limited	3,483.95	154.01
		Max Skill First Limited	0.18	0.18
		Antara Senior Living Limited	12.91	19.14
		Vana Retreats Pvt. Ltd.	1.91	1.91
		Max Estates Limited	40.00	-
		Total	**3,538.95**	**175.24**
3	**Loan Given**	Max Estates Limited	1,000.00	-
		Forum 1 Aviation Limited	-	38.67
		Total	**1,000.00**	**-**
4	**Investment in Equity**	Forum 1 Aviation Limited	-	699.06
		Total	**-**	**699.06**
5	**Guarantee Given**	Max Estates Limited	1,500.00	-
		Total	**1,500.00**	**-**

Terms and conditions of transactions with related parties

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

24 Segment reporting

The Company is a one segment company in the business of real estate development and leasing. All its operations are located in India , accordingly, the Company views these activities as one business segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Segment Reporting'.

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

25 Financial instruments

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

(Rs. in Lakhs)

Category	Carrying value		Fair Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1) Financial asset at amortized cost				
Loans	1,038.00	38.00	1,038.00	38.00
Other financial assets	245.37	2,473.67	245.37	2,473.67
Trade receivables	2.39	10.76	2.39	10.76
Cash and cash equivalents	79.96	18.87	79.96	18.87
2) Financial liabilities at amortized cost				
Non current & current				
Borrowings	96.53	-	96.53	-
Other financial liabilities	3,574.53	1,611.16	3,574.53	1,611.16
Trade payables	9.87	85.36	9.87	85.36
3) Financial asset carried at fair value through statement of profit & loss				
Current investments	-	129.35	-	129.35

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

2 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:

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

4 The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other noncurrent financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

5 The fair values of the Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2020 was assessed to be insignificant.

25.01 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

Particulars	Carrying value March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Loans	1,038.00	-	1,038.00	-
Other financial assets	245.37	-	245.37	-
Trade receivables	2.39	-	2.39	-
Current investments	-	-	-	-

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

Particulars	Carrying value March 31, 2019	Fair value		
		Level 1	Level 2	Level 3
Loans	38.00	-	38.00	-
Other financial assets	2,473.67	-	2,473.67	-
Trade receivables	10.76	-	10.76	-
Current investments	129.35	-	129.35	-

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

Particulars	Carrying value March 31, 2020	Fair value		
		Level 1	Level 2	Level 3
Non current & current				
Borrowings	96.53	-	96.53	-
Other financial liabilities	3,574.53	-	3,574.53	-
Trade payables	9.87	-	9.87	-

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

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

Particulars	Carrying value March 31, 2019	Fair value		
		Level 1	Level 2	Level 3
Borrowings	-	-	-	-
Other financial liabilities	1,611.16	-	1,611.16	-
Trade payables	85.36	-	85.36	-

26 Financial risk management objectives and policies

The Company's has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Corporate Finance department, evaluates financial risks in close co-operation with the various stakeholders.

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

a) Capital risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 11, cash and cash equivalents disclosed in note 7 and equity as disclosed in the statement of financial position.

b) 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. Longer term cash flow forecasts are updated from time to time and reviewed by the Investment and Performance Review Committee of the Board.

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

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

March 31, 2019	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	-	-		-
Trade payable	85.36	-	-	85.36
Other financial liabilities	1,509.93	101.23	-	1,611.16
% to Total	**94.03%**	**5.97%**	**0.00%**	**100.00%**
March 31, 2020				
Borrowings	11.54	57.70	161.56	230.80
Trade payable	9.87	-	-	9.87
Other financial liabilities	3,572.81	-	-	3,572.81
% to Total	**94.25%**	**1.51%**	**4.24%**	**100.00%**

c) Credit risk

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

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Company provides credit to individuals on exceptional basis only. An impairment analysis is performed at each reporting date on an individual basis.

(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 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 is the carrying amounts as illustrated in the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices 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

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

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. 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.

27 Capital Management

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

(Rs. In Lakhs)

	As at March 31, 2020	As at March 31, 2019
Borrowings	96.53	-
Other financial liabilities	3,574.53	1,611.16
Trade payables	9.87	85.36
Less: Cash and Cash equivalents	(79.96)	(18.87)
Net Debt	3,600.97	1,677.65
Equity Share Capital	555.92	555.92
Other Equity	(348.76)	1,967.46
Total Equity	**207.16**	**2,523.38**
Total Capital and net debt	**3,808.13**	**4,201.03**
Gearing ratio	94.56%	39.93%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

28 Details of dues to Micro and Small Eterprises as defined under the Micro, Small and Medium Enterprises Development (MSMED) Cct, 2006

The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosures as per Section 22 of 'The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006' are as follows:

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

(Rs. In Lakhs)

		As at March 31, 2020	As at March 31, 2019
i)	The principal amount and the interest due thereon remaining unpaid to any supplier		
	- Principal amount	Nil	Nil
	- Interest thereon	Nil	Nil
ii)	The amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
iii)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	Nil	Nil
iv)	The amount of interest accrued and remaining unpaid.	Nil	Nil
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor.	Nil	Nil

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Company regarding the status of suppliers under the MSMED.

29 The Company has adopted Ind AS 116 "Leases" effective 1st April, 2019, as notified by the ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any impact on transition period and during the year.

30 Redemption of 9% Cumulative Redeemable Preference Shares

The Company had allotted to Max India Limited 15,00,000 9% Cumulative Redeemable Preference Shares (CRPS) of the face value of Rs. 100 each at par on April 1, 2000. The Company has decided to redeem the preference shares at face value plus a redemption premium of Rs. 3340.14 Lakhs. The Company has redeemed & paid face value of Rs. 1500.00 Lakhs and provided for Rs. 3340.14 Lakhs as premium on redemption of CRPS on redemption date i.e. 31st March, 2020. Due to pandemic COVID-19 & lockdown in the country, premium payment has been deferred upto June 30, 2020 i.e. for a period of 3 more months from the due date, along with compensation @9% p.a. till actual date of premium payment. The preference shareholder agreed the deferment in line with moratorium announcements by Government of India on account of impact of COVID-19. Necessary intimation for premium payment deferment is filed before the office of the Registrar of Companies. In view of the management, company has complied with the applicable provisions of Companies Act, 2013 and aforesaid legislation will not have any impact on the financial statement.

31 Impact of COVID-19 on Financial Statements

The outbreak of Coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including ban on travel, quarantine, social distancing, and closure of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Covid-19

Notes forming part of the standalone financial statements
for the year ended March 31, 2020

is significantly impacting business operation of the companies, by way of interruption in real estate development, production, supply chain disruption, unavailability of personnel, closure/ lock down of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till May 17, 2020 to prevent community spread of Covid-19 in India resulting in significant reduction in economic activities.

The Company is engaged in the business of providing infrastructure facility for commercial purposes which includes, inter alia, development, operation, marketing, management, leasing. Construction of a commercial project currently being undertaken by the Company is Max House, Okhla, Delhi, which before the lockdown, was proceeding within the projected timelines. However, with the declaration of the lockdown, the construction activity had come to a complete stand still between the period from March 24, 2020 till 3rd May 2020, when the Government had lifted the ban on construction activity (in-situ). We have been able to re- commence the construction from 4th May 2020 according to Government directives.

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 statements and the Company will continue to monitor any material changes to future economic conditions.

32 There have been no delays in transferring amounts required to be transferred to the Investor Education and Protection Fund.

33 The Company has no outstanding derivative or foreign currency exposure as at the end of the current year and previous year.

34 Events after the Reporting period

There are no events observed after the reported period which have an impact on the company operations

35 Figures relating March 31, 2019 has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.

36 Note No. 1 to 36 form integral part of the Balance sheet and Statement of profit & Loss.

SANDEEP DAHIYA
Partner
Membership No. 505371

For and on behalf of
Dewan P.N. Chopra & Co.
Chartered Accountants
FRN : 000472N

Place : New Delhi
Date : 4th June, 2020

For and on behalf of the Board of Directors of
Pharmax Corporation Limited

Rishi Raj
(Director)
(DIN 08490762)

Kishansingh Ramsinghaney
(Director)
(DIN 00329411)

Archit Goyal
(Chief Financial Officer)

Place : New Delhi
Date : 4th June, 2020

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Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To

The Members of Pharmax Corporation Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated Financial Statements of Pharmax Corporation Limited (hereinafter referred to as the ''Holding Company") and its joint venture which comprise the consolidated Balance Sheet as at March 31, 2020, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by 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 their consolidated state of affairs of the Holding Company as at March 31, 2020, of consolidated loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Holding Company in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Holding Company including and its Joint Venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the Holding Company and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Holding Company and for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid. In preparing the Consolidated Financial Statements, the respective Board of Directors of the Holding Company of its Joint Venture are responsible for assessing the ability of the Holding Company and of its Joint Venture 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 Holding Company or to cease operations, or has no realistic alternative but to do so.The respective Board of Directors of the Holding company and of its Joint Venture are responsible for overseeing the financial reporting process of the Holding Company and of its Joint Venture.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also: • Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls. • Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. • Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Holding Company and its Joint Venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Holding Company and its joint venture to cease to continue as a going concern. • Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation. • Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Holding Company and its Joint Venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated financial statements also include the Holding Company's share of net profit of Rs.21.45 Lakh for the year ended 31st March, 2020, as considered in the consolidated financial statements, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this joint venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial statements.Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the financial statements / financial information certified by the Management.Our report is not modified in respect of above matters.

Report on Other Legal and Regulatory RequirementsWith respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.As required by Section 143(3) of the Act, based on our audit and on the consideration of the other financial information of Joint Venture, as noted in the other matters paragraph, we report, to the extent applicable, that: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 of the aforesaid Consolidated Financial Statements. In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements. In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company none of the directors of the Holding Company is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act. With respect to the adequacy of internal financial controls over financial reporting of the Holding Company and the operating effectiveness of such controls, refer to our separate report in Annexure A.With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the other financial information of Joint Venture, as noted in the Other matters paragraphi. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its Joint Venture – Refer Note 28 to the Consolidated Financial Statements. ii. The Holding Company and its Joint Venture did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

For Dewan P. N. Chopra & Co.
Chartered Accountants
Firm Regn. No. 000472N

Sandeep Dahiya
Partner
Membership No. 505371
UDIN: 20505371AAAAFQ5668

Place: New Delhi
Date: 28 July 2020

ANNEXURE – "A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF PHARMAX CORPORATION LIMITED

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

In conjunction with our audit of the Consolidated Financial Statements of the Holding Company as of and for the year ended March 31, 2020, We have audited the internal financial controls over financial reporting of Pharmax Corporation Limited (hereinafter referred to as "the Holding Company"), as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Holding Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Holding Company are being made only in accordance with authorisations of management and directors of the Holding Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Holding Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For Dewan P. N. Chopra & Co.
Chartered Accountants
Firm Regn. No. 000472N

Sandeep Dahiya
Partner
Membership No. 505371
UDIN: 20505371AAAAFQ5668

Place: New Delhi
Date: 28 July 2020

Consolidated Balance Sheet

as at March 31, 2020

(Amount in INR Lakh, unless otherwise stated)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	3	5.21	238.39
Capital work-in-progress	3	-	578.73
Investment Property	3.1	2,168.75	-
Financial Assets			
- Investment	4	-	1,056.24
- Loans	5	38.00	38.00
Deferred tax assets (net)	26	43.83	153.06
		2,255.79	**2,064.42**
Current assets			
Financial Assets			
- Loans	6	1,000.00	-
- Investments	7	-	129.35
- Trade receivables	8	2.39	10.76
- Cash and cash equivalents	9	79.96	18.87
- Other financial assets	10	245.37	2,473.67
Current tax assets	11	5.60	6.27
Other current assets	12	313.66	54.22
		1,646.98	**2,693.14**
Total assets		**3,902.77**	**4,757.56**
Equity and liabilities			
Equity			
Equity share capital	13	555.92	555.92
Other equity	14	(348.76)	2,324.65
		207.16	**2,880.57**
Non-current liabilities			
Financial liabilities			
Borrowings	15	96.53	-
Other financial liabilities	16	12.70	101.23
		109.23	**101.23**
Current liabilities			
Financial liabilities			
- Trade payables	17		
Total outstanding dues of micro and small enterprises		-	-
Total outstanding dues of creditors other than micro and small enterprises		9.87	85.35

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
- Other financial liabilities	18	3,561.83	1,509.93
Other current liabilities	19	14.68	4.87
Current tax liabilities		-	175.61
		3,586.38	**1,775.76**
Total equity and liabilities		**3,902.77**	**4,757.56**
Summary of significant accounting policies	2		
Other notes to accounts	3 - 46		

The accompanying notes are integral part of the consolidated financial statements

SANDEEP DAHIYA
Partner
Membership No. 505371

For and on behalf of
Dewan P.N. Chopra & Co.
Chartered Accountants
FRN : 000472N

Place : New Delhi
Date : 28th July, 2020

For and on behalf of the Board of Directors of
Pharmax Corporation Limited

Rishi Raj
(Director)
(DIN 08490762)

Kishansingh Ramsinghaney
(Director)
(DIN 00329411)

Archit Goyal
(Chief Financial Officer)

Place : New Delhi
Date : 28th July, 2020

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

(Amount in INR Lakh, unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Income			
Revenue from operations	20	21.67	164.59
Other income	21	6.18	1,634.73
Total income		**27.85**	**1,799.32**
Expenses			
Employee benefits expense	22	0.81	-
Finance costs	23	164.53	145.98
Depreciation and amortization expense	24	8.84	42.36
Other expenses	25	476.59	501.90
Total expenses		**650.77**	**690.24**
Profit before share of profit of joint venture and tax		**(622.92)**	**1,109.08**
Share of profit of joint venture		**19.37**	**57.29**
Profit / (loss) before tax		**(603.55)**	**1,166.37**
Tax expense :			
Current tax		3.65	244.79
MAT credit entitlement		-	(203.95)
Deferred tax		109.23	(79.41)
Income tax adjustment related to earlier years		6.51	-
Profit for the period		**(722.94)**	**1,204.94**
Other Comprehensive Income (OCI)			
Items that will not be reclassified to profit or loss			
share of profit of joint venture		2.08	0.01
Income tax effect		-	-
Other comprehensive income for the period		**2.08**	**0.01**
Total Comprehensive Income for the period		**(720.86)**	**1,204.95**
Earnings per equity share:	27		
(1) Basic		(1.30)	2.18
(2) Diluted		(1.30)	2.18
Summary of significant accounting policies	2		
Other notes to accounts	3 - 46		

The accompanying notes are integral part of the consolidated financial statements

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Consolidated Cash Flow Statement

for the year ended March 31, 2020

(Amount in INR Lakh, unless otherwise stated)

	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net profit/(loss) before tax	603.55	1,166.37
	Add:		
	Re-measurement gains/(loss) on defines benefit plan	-	0.01
	Depreciation & amortisation	8.84	42.36
	Interest income	(3.04)	(3.04)
	Interest expense	164.53	136.64
	Assets written off	-	179.38
	Loss on disposal of property, plant and equipments	5.23	-
	Debit balance written off	-	0.83
	Net loss on sale of long term investments	(359.22)	-
	Net profit on sale of current investments	2.46	(24.95)
	Profit on sale of fixed assets	-	(1,606.74)
	Guarantee Fee Income - Ind AS	(0.06)	-
	Share of profit of joint venture	19.37	(57.29)
	Operating profit before working capital changes	**(90.66)**	**(166.43)**
	Add: Working Capital Changes :		
	Increase / (Decrease) in trade and other payables	(65.68)	211.84
	Increase / (Decrease) in other current finanacial liabilities	56.39	(201.70)
	Increase / (Decrease) in other non current finanacial liabilities	(101.23)	-
	(Increase) / Decrease in Trade Receivables	8.37	(8.40)
	(Increase) / Decrease in other non current finanacial assets	-	(2,473.67)
	(Increase) / Decrease in other current financial assets	0.00	(106.48)
	(Increase) / Decrease in other current assets	(259.44)	-
	Cash Flow from operations	**(452.24)**	**(2,744.84)**
	Less: Direct taxes paid (net)	(185.10)	(68.56)
	NET CASH USED IN OPERATING ACTIVITIES (A)	**(637.35)**	**(2,813.40)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Reclassification of fixed assets, including CWIP and capital advances	858.09	2,275.30
	Proceeds from sale of Non-Current Investments	718.48	-
	Purchase of current investments	131.81	527.74
	Interest received	2.34	3.04
C	**NET CASH FROM (USED IN) INVESTING ACTIVITIES (B)**	**1,710.72**	**2,806.08**
	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Issuance of 10% CCPS	1,500.20	-
	Redemption of Preference Shares	(1,500.00)	-
	Interest paid	(12.48)	-
	Loan to Holding Company	(1,000.00)	-
	NET CASH FROM (USED IN) FINANCING ACTIVITIES (C)	**(1,012.28)**	**-**
	NET CHANGES IN CASH AND CASH EQUIVALENTS (A+B+C)	**61.09**	**(7.32)**

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Impact of foreign exchange fluctuation		
Cash And Cash Equivalents - Opening Balance	18.87	26.19
Cash And Cash Equivalents - Closing Balance	79.96	18.87
NET INCREASE/ (DECREASE) IN CASH & CASH EQUIVALENTS	**61.09**	**(7.32)**
Summary of significant accounting policies	2	
Other notes to accounts	3 - 46	

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Date : 28th July, 2020

Consolidated statement of changes in equity

for the year ended March 31, 2020

(Amount in INR Lakh, unless otherwise stated)

A. Equity share capital :

Equity shares of INR 1/- each issued, subscribed and fully paid	Number of shares	Amount
At April 01, 2018	**55,325,752**	**553.26**
Issue of share capital	-	-
At March 31, 2019	**55,325,752**	**553.26**
Issue of share capital	-	-
At March 31, 2020	**55,325,752**	**553.26**

B. Other equity

Particluars	Retained earnings	Security Premium	Equity Component of 10% Cumulative Compulsory Convertible Preference Shares	Equity Component of 9% Cumulative Redeemable Preference Shares	Total
At April 01, 2018	**254.50**	**-**	**-**	**865.20**	**1,119.70**
Profit for the Year	1,204.94	-	-	-	1,204.94
Other Comprehensive Income	0.01	-	-	-	0.01
At March 31, 2019	**1,459.45**	**-**	**-**	**865.20**	**2,324.65**
Add: Premium on 10% Cumulative Compulsory Covertible Preference Shares	-	1,384.80	-	-	1,384.80
Adjustment on extinguishment of original liability of 9% Cumulative Redeemable Preference shares	865.20	-	-	(865.20)	-
Less: Premium on 9% Cumulative Reedemable Preference Shares (CRPS)	(1,955.34)	(1,384.80)	-	-	(3,340.14)
Balance after adjustment of Premium on CRPS	369.31	-	-	-	369.31
Profit / (Loss) for the period/year	(720.86)				(720.86)
Distribution of Profit on account of Financial Guarantee provided to Holding Company	(14.36)	-	-	-	(14.36)
Equity component of 10% Compound Financial Instruments	-	-	17.15	-	17.15
At March 31, 2020	**(365.91)**	**-**	**17.15**	**-**	**(348.76)**
Summary of significant accounting policies	2				
Other notes to accounts	3 - 46				

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Place : New Delhi
Date : 28th July, 2020

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

1 Corporate Information

The consolidated financial statements comprise financial statements of Pharmax Corporation Limited (the holding company) for the year ended March 31, 2020. Pharmax Corporation Limited ("Pharmax") is a public limited company registered under Companies Act, 2013. The holding company is engaged in the business of development of infrastructure development and deals in leasing of Estates.

The financial statements were authorised for issue in accordance with a resolution of the directors on 28th July 2020.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2018, the Holding Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

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

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

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

Investment in Joint Venture

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Holding Company's investments in its joint venture are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Holding Company's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The statement of profit and loss reflects the Holdig Company's share of the results of operations of joint venture. Any change in OCI of investee is presented as part of the Holding Company's OCI. In addition, when there has been a change recognised directly in the equity of joint venture, the Holding Comapny recognises its share of any changes, when applicable, in the statement of changes in equity.

The aggregate of the Holding Company's share of profit or loss of a joint venture is shown on the face of the statement of profit and loss.

2.2 Summary of significant accounting policies

a. Current versus non-current classification

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

(i) Expected to be realized or intended to

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

be sold or consumed in normal operating cycle

(ii) Held primarily for the purpose of trading

(iii) Expected to be realized within twelve months after the reporting period, or

(iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

(i) It is expected to be settled in normal operating cycle

(ii) It is held primarily for the purpose of trading

(iii) It is due to settled within twelve months after the reporting period, or

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

The Holding Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Holding 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 Holding 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

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

installation / under development as at the balance sheet date.

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

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

c. Investment property

Recognition and initial measurement

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

Property held under lease is classified as investment property when it is held to earn rentals or for capital appreciation or for both, rather than for sale in the ordinary course of business or for use in production or administrative functions. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred. The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

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

Asset category* Estimated

Buildings and related equipment 15 to 60

Plant & Machinery & other equipment 6 to 10

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

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

De-recognition

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

d. Impairment of non financial assets

The Holding Company assesses at each reporting date whether there is an indication

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

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

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

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

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

(i) Financial assets

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

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

Initial recognition and measurement

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

Subsequent measurement

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

(i) Debt instruments at amortized cost

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

Debt instruments at amortized cost

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

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

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

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

Debt instruments at FVTPL

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

Derecognition

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

- the rights to receive cash flows from the asset have expired, or
- the Holding 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 Holding Company has transferred the rights to receive cash flows from the financial assets or

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

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

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

Inventories

Inventories comprise completed units for sale and property under construction (Work in progress):

(A) Completed Unsold inventory is valued at lower of cost and net realizable value. Cost is determined by including cost of land, materials, services and related overheads.

(B) Work in progress is valued at cost. Cost comprises value of land (including development rights), materials, services and other overheads related to projects under construction.

Impairment of financial assets

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

- Financial assets measured at amortised cost;

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

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

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

For recognition of impairment loss on other financial assets and risk exposure, the Holding 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 Holding Company reverts to recognizing impairment loss allowance based on 12-months ECL.

Reclassification of financial assets

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

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

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

Trade Payables

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

Financial guarantee contracts

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

medication is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

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

f. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Holding Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Revenue from Leasing

Revenue from leasing is recognized over the period of contract, as and when services are rendered.

g. Taxes

Current income tax

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

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

Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporay differences

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

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

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

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substantively enacted at the reporting date.

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

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

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

h. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i. Leases

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

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Holding Company is classified as a finance lease.

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Holding Company's general policy on the borrowing costs.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Holding Company will obtain ownership by the end of

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the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the payment are structured to increase in line with expected general inflation to compensate for the losses in expected inflationary cost increase.

Company as a lessor

Leases in which the Holding 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.

j. Provision and Contingent liabilities

Provisions

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

Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Holding 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 Holding 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.

k. 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.

l. Earning per share

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

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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.

m. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(i) In the principal market for the asset or liability, or

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

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

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

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

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

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

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

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

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

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

- Disclosures for valuation methords, significant estimates and assumptions
- Quantitative disclosures of fair value measurement hierarchy
- Investment in unquoted equity shares
- Financial instruments (including those carried at amortised cost)

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Holding Company's financial statements requires management

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for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

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.

Property lease classification – Company as lessor

The Holding Company has entered into commercial property leases on its investment property portfolio. The Holding Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases

Estimates and assumptions

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

(a) Taxes

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

(b) Fair value measurement of financial instrument

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

Notes forming part of the Consolidated financial statements

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affect the reported fair value of financial instruments.

(c) Impairment of Financial assets

The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. the Holding Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Holding 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 Holding 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 Holding 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 Holding Company's of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, or other fair value indicators.

Notes forming part of the Consolidated financial statements

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3. Property, plant and equipment

Particulars	Land (free-hold)	Land (lease-hold)	Building	Plant & equip-ments	Furni-ture & Fixtures	Com-puters	Total	Capital work in progress
Cost								
At April 01, 2018	0.84	1.82	1,807.72	727.04	59.00	6.11	2,602.53	243.85
Additions	-	89.83	-	-	-	-	89.83	334.88
Disposals	0.42	-	1,295.64	18.09	59.00	0.29	1,373.44	
At March 31, 2019	**0.42**	**91.65**	**512.08**	**708.95**	**-**	**5.82**	**1,318.92**	**578.73**
Additions	-	-	-	-	-	-	-	-
Disposals/ Adjustments (Refer Note 3.1)	0.42	91.65	512.08	702.29	-	5.82	1,312.26	578.73
At March 31, 2020	**-**	**-**	**-**	**6.66**	**-**	**-**	**6.66**	**-**
Depreciation								
At April 01, 2018	-	-	434.96	647.29	50.89	5.82	1,138.96	
Charge for the year	-	-	22.56	19.34	0.46	-	42.36	
Disposals	-	-	47.04	2.40	51.35	-	100.79	
At March 31, 2019	**-**	**-**	**410.48**	**664.23**	**-**	**5.82**	**1,080.53**	**-**
Charge for the year	-	-	-	-	-	-	-	
Disposals	-	-	410.48	662.78	-	5.82	1,079.08	
Disposals/ Adjustments (Refer Note 3.1)	**-**	**-**	**-**	**1.45**	**-**	**-**	**1.45**	**-**
Net block								
At April 01, 2018	0.84	1.82	1,372.76	79.75	8.11	0.29	1,463.57	243.85
At March 31, 2019	0.42	91.65	101.60	44.72	-	-	238.39	578.73
At March 31, 2020	-	-	-	5.21	-	-	5.21	-

Notes forming part of the Consolidated financial statements

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Note - The company has exercised the exemption available under Ind AS 101 for property plant and equipment to measure the same at the carring value as per previous GAAP on the date of transition i.e. Deemed cost. The Deemed cost has been calculated as under:

Particulars	Deemed Cost as on 1st April, 2017							
	Land (free-hold)	Land (lease-hold)	Building	Plant & equip-ments	Furni-ture & Fixtures	Com-puters	Total	Capital work in prog-ress
Gross block	0.84	1.82	1,807.72	724.77	59.00	6.11	2,600.26	-
Accumulated depreciation	-	-	406.56	636.24	51.53	5.82	1,100.15	-
Net block	0.84	1.82	1,401.16	88.53	7.47	0.29	1,500.11	-

3.1 Investment Property

	Investment Property under development	Land (freehold)	Building	Land (leasehold)	Total
At cost					
As at March 31, 2019	**-**	**-**	**-**	**-**	**-**
Additions					-
Disposals/Adjustments	(1,398.31)	(579.15)	(105.52)	(91.65)	(2,174.63)
As at March 31, 2020	**1,398.31**	**579.15**	**105.52**	**91.65**	**2,174.63**
Amortization					
As at March 31, 2019	**-**	**-**		**-**	**-**
Additions	-	-	1.96	-	1.96
Disposals	-	-	(3.92)	-	(3.92)
As at March 31, 2020	**-**	**-**	**5.88**	**-**	**5.88**
Net carrying amount					
As at March 31, 2020	**1,398.31**	**579.15**	**99.64**	**91.65**	**2,168.75**
As at March 31, 2019	**-**	**-**	**-**	**-**	**-**

* During the year, gross block of freehold land of Rs. 579.15 Lakhs, leasehold land of Rs. 91.65 Lakhs, building of Rs. 105.52 Lakhs with accumulated depreciation thereon of Rs. 3.92 Lakhs was transferred from property, plant and equipments to Investment Properties.

(i) Contractual Obligations

Refer Note 28 For disclosure of contractual commitments for the acquisition of Investment Properties.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

(ii) Fair Value hierarchy and valuation technique

As at 31st March, 2020, the fair values of the properties are 9135.00 Lakhs (land value only). The fair value of investment property has been determined by external, independent property valuer, having appropriate recognised professional qualification and recent experience in the location and category of the property being value. A valuation model in accordance with that recommended by international valuation standards committee had been applied. The Holding company obtains independent valuations for its investment property annually and fair value measurement has been categorised as Level 3. Fair Values of land are arrived using sales comparable method. Investment property under development are subject to fair valuation once ready for commercial rental activities.

4. Investments in joint venture

Particulars	As at March 31, 2020	As at March 31, 2019
Investments carried at cost		
Investment in Joint Venture		
Forum I Aviation Limited *		
Nil (March 31, 2019: 74,87,251) Equity Share of Rs 10/- each fully paid up, Non-Trade	-	1,056.24
	-	**1,056.24**

* Forum I Aviation Limited (FIAL) was incorporated on December 28, 2004 and is engaged in the business of operating Aircrafts on Charter basis under the Non-Scheduled Airlines Permit issued to it by the Ministry of Civil Aviations, India. FIAL primarily provides charter services to its affiliates which are member companies who had entered into service agreement with the Company.

* On 17th March, 2020, Holding Company has sold the investment in Forum I Aviation Limited to Max Ateev Limited.

5. Non-Current - Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Loans and advances to joint venture*	38.00	38.00
Total	**38.00**	**38.00**

The deposit have been given to Forum I Aviation Ltd at interest rate of 8% p.a.

6. Current-Loans

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Loan to related parties*	1,000.00	-
Total	**1,000.00**	**-**

*The interest free loan has been given to Max Estates Limited.

Notes forming part of the Consolidated financial statements

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7. Current Investments

Particulars	As at March 31, 2020	As at March 31, 2019
Investment carried at fair value through profit and loss (FVTPL)		
Investment in mutual funds (unquoted, Non-Trade)		
Birla Sun Life Cash Plus - Direct Plan	-	129.35
Units Nil (March 31, 2019: 43,053.200)		
Total	**-**	**129.35**
- Investment in Others at FVTPL	-	129.35
Aggregate amount of quoted investments	**-**	**-**
Aggregate market value of quoted investments	**-**	**-**
Aggregate amount of impairment in value of investments	**-**	**-**

8. Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Unsecured, considered good	2.39	10.76
Total	**2.39**	**10.76**

No trade or other receivable are due from directors or other officers of the holding company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

For terms and conditions relating to related party receivables, refer note 29.

Trade receivables are non-interest bearing and are generally on terms of 60 to 90 days.

9. Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Balances with banks:		
– On current accounts	79.76	18.61
Cash on hand	0.20	0.26
	79.96	**18.87**

For the purpose of the statement of cash flow, cash and cash equivalents comprise the following:

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and Cash Equivalents as per balance sheet	79.96	18.87
	79.96	**18.87**

Notes forming part of the Consolidated financial statements

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10. Other financial assets

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Recoverable from MEL for sale of land and building (unsecured, considered good)	244.00	2,473.00
Interest accrued on deposit	1.37	0.67
Total	**245.37**	**2,473.67**

11. Current tax assets (net)

Particulars	As at March 31, 2020	As at March 31, 2019
Advance income tax (net of provisions)	5.60	6.27
	5.60	**6.27**

12. Other assets

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Prepaid expenses	0.14	-
Balance with statutory / government authorities		
Unsecured, considered good	313.07	53.77
	313.07	**53.77**
Other loans- Advances recoverable in cash		
Unsecured, considered good	0.45	0.45
	0.45	**0.45**
Total	**313.66**	**54.22**

13. Equity share Capital

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised shares		
60,000,000 (March 31, 2019: 60,000,000) equity shares of Re. 1/- each	600.00	600.00
10% 470,000 (March 31, 2019: 470,000) Cumulative Convertible Preference Shares of Rs. 100/- each	470.00	470.00
9% 1,500,000 (March 31, 2019: 1,500,000) Cumulative Redeemable Preference share of Rs. 100/- each	1,500.00	1,500.00
	2,570.00	**2,570.00**
Issued, subscribed and fully paid equity capital		
55,325,752 (March 31, 2019: 55,325,752) equity shares of Re. 1/- each fully paid up	553.26	553.26
Forfeited shares	2.66	2.66
Total	**555.92**	**555.92**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

(i) Reconciliation of authorised share capital as at year end

Particulars	No of shares	Amount
At April 01, 2018	60,000,000	600.00
Changes during the period	-	-
At March 31, 2019	**60,000,000**	**600.00**
Changes during the period	-	-
At March 31, 2020	**60,000,000**	**600.00**

(ii) Reconciliation of issued, subscribed and fully paid up share capital as at year end

Particulars	No of shares	Amount
At April 01, 2018	55,325,752	553.26
Changes during the period	-	-
At March 31, 2019	**55,325,752**	**553.26**
Changes during the period	-	-
At March 31, 2020	**55,325,752**	**553.26**

(iii) Terms/rights attached to equity shares

The Holding Company has only one class of equity shares having a par value of Re. 1/- per share. Each holder of equity shares is entitled to one vote per share. The holding company has not declared any dividend. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iv) Details of shareholders holding more than 5% shares in the Holding Company -

Name of the shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity shares of Re 1 each, fully paid-up				
- Max Estates Limited	47,122,747	85.17%	-	-
- Max India Limited	-	-	47,122,747	85.17%

14. Other Equity

		Amount
i)	**Securities premium account**	
	At 1 April 2018	
	Premium on issue of equity shares during the year	-
	At 31 March 2019	**-**
	Add: premium on issue of 10% Cumulative Convertible Preference shares	1,384.80
	Less: Premium on Cumulative Reedemable Preference Shares*	(1,384.80)
	At 31 March 2020	**-**
ii)	**Retained earnings**	
	At 1 April 2018	**254.50**

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for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

		Amount
	Changes during the year	1,204.95
	At 31 March 2019	**1,459.45**
	Add: Transferred from Equity Component of Cumulative Redeemable Preference Shares on extinguishment of original liability	865.20
	Less: Premium on 9% Cumulative Reedemable Preference Shares*	(1,955.34)
		369.31
	Profit/(Loss) for the year	(720.86)
	Less: Distribution of Profit on account of Financial Guarantee provided to Holding Company	(14.36)
	Items of other comprehensive income recognized directly in retained earnings	
	Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	-
	At 31 March 2020	**(365.91)**
iii)	**Equity Component of Cumulative Redeemable Preference Shares**	
	At 1 April 2018	**865.20**
	Changes during the year	-
	At 31 March 2019	**865.20**
	Less: Transferred to Retained earning on extinguishment of original liability	(865.20)
	At 31 March 2020	-
(iv)	**Equity Component of 10% Cumulative Compulsory Convertible Preference Shares**	
	At 1 April 2018	
	Changes during the year	-
	At 31 March 2019	-
	Add: additions during the year	17.15
	At the end of the year	**17.15**

* During the year, the holding company has provided for the premium on redemption of 9% Cumulative Redeemable Preference Shares amounting Rs.3340.14 Lacs out of the available profits and security premium account.

Nature and purpose of reserves:

Retained earnings - Retained earnings are profits of the holding company earned till date less transferred to general reserve.

Equity Component of Cumulative Redeemable Preference Shares - Preference shares are to be redeemed on or before March 31, 2020 i.e. 20 years from the date of issue of the said redeemable preference share in terms of Section 80 of the Companies Act, 1956 read with Article 9 of the Articles of Association of the Company.

Equity Component of Cumulative Compulsory Convertible Preference Shares - Preference shares are to be converted on or before March 31, 2040 i.e. 20 years from the date of issue of the said preference share in terms of Section 55 of the Companies Act, 2013.

Security Premium - Securities Premium Reserve is used to record premium on issue of shares. The reserve is utilised as per the provisions of the Companies Act, 2013.

Notes forming part of the Consolidated financial statements

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15. Borrowings (carried at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Non- Current		
Liability Component of Compound Financial Instruments	96.53	-
(10% Cumulative Compulsory Convertible Preference share)		
	96.53	**-**
Aggregate Secured loans	-	-
Aggregate Unsecured loans	96.53	-

Note : Rights, preferences and restriction attached to shares

Preference Shares

(i) The Cumulative Compulsory Convertible Preference shares shall carry coupon rate of 10%. The said shares are compulsory convertible on or before the end of 20 years from the date of allotment i.e. 30th March, 2020. The holder has the option to convert the preference shares at any time on or before the 20 years tenure into 100 equity shares of Re 1/- per preference shares. The preference shareholders have voting rights only in respect of certain matters as per the provisions of Section 47(2) of the Companies Act, 2013. The preference shareholders also carry a preferential right vis-a-vis equity shares of the holding company with respect to payment of dividend and repayment in case of a winding up or repayment of capital.

(ii) Details of shares held by shareholders holding more than 5% shares in the holding company

Name of Shareholder	As at 31st Mar, 20		As at 31st Mar, 19	
Max Estate Limited	1,15,400	100%	-	-

(iii) The 10% Cumulative Compulsory Convertible Preference Shares ("CCPS") are presented in the Balance Sheet as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Face Value of CCPS issued	115.40	-
Premium on CCPS issued	1,384.80	-
	1,500.20	-
Less: Liability Component of CCPS	98.25	-
	1,401.95	-

*The equity component of 10% Cumulative Compulsory Convertible Preference Shares has been presented in the Consolidated Statement of Changes in Equity.

16. Other financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Non-current		
Security deposits received	-	101.23
Unearned Financial Guarantee Fees	12.70	
Total	**12.70**	**101.23**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

Security deposits received from various companies for period of 11 months for the lease of office premises. As these are for short term, impact of discounting shall be immaterial.

17. Trade payables (carried at amortised cost)

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Total outstanding dues of micro and small enterprises (Refer Note 37)	-	-
Total outstanding dues of creditors other than micro and small enterprises	9.87	85.35
Total	**9.87**	**85.35**

*** Details of dues to micro and small enterprises as per MSMED Act, 2006**

As per the Act, the Holding Company is required to identify the Micro and small suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with such suppliers. Based on the information available with the Holding Company, none of the creditors have confirmed the applicability of act on them. Hence, the liability of the interest and disclosure are not required to be disclosed in the financial statements.

18. Other Financial liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Current Maturities of Liability Component of Compound Financial Instruments (Refer Note 15)	1.72	1,347.95
Security deposits received	70.69	-
Premium on Redemption of CRPS (Refer Note 39)	3,340.14	-
Unearned Financial Guarantee Fees	1.60	-
Advance from Related Parties	147.68	161.98
Total	**3,561.83**	**1,509.93**

19. Other liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
Statutory Dues	14.68	4.87
Total	**14.68**	**4.87**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

20. Revenue from operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from contract with customers		
Lease rentals	21.67	164.59
Total	**21.67**	**164.59**

20.1 Contract balances

	As at March 31, 2020	As at March 31, 2019
Trade receivables	2.39	10.76
Contract liabilities	-	-

Trade receivables are non interest bearing. Credit period generally falls in the range of 60 to 90 days.

20.2 Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

	As at March 31, 2020	As at March 31, 2019
Revenue as per contracted price	21.67	164.59
Adjustments		
Discount	-	-
Revenue from contracts with customers	**21.67**	**164.59**

20.3 Perfomance obligations

Obligation of the Holding Company is to provide shared services to its group companies and accordingly recognises revenue over the period of the contract based on the services rendered.

21. Other income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest income		
- Others	3.04	3.04
	3.04	**3.04**
Other non-operating income		
Profit on sale of current investments	2.46	24.95
Other non-operating income	0.62	-
Profit on sale of Property, Plant and Equipments	-	1,606.74
- Financial guarantee income	0.06	-
	3.14	**1,631.69**
Total	**6.18**	**1,634.73**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

22. Employee Benefits Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, wages and bonus	0.81	-
Total	**0.81**	**-**

23. Finance Costs

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expense:		
on CRPS	152.05	136.64
Interest on income tax	12.48	9.34
Total	**164.53**	**145.98**

24. Depreciation and amortization expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation on property, plant and equipment (refer note 3)	8.84	42.36
Total	**8.84**	**42.36**

25. Other expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Insurance	0.01	0.94
Rates and Taxes	10.71	25.21
Repairs and maintenance	63.04	136.83
Power and fuel	2.55	-
Printing and stationery	6.68	4.40
Travelling and conveyance	0.04	-
Communication	0.04	7.11
Legal and professional	23.18	136.15
Auditor's remuneration	2.03	0.75
loss on sale of long term investment	359.22	-
Directors' fee	2.18	1.20
Assets Written Off	-	179.38
Debit Balances Written Off	-	0.83
Loss on discard of fixed assets	5.23	-
Miscellaneous	1.67	9.10
Total	**476.59**	**501.90**

Notes forming part of the Consolidated financial statements
for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

Payment to auditors:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
As auditor:		
For audit	2.03	0.75
For other services	-	-
For reimbursement of expenses	-	-
Total	**2.03**	**0.75**

26. Income Tax

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

Statement of profit and loss:

Profit or loss section

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current income tax charge	3.65	244.79
MAT credit entitlement	43.83	(203.95)
Income tax adjustment related to earlier years	6.51	-
Deferred tax:		
Relating to origination and reversal of temporary differences	109.23	(79.41)
Income tax expense reported in the statement of profit or loss	**163.22**	**(38.57)**

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

Particulars	March 31, 2020	March 31, 2019
Accounting profit before income tax	**(622.92)**	**1,109.08**
At India's statutory income tax rate of 29.12% (March 31, 2019: 29.12%)	29.12%	29.12%
Computed tax expense	(181.39)	322.96
Adjustments:		
- Adjustments in respect of current income tax of previous years		
Non-taxable income/expenses	109.15	**-**
MAT credit entitlement	43.83	(203.95)
Ind AS impact	(57.29)	(79.41)
Impact of last year return filling	160.12	-
Income tax paid for earlier year	6.51	-
Others	82.30	(78.17)
At the effective income tax rate	**163.22**	**(38.57)**
Income tax expense reported in the statement of profit and loss	163.22	(38.57)

Deferred tax:

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

Particulars	Balance Sheet	
	As at March 31, 2020	As at March 31, 2019
Deferred tax relates to the following:		
Ind AS impact on deferred tax	-	50.89
MAT credit entitlement	43.83	(203.95)
Net deferred tax assets/(liabilities)	**43.83**	**(153.06)**

Particulars	Statement of profit and loss	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Deferred tax relates to the following:		
Ind AS impact on deferred tax	(109.23)	79.41
Other	(43.83)	203.95
Net deferred tax assets/(liabilities)	**(153.06)**	**283.36**

Reflected in the balance sheet as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax assets	43.83	153.06
Deferred tax liabilities	-	-
Deferred tax Assets/(liabilities), net	43.83	153.06

Reconciliation of deferred tax liabilities (net):

Particulars	March 31, 2020	March 31, 2019
Opening balance as of 1 April	153.06	(130.30)
Tax income/(expense) during the period recognised in profit or loss	(109.23)	283.36
Tax income/(expense) during the period recognised in OCI	-	-
Closing balance as at 31 March	**43.83**	**153.06**

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.

During the year, the Company has sold investment in unlisted company. Company is required to evaluate the fair value of the investment on the date of the sale as required by the relevant provisions of the Income Tax Act, 1961. The management has confirmed that it has sold the investment at fair value and the aforesaid legislations will not have any impact on financial statements, particularly on the amount of tax expenses and that of provision for taxation.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

27. Earnings Per Share (EPS)

Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the parent by the weighted average number of equity shares outstanding during the year.

The following reflects the income and share data used in EPS computations :

Particulars	31-Mar-20	31-Mar-19
Profit attributable to equity holders of the parent		
Basic EPS		
Profit after tax (Rs. in Lakhs)	(720.86)	1,204.95
Less: dividends on convertible preference shares & tax thereon	-	-
Net profit/(loss) for calculation of basic EPS	(720.86)	1,204.95
Weighted average number of equity shares outstanding during the period/year (Nos.)	55,325,752	55,325,752
Basic earnings per share (Rs.)	**(1.30)**	**2.18**
Dilutive EPS		
Profit after tax (Rs. in Lakhs)	(720.86)	1,204.95
Weighted average number of equity shares outstanding during the period/year for dilutive earnings per share (Nos)*	55,325,752	55,325,752
Total	**(1.30)**	**2.18**
Basic EPS	(1.30)	2.18
Diluted EPS	(1.30)	2.18

Note: The anti-dilutive effect for the year ended 31 March 2020 is ignored.

28 Commitments and contingencies

a) Commitments

Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
Captial Commitment		
Estimated amount of contracts remaining to be executed and not accounted for	1,100.00	2,750.00
Less Capital advances	-	-
Net commitments	1,100.00	2,750.00
Other Commitment		
Corporate Guarantee has been given in favour of Max Estate Limited to the bank for Rupee Term Loan not exceeding Rs. 4500 Lakhs	1,500.00	-
Exclusive charge over receivables/cash flows/revenues (including booking amounts) and all insurance proceeds, both present and future to the extent of the Company’s share, arising out of or in connection with the project "Max House" being developed on land located at 1516/338,339,340, Village Bahapur, near Okhla Railway Station, Delhi admeasuring approx. 2,869 square meters.	-	-

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

b) Contingent liabilities

Particulars	for the year ended March 31, 2020	for the year ended March 31, 2019
- Arrears of Dividend on 9% Cumulative Redeemable Preference Share	-	2,565.00
- Corporate Dividend Tax	-	522.17
Total Contingencies	-	3,087.17

29. Related party disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Ultimate Holding Company	Max Ventures & Industries Limited (w.e.f 25th Nov 2019)
Holding Company	Max India Limited (upto 24th Nov 2019)
	Max Estates Limited (w.e.f 25th Nov 2019)
Fellow Subsidiary Company	Max Bupa Health Insurance Company Limited (upto 24th Nov 2019)
	Max Skill First Limited (upto 24th Nov 2019)
	Max One Distribution And Services Limited(upto 24th Nov 2019)
	Antara Senior Living Limited(upto 24th Nov 2019)
	Antara Purukul Senior Living Limited(upto 24th Nov 2019)
	Antara Gurgaon Senior Living Limited(upto 24th Nov 2019)
	Max Ateev Limited(upto 24th Nov 2019)
	Max UK Limited, UK(upto 24th Nov 2019)
	Advaita Allied Health Services Limited(upto 24th Nov 2019)
	Northern Propmart Solutions Limited(w.e.f 25th Nov 2019)
	Wise Zone Builders (P) Ltd.(w.e.f 25th Nov 2019)
Joint Venture	Forum I Aviation Limited (upto 17th march, 2020)
Names of other related parties with whom transactions have taken place during the year	
Directors and Key management personnel	Mr. Patnam Dwarakanath(Director) (upto 25th Nov, 2019)
	Mrs. Kiran Sharma (Independent Director) (w.e.f 11th Aug 2015)
	Mr. Sanjay Khandelwal (Independent Director) (w.e.f 11th Aug 2015)
	Mr. Kishansingh Ramsinghaney (Director) (w.e.f 17th Mar 1997)
	Mr. Anshul Gaurav (w.e.f 25th Nov 2019)
	Ms. Priya Mehrotra (Company Secretary) (upto 30th April, 2019)
	Ms. Jyoti Antil (Company Secretary) (w.e.f. 30th Oct, 2019 to 15th March, 2019)
	Mr. Archit Goyal (Chief Financial Officer) (w.e.f 25th Nov 2019)
	Mr. Ankit Kalra (Chief Financial Officer) (upto 25th Nov 2019)
Entities controlled or jointly controlled by person or entities where person has significantly influence or entities where person having control is Key Management personnel	Siva Realty Ventures (P) Ltd. (w.e.f 25th Nov 2019)
	Max Skill First Limited (w.e.f 25th Nov 2019)
	Max One Distribution And Services Limited (w.e.f 25th Nov 2019)
	Antara Senior Living Limited (w.e.f 25th Nov 2019)
	Max Ateev Limited (w.e.f 25th Nov 2019)
	Vana Retreats (P) Ltd. (w.e.f. 25th Nov 2019)
	New Delhi House Services Limited(w.e.f 25th Nov 2019)

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

29 (a) Details of transactions 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 (Paid)**	Max Estates Limited	143.67	-
		Max India Limited	-	120.00
		Total	**143.67**	**120.00**
2	**Reimbursement of Expenses (Charged to CWIP/IP)**	Max Estates Limited	1,398.31	-
		Total	**1,398.31**	
3	**Sale of Investment**	Max Ateev Limited	718.48	-
		Total	**718.48**	
4	**Interest recd. on Securty Deposit**	Forum 1 Aviation Limited	2.92	3.04
		Total	**2.92**	**3.04**
5	**Revenue from Lease Rent**	Max Ateev Limited	0.22	0.05
		Max One Distribution And Services Limited	0.11	0.10
		Antara Senior Living Limited	7.08	71.76
		Max Skill First Limited	0.72	0.72
		Max India Limited	9.45	64.49
		Total	**17.58**	**137.12**
6	**Premium on Redemption of 9% Cumulative Redeemable Preference Shares**	Max India Limited	3,340.14	**-**
		Total	**3,340.14**	**-**
7	**Issue of 10% Compulsory Convertible Preference Shares**	Max Estates Limited	1,500.20	**-**
		Total	**1,500.20**	**-**
8	**Security Deposit Received**	Max Estates Limited	40.00	**-**
		Total	**40.00**	**-**
9	**Director`s Sitting Fee**	Sanjay Khandelwal	1.13	0.60
		Kiran Sharma	1.05	0.60
		Total	**2.18**	**1.20**
10	**Loan Given**	Max Estates Limited	1,000.00	
		Total	**1,000.00**	**-**
11	**Repair & Maintenance**	New Delhi House Services Limited	53.31	
		Total	**53.31**	**-**
12	**Salary Paid**	Ms. Jyoti Antil	0.81	**-**
		Total	**0.81**	**-**
13	**Share of Profit / Loss of Joint Venture**		19.37	57.29
			19.37	**57.29**
14	**Legal & Professional**	Priya Mehrotra	0.15	0.75
		Total	**0.15**	**0.75**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

29 (b) Balances outstanding at year end

S.No	Nature of transaction	Particulars	As at March 31, 2020	As at March 31, 2019
1	**Amount receivable**	Antara Senior Living Limted	1.56	-
		Max Ateev Limited	0.06	0.06
		Max One Distribution And Services Limited	0.06	-
		Max Skill First Limited	0.39	-
		Siva Realty Ventures (P) Ltd.	0.32	-
		Max Estates Limited	229.87	-
		Total	**232.26**	**0.06**
2	**Amount payable**	Max India Limited	3,483.95	154.01
		Max Skill First Limited	0.18	0.18
		Antara Senior Living Limited	12.91	19.14
		Vana Retreats Pvt. Ltd.	1.91	1.91
		Max Estates Limited	40.00	-
		Total	**3,538.95**	**175.24**
3	**Loan Given**	Max Estates Limited	1,000.00	-
		Forum 1 Aviation Limited	-	38.67
		Total	**1,000.00**	**-**
4	**Investment in Equity**	Forum 1 Aviation Limited	-	1,056.24
		Total	**-**	**1,056.24**
5	**Guarantee Given**	Max Estates Limited	1,500.00	-
		Total	**1,500.00**	**-**

Terms and conditions of transactions with related parties

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

30. Capital management

For the purpose of the Holding Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, share premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value. The Holding 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 Holding Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Holding Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Holding Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

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for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

	As at March 31, 2020	As at March 31, 2019
Borrowings (non-current)	96.53	-
Other financial liabilities	3,574.53	1,611.16
Trade payables	9.87	85.35
Less: Cash and cash equivalents	(79.96)	(18.87)
Net debts	**3,600.97**	**1,677.64**
Equity share capital	555.92	555.92
Other Equity	(348.76)	2,324.65
Total Capital	**207.16**	**2,880.57**
Capital and net debt	**3,808.13**	**4,558.21**
Gearing ratio (%)	**94.56%**	**36.80%**

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

31. Fair values 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:

Particulars	Carrying value		Fair value	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
Financial assets				
Amortised Cost:				
Non current & current				
- Loans	1,038.00	38.00	1,038.00	38.00
- Trade receivables	2.39	10.76	2.39	10.76
- Other financial assets	245.37	2,473.67	245.37	2,473.67
- Cash and cash equivalents	79.96	18.87	79.96	18.87
Total	**1,365.72**	**2,541.30**	**1,365.72**	**2,541.30**
Financial liabilities				
Amortised Cost:				
Non current & current				
- Borrowings	96.53	-	96.53	-
- Trade payables	9.87	85.35	9.87	85.35
- Other financial liabilities	3,574.53	1,611.16	3,574.53	1,611.16
Total	**3,680.94**	**1,696.51**	**3,680.94**	**1,696.51**
Financial asset carried at fair value through statement of profit & loss				
Current investments	-	129.35	**-**	129.35

Notes:

1 The Holding Company assessed that trade receivables, cash and cash equivalents, other bank balances, loans and advances to related parties, interest receivable, trade payables, capital creditors

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for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

are considered to be the same as their fair values, due to their short term nature.

2 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:

3 Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Holding 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.

4 The fair value of unquoted instruments, loans from banks and other financial liabilities as well as other noncurrent financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable and unobservable inputs in the model, of which the significant observable and unobservable inputs are disclosed in the table below. Management regularly assesses a range of reasonably possible alternatives for those significant observable and unobservable inputs and determines their impact on the total fair value.

5 The fair values of the Holding Company's interest-bearing borrowings and other non-current financial liabilities are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2020 was assessed to be insignificant.

32. Fair value hierarchy

The Holding 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

Particulars	Carrying value	Fair value		
	March 31, 2020	Level 1	Level 2	Level 3
Loans	1,038.00	-	1,038.00	-
Other financial assets	245.37	-	245.37	-
Trade receivables	2.39	-	2.39	-
Current investments	-	-	-	-

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

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

Particulars	Carrying value	Fair value		
	March 31, 2019	Level 1	Level 2	Level 3
Loans	38.00	-	38.00	-
Other financial assets	2,473.67	-	2,473.67	-
Trade receivables	10.76	-	10.76	-
Current investments	129.35	-	129.35	-

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

Particulars	Carrying value	Fair value		
	March 31, 2020	Level 1	Level 2	Level 3
Non current & current				
Borrowings	96.53	-	96.53	-
Other financial liabilities	3,574.53	-	3,574.53	-
Trade payables	9.87	-	9.87	-

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

Particulars	Carrying value	Fair value		
	March 31, 2019	Level 1	Level 2	Level 3
Borrowings	-	-	-	-
Other financial liabilities	1,611.16	-	1,611.16	-
Trade payables	85.35	-	85.35	-

33. Financial risk management objectives and policies

The Holding Company's has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Holding Company's financial performance. The Corporate Finance department, evaluates financial risks in close co-operation with the various stakeholders.

The Holding 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 Holding Company, duly supported by various Groups and Committees.

a) Capital risk

The Holding Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Holding Company consists of debt, which includes the borrowings disclosed in notes 13, cash and cash equivalents disclosed in note 11 and equity as disclosed in the statement of financial position.

b) Liquidity risk

Liquidity risk is the risk that the Holding Company will not be able to meet its financial obligations

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as they become due. The Holding 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 Holding 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. Longer term cash flow forecasts are updated from time to time and reviewed by the Investment and Performance Review Committee of the Board.

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

	0-1 Years	1-5 Years	More than 5 Years	Total
March 31, 2019				
Interest bearing borrowings	-	-		-
Trade payable	85.35	-	-	85.35
Other financial liabilities	1,509.93	101.23	-	1,611.16
% to Total	**94.03%**	**5.97%**	**0.00%**	**100.00%**
March 31, 2020				
Borrowings	11.54	57.70	161.56	230.80
Trade payable	9.87	-	-	9.87
Other financial liabilities	3,572.81	-	-	3,572.81
% to Total	**94.25%**	**1.51%**	**4.24%**	**100.00%**

c) Credit risk

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

(i) Trade receivables

Customer credit risk is managed by each business unit subject to the Holding Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management Department assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. The Holding Company provides credit to individuals on exceptional basis only. An impairment analysis is performed at each reporting date on an individual basis.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

(ii) Financial instruments and cash deposit

Credit risk from balances with banks and financial institutions is managed by the Holding Company's treasury department in accordance with the Holding 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 regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Holding Company.

The Holding Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2020 is the carrying amounts as illustrated in the liquidity table above.

d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices 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. 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.

34. Company information

A. Joint arrangements in which Company is Joint venture

S.no.	Name of the entity	Principal business activities	Principal place of business/ Country of incorporation	Ownership interest held by the Company (in %)	
				As at March 31, 2020	As at March 31, 2019
1	Forum I Aviation Limited	Aircraft chartering services	India	-	20.00

35. Interest in joint-ventures

The Company's interest in the joint ventures disclosed below is accounted for using the equity method in the consolidated. Summarised financial information of the joint venture, based on its Ind AS financial statements and reconciliation with the carrying amount of the investment in consolidated financial statements.

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

Summarised balance sheet

	Forum-I Aviation Limited	
	As at March 31, 2020	**As at March 31, 2019**
Investments, cash and cash equivalents, other financial assets and other current assets (current)	1,899.01	1,859.48
Property, plant and equipment, intangible assets, other non-current financial assets and other non-current assets including deferred tax assets (non-current)	4,984.72	4,884.04
Borrowings, trade payable, other current financial liabilities and other liabilities including provisions (current)	(192.54)	(168.86)
Borrowings, other non-current financial liabilities and other liabilities including provisions and deferred tax liabilities(non- current)	(545.42)	(531.07)
Net assets	**6,145.76**	**6,043.59**
Proportion of Group's ownership (%)	20.00	20.00
Carrying value of Investment	1,056.24	998.95
Additional investment		
Add: Company's share in Profit / (Loss) for the year	19.37	57.29
Add: Company's share in Other Comprehensive Income for the year	2.08	0.01
Less: Cost of Sale of Investment	(1,077.69)	-
Carrying amount of the investment*	**-**	**1,056.24**
*includes capital reserve amounting Rs. 152.47 Lakh		

Summarised statement of profit and loss

	Forum-I Aviation Limited	
	For the year ended March 31, 2020	**For the year ended March 31, 2019**
Revenue	2,391.73	2,247.10
Employee benefits expense	626.92	553.44
Finance costs	15.20	22.79
Depreciation and amortization expense	266.53	267.46
Other expenses	1,342.64	1,142.21
Profit/ (loss) before tax	**140.44**	**261.20**
Tax expenses	(76.57)	(25.23)
Profit/ (loss) after tax	**63.87**	**286.43**
Profit/ (loss) after tax in discontinuing operations	**-**	**-**
Profit for the year	**63.87**	**286.43**
Other comprehensive income (net of tax)	2.95	0.02
Total comprehensive income for the year	**66.82**	**286.45**
Profit/(loss) for the year attributable to		
Equity holder of the parent	63.87	286.43
Non controlling interests	-	-

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

	Forum-I Aviation Limited	
	For the year ended March 31, 2020	For the year ended March 31, 2019
Total comprehensive income/(loss) for the year attributable to		
Equity holder of the parent	66.82	286.45
Non controlling interests	-	-
Company's share of profit/(loss) for the year *	**12.29**	**57.29**
Difference in the share of audited Profit and unaudited profit	7.09	-
Total Company's share of profit/(loss) for the year	**19.37**	**57.29**
Company's share of other comprehensive income for the year *	**0.57**	**0.01**
Difference in the share of audited Profit and unaudited profit	1.51	**-**
Company's share of other comprehensive income for the year *	**2.08**	**0.01**

* Computed on the profits attributable to the equity holders of the joint venture till 17th March, 2020 on which date parent company has sold the investment.

36. Additional information as required by paragraph 2 of the general instructions for preparation of consolidated finanacial statement to Schedule III to the Companies Act, 2013.

Details of net assets:

Particulars	Net Assets for the year ended 31.03.2020		Net Assets for the year ended 31.03.2019	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Joint Venturer Pharmax Corporation Limited	100%	207.16	63%	1,824.33
Joint Venture Forum I Aviation Private Limited	0%	-	37%	1,056.24
Total	**100%**	**207.16**	**100%**	**2,880.57**

Details of share in profits:

Particulars	Share in profit for the year ended 31.03.2020		Share in profit for the year ended 31.03.2019	
	As % of consolidated profit/(loss)	Amount	As % of consolidated profit/(loss)	Amount
Joint Venturer Pharmax Corporation Limited	103%	(742.31)	-95%	1,147.66
Joint Venture Forum I Aviation Private Limited	-3%	21.45	-5%	57.29
Total	**100%**	**(720.86)**	**100%**	**1,204.95**

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

37 DETAILS OF DUES TO MICRO AND SMALL ETERPRISES AS DEFINED UNDER THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosures as per Section 22 of 'The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006' are as follows:

(Rs. In Lakhs)

		As at March 31, 2020	As at March 31, 2019
i)	The principal amount and the interest due thereon remaining unpaid to any supplier		
	- Principal amount	Nil	Nil
	- Interest thereon	Nil	Nil
ii)	The amount of interest paid by the buyer in terms of section 18, along with the amounts of the payment made to the supplier beyond the appointed day.	Nil	Nil
iii)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this act.	Nil	Nil
iv)	The amount of interest accrued and remaining unpaid.	Nil	Nil
v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor.	Nil	Nil

The above information has been determined to the extent such parties could be identified on the basis of the information available with the Holding Company regarding the status of suppliers under the MSMED.

38 The Holding Company has adopted Ind AS 116 "Leases" effective 1st April, 2019, as notified by the ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standard) Amendment Rules, 2019, using modified retrospective method. The adoption of this standard did not have any impact on transition period and during the year.

39 Redemption of 9% Cumulative Redeemable Preference Shares

The Holding Company had allotted to Max India Limited 15,00,000 9% Cumulative Redeemable Preference Shares (CRPS) of the face value of Rs. 100 each at par on April 1, 2000. The Holding Company has decided to redeem the preference shares at face value plus a redemption premium of Rs. 3340.14 Lakhs. The Holding Company has redeemed & paid face value of Rs. 1500.00 Lakhs and provided for Rs. 3340.14 Lakhs as premium on redemption of CRPS on redemption date i.e. 31st March, 2020. Due to pandemic COVID-19 & lockdown in the country, premium payment has been deferred upto June 30, 2020 i.e. for a period of 3 more months from the due date, along with compensation @9% p.a. till actual date of premium payment. The preference shareholder agreed the deferment in line with moratorium announcements by Government of India on account of impact of COVID-19. Necessary intimation for premium payment

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

deferment is filed before the office of the Registrar of Companies. In view of the management, the holding company has complied with the applicable provisions of Companies Act, 2013 and aforesaid legislation will not have any impact on the financial statement.

40 Impact of COVID-19 on Financial Statements

The outbreak of Coronavirus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including ban on travel, quarantine, social distancing, and closure of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Covid-19 is significantly impacting business operation of the companies, by way of interruption in real estate development, production, supply chain disruption, unavailability of personnel, closure/ lock down of production facilities etc. On March 24, 2020, the Government of India ordered a nationwide lockdown for 21 days which further got extended till May 17, 2020 to prevent community spread of Covid-19 in India resulting in significant reduction in economic activities.

The Holding Company is engaged in the business of providing infrastructure facility for commercial purposes which includes, inter alia, development, operation, marketing, management, leasing. Construction of a commercial project currently being undertaken by the holding Company is Max House, Okhla, Delhi, which before the lockdown, was proceeding within the projected timelines. However, with the declaration of the lockdown, the construction activity had come to a complete stand still between the period from March 24, 2020 till 3rd May 2020, when the Government had lifted the ban on construction activity (in-situ). We have been able to re- commence the construction from 4th May 2020 according to Government directives.

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 statements and the holding Company will continue to monitor any material changes to future economic conditions.

41 There have been no delays in transferring amounts required to be transferred to the Investor Education and Protection Fund.

42 The Holding Company has no outstanding derivative or foreign currency exposure as at the end of the current year and previous year.

43 Segment reporting

The Holding Company is a one segment company in the business of real estate development and leasing. All its operations are located in India , accordingly, the Company views these activities as one business segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Segment Reporting'.

44 Events after the Reporting period

There are no events observed after the reported period which have an impact on the company operations

Notes forming part of the Consolidated financial statements

for the year ended March 31, 2020 *(Amount in INR Lakh, unless otherwise stated)*

45 Figures relating March 31, 2019 has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.

46 Note No. 1 to 46 form integral part of the Balance sheet and Statement of profit & Loss.

SANDEEP DAHIYA
Partner
Membership No. 505371

For and on behalf of
Dewan P.N. Chopra & Co.
Chartered Accountants
FRN : 000472N

Place : New Delhi
Date : 28th July, 2020

For and on behalf of the Board of Directors of
Pharmax Corporation Limited

Rishi Raj
(Director)
(DIN 08490762)

Kishansingh Ramsinghaney
(Director)
(DIN 00329411)

Archit Goyal
(Chief Financial Officer)

Place : New Delhi
Date : 28th July, 2020

PHARMAX CORPORATION LIMITED

Registered Office

Bhai Mohan Singh Nagar, Village Ralimajra, Tehsil Balachaur

District - Nawanshahr, Punjab - 144 533

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