October 17, 2016

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 021

Scrip Code: 539940

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai - 400051

Scrip Code: MAXVIL

Sub.: Annual Report 2015-16 pursuant to the provisions of Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) regulations, 2015

Dear Sir/Madam,

Pursuant to the provisions of Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Annual Report of the Company for the financial year 2015-16.

This is for your information and records.

Thanking you,

Yours faithfully

For **Max Ventures and Industries Limited**

For Max Ventures and Industries Limited

Alok Goel
Company Secretary

Alok Goel
Company Secretary

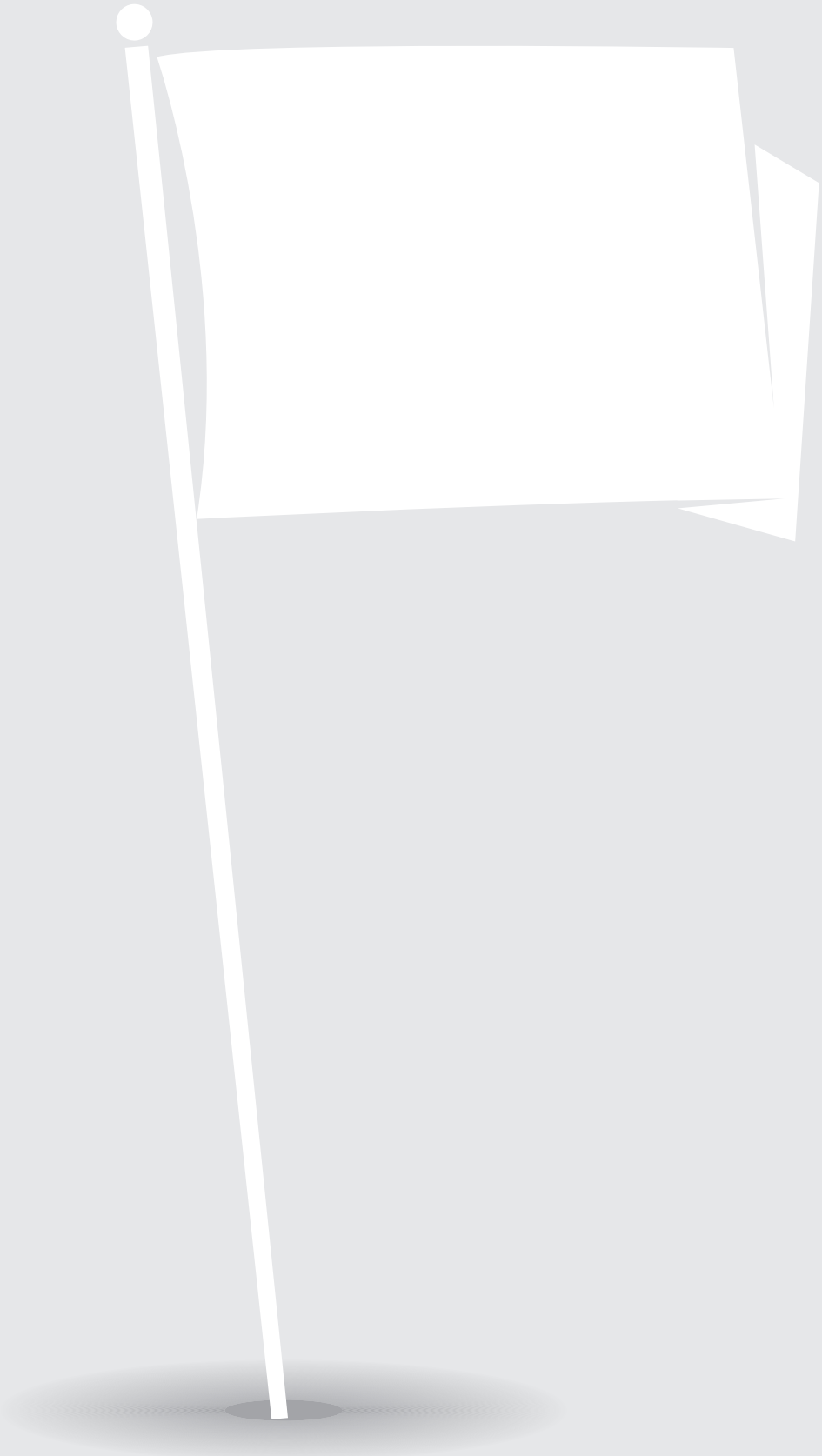
Encl. as above

TRANSFORMING TO ENHANCE VALUE

ANNUAL REPORT 2015-16

MAX | VENTURES & INDUSTRIES

INDEX



01

CORPORATE REVIEW

OUR ENTERPRISE

MEASURES OF SUCCESS

OUR PATH

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BOARD OF DIRECTORS

OUR ENTERPRISE

MAX | VENTURES & INDUSTRIES

Max Ventures & Industries is the holding company for Max Speciality Films and serves as the Group's entrepreneurial arm to explore the 'wider world of business', especially taking cues from the economic and commercial reforms agenda of the present Government, including 'Make in India', 'Skill India', 'Digital India', among others.

MAX SPECIALITY FILMS

Launched in 1988, Max Speciality Films is a subsidiary of MaxVIL, based in Railmajra, Punjab. It is a leading manufacturer of speciality packaging films, with revenues of ₹ 710 crore.

MAX ESTATES

Max Estates will leverage the Max Group's in-house experience in activities aligned with Real Estate and its access to the sponsor's private and Group land bank. The company has already commenced work on its maiden project in Dehradun.

Max I. Limited

Max I. Ltd, a wholly owned subsidiary, will provide intellectual and financial capital to early-stage organizations, with sound business models and proven revenue stream, across identified sectors.

Education Vertical

MaxVIL's Education vertical recognises the gap in provision of quality education in India and views this as a genuine opportunity not merely in terms of business but also in terms of making a significant positive social impact.

Max Financial Services owns and actively manages a majority stake in Max Life Insurance Company Limited, making it India's first listed company focused exclusively on life insurance. Max Life is a joint venture with Mitsui Sumitomo Insurance (MSI), a Japan headquartered global leader in life insurance.

Launched in 2000, Max Life is a joint venture with MS&AD, Japan. It is India's largest non-bank private life insurer, with revenues of ₹ 9,216 crore and a customer base of 3.8 million across 215 offices in 138 cities in India.

Max India Limited, a multi-business corporate, owns and actively manages a 46% per cent stake in Max Healthcare, a 51% stake in Max Bupa Health Insurance and a 100% stake in Antara Senior Living.

Launched in 2000, Max Healthcare is an equal JV partnership between Max India and Life Healthcare, South Africa. It is a leading provider of standardised, seamless and world-class healthcare services, focused on tertiary and quaternary care. Max Healthcare Network has revenues of ₹ 2,181 crore from over 2,500 beds across 14 hospitals.

Launched in 2008, Max Bupa is a 51:49 JV with Bupa Finance Plc., UK. It is one of India's leading standalone health insurance companies with Gross Premium of ₹ 476 crore, about 13,000 agents and tie-ups with over 3,600 quality hospitals across over 350 cities in India.

Launched in 2013, Antara is a 100% subsidiary of Max India. It is pioneering the concept of 'Age in Place' for people over 55, by developing Senior Living communities in India. The first Antara community will open in late 2016 near Dehradun, Uttarakhand.

Launched in 2008, Max India Foundation (MIF) represents the Max Group's social responsibility aspirations. The Foundation's work is focussed on healthcare for the underprivileged and has benefitted over 17,00,000 people in over 600 locations since its inception.

MEASURES OF SUCCESS

MaxVIL
equity shares listed on the
BSE and the **NSE**
w.e.f. 22 June 2016

Investor base comprising marquee global financial institutions such as
IFC Washington, New York Life, Morgan Stanley

Max Speciality Films PBT at
₹ 27.4 crore, up 132%

Growth numbers calculated against restated numbers for previous year for like to like comparison

MSF set to expand capacity to more than
75,000 to BOPP

Investment vertical Max I. Limited launched with maiden investment of
₹ 33.5 crore
in Azure Hospitality Pvt. Ltd

Exploratory work commenced for
Education vertical and Max Estates'
maiden project underway

Benefitted over
17 lakh lives in
600 locations across India
through Max India Foundation

OUR PATH

Our Vision

To address the wider world of business opportunities in India and abroad with fresh standards of entrepreneurial excellence

Our Mission

Deliver sustainable growth and profitability through entrepreneurial initiatives.

Tap 'Make in India' opportunities with a diverse portfolio of product and services linked to India and International markets.

Maintain cutting edge standards of governance

OUR VALUES

Sevabhav

We encourage a culture of service and helpfulness so that our actions positively impact society. Our commitment to Seva defines and differentiates us.

Excellence

We gather the experts and the expertise to deliver the best solutions for life's many moments of truth. We never settle for good enough.

Credibility

We give you our word. And we stand by it. No matter what. A 'No' uttered with the deepest conviction is better than a 'Yes' merely uttered to please, or worse, to avoid trouble. Our words are matched by our actions and behaviour.

BOARD OF DIRECTORS

MR. ANALJIT SINGH
Chairman

Mr. Analjit Singh is the Founder and Chairman Emeritus, Max Group, and Chairman of Max Ventures & Industries and Antara Senior Living. An industry statesman, he was awarded the Padma Bhushan, one of India's top civilian honours in 2011. He is also the Chairman of Vodafone India, and is on the Board of Tata Global Beverages and Sofina NV/SA, Belgium. He has significant interests in real estate in India and lifestyle related ventures in the Western Cape, South Africa, pertaining to viticulture, wine making and hospitality. Mr. Analjit Singh is a member of the Founder Executive Board of the Indian School of Business (ISB) and has served as Chairman of Board of Governors of the Indian Institute of Technology (IIT), Roorkee. He was awarded the Ernst and Young Entrepreneur of the Year Award (Service Category) in 2012 and the US India Business Council Leadership Award in 2013. In 2014, he was awarded with Spain's second highest civilian honour, the Knight Commander of the Order of Queen Isabella. He is an alumnus of Doon School and Shri Ram College of Commerce (SRCC), Delhi University, and holds an MBA from Boston University. He also serves as the Honorary Consul General of the Republic of San Marino in India.

MR. MOHIT TALWAR
Vice Chairman

Mr. Mohit Talwar is the Managing Director of Max Financial Services and Max India, and Vice Chairman of Max Ventures & Industries Limited. In addition, he is the Chairman of Max Speciality Films and serves on the Boards of Max Life Insurance, Max Healthcare, Max Bupa and Antara Senior Living. In his tenure with the Max Group, he has successfully leveraged his strong relationships with institutional investors, hedge funds, banks and private equity firms, and led several complex corporate finance and financial structuring deals to ensure adequate investment and liquidity for the Group's operations. He has played a central role in executing key transactions including the setting up of Max Bupa Health Insurance, bringing on board MS&AD Insurance Group Holdings, as the new JV partner for the Group's life insurance business, Life Healthcare's investment of 26% in Max Healthcare, and later the equalization of its stake in the business. In his new role, Mr. Talwar has been instrumental in completing the mega-restructuring of the erstwhile Max India into three new listed companies, which received a significantly positive reaction from the capital markets. Currently, he is closely involved with the execution of a three-way merger of Max Life Insurance Company and Max Financial Services with HDFC Standard Life to create India's largest private life insurance company.

MR. SAHIL VACHANI
Managing Director & CEO

Mr. Sahil Vachani is Managing Director & CEO, Max Ventures and Industries Limited. He has diverse experience across various sectors including consumer durables and real estate. He started his career as a banker with Citigroup in London, where he worked on Mergers and Acquisitions across the Middle East and Africa region. In 2004, he joined Dixon Technologies, a consumer appliance manufacturing firm as Business Head and setup new verticals across multiple locations and was involved in the launch of new products, setting up of new manufacturing facilities and establishing relationships with leading brands as customers.

His next career progression was in 2008 as Co-founder and Managing Director of Dixon Appliances Pvt. Ltd., where he was responsible for the business from inception including designing of products, building the team, setting up the manufacturing facility, operations and building relationships with leading brands in India such as Panasonic, Godrej, LG, among others. In July 2015, Mr. Vachani sold his shareholding in the company to pursue new opportunities.

MR. ASHOK KACKER
Independent Director

Mr. Ashok Kacker, M. Sc. (Physics), University of Allahabad (Topper of the 1972 batch), has more than 3 decades of experience in the Government as an Indian Revenue Service (IRS) Officer. He has served as Chief Commissioner of Income Tax and held senior positions both in executive capacities and policy formulation roles. He has also served as Executive Director with Securities Exchange Board of India (SEBI) and in various capacities in committees set up by SEBI. He is the Founder and Managing Partner of A.K. Advisors and Consultants, an Advisory Company in the area of financial services and Group Advisor with the India Bulls Group of Companies.

MR. D. K. MITTAL
Independent Director

Mr. D. K. Mittal is a former Indian Administrative Service (IAS) officer from the batch of 1977 and has served the Government of India in various capacities, including Secretary, Department of Financial Services, Secretary, Ministry of Corporate Affairs and Additional Secretary, Department of Commerce. Mr. Mittal has hands on experience in Infrastructure, International Trade, Urban Development, Renewable Energy, Agriculture Development and Micro-Credit, Corporate Governance, Banking, Insurance, Pension and Finance. He holds a Master's degree in physics with specialisation in Electronics from the University of Allahabad, India.

MR. K. NARASIMHA MURTHY
Independent Director

Mr. K. Narasimha Murthy, entered the profession of Cost & Management Accountancy in 1983. He has been associated with the development of Cost & Management Information Systems for more than 175 companies across over 50 industries. He has been closely involved in turning around multiple large corporates, focusing on systems improvement with a cost optimisation approach. He has been associated with more than 35 High Level Committees as Chairman / Member both at the National and State level. He currently serves on the Boards of STCI Finance Ltd, Infiniti Retail Ltd, Max Life Insurance Company Ltd, Max Healthcare Institute Ltd, Max Bupa Health Insurance Co. Ltd, Max Speciality Films Ltd. In addition, he is Member, Tirumala Tirupathi Devasthanams Internal Audit & Investment Committees and Cost Accounting Standards Board of Institute of Cost Accountants of India. He is also Advisor (Financial Services) to Government of Andhra Pradesh. He was earlier a Member on the Board of Supervision NABARD and on the Boards of many prestigious Institutions in India viz., ONGC Ltd., UTI, IDBI, LIC Housing Finance, IFCI, UTI Bank (now Axis Bank) etc. His contribution to the Costing & Management Accounting profession in India has been recognised by the Institute of Cost & Works Accountants of India (ICWAI), which honoured him with a citation in October 2007.

BOARD OF DIRECTORS

MR. N.C. SINGHAL
Independent Director

Mr. N.C. Singhal has an experience of over 3 decades in the banking industry and was the founder CEO, designated as the Vice-Chairman & Managing Director, of erstwhile SCICI Limited. He has also been associated with ICICI Ltd., ONGC, ADB, Manila and was deputed by the Government of India to the Industrial Development Bank of Afghanistan, Kabul. Mr. Singhal holds degrees in M.A. (Economics), M.Sc. (Statistics) and PGDPA.

DR. SUBASH BIJLANI
Independent Director

Dr. Subash Bijlani has a distinguished academic and business career in India and the United States. He is currently Collegiate Professor and Program Chair (Strategy) at the Graduate School, University of Maryland University College, USA, and President of Magnus Consulting Pvt. Ltd. He is ex-Chairman of the Confederation of Indian Industry (NR) and has served on the Boards of a number of companies, educational institutions and research institutions. He was awarded Life Fellowship of the Indian Institution of Manufacturing Engineers and received the Shiromani Award for 'Extraordinary Excellence' from Mother Teresa. Dr. Bijlani holds a Doctorate in Management from the University of Maryland University College, USA, and Bachelor of Science in Technology (Mechanical Engineering) from the University of Manchester, UK.

MS. SUJATHA RATNAM
Non-Executive Director

Ms. Sujatha Ratnam is a Non-Executive Director on the Board of Max Ventures and Industries Limited and the CFO of Max Financial Services, where she is responsible for Fund Raising, Treasury Management and Investment Portfolio, providing advisory services on strategic financial matters related to Corporate Finance and providing support on special projects related to risk and revenue optimization. Ms. Ratnam has been associated with the Max Group since July 2004.

She has over 20 years of experience in the field of Fund Raising, Financial Restructuring and Financial Planning & Analysis. Prior to joining Max Group, she was working with Jubilant Organosys Ltd. as the General Manager - Finance. She started her corporate career with Tata Motors Limited in 1989.

Ms. Ratnam holds a Bachelor's degree in Commerce and is a qualified Chartered Accountant.

MR.SANJEEV MEHRA
Non-Executive Director

Mr. Sanjeev Mehra is Managing Director and Vice Chairman of global private equity investing at Goldman, Sachs & Co. He serves on the Board of ARAMARK Corporation, Sigma Electric, Suja Juice LLC., TVS Logistics, Neovia Holdings and as a Trustee of Oakham School Foundation, Friends of the Doon School. He holds a BA in Economics from Harvard College and an MBA from Harvard Business School.

MR. RAHUL KHOSLA
Permanent Invitee

Mr. Rahul Khosla is a seasoned business leader with deep management experience, broad leadership skills and wide business perspectives developed over the last 30 years of working in India and globally. He is currently President, Max Group, Executive President, Max Financial Services, Chairman, Max India, Max Life and Max Healthcare. Under his leadership, the Max Group has delivered superior financial performance, significantly grown market capitalization, and concluded seminal corporate transactions. He led the mega-restructuring of the erstwhile Max India into three new listed entities and is currently spearheading the proposed merger of Max Life and Max Financial Services with HDFC Life, which will result in the creation of India's largest private life insurance company. Before joining Max, Mr. Khosla spent 11 years based in Singapore as the Group Head of Products at Visa Inc for Asia Pacific, Central Europe, Middle East and Africa, following his role at Visa Inc as Chief Operating Officer for the Asia Pacific region. He held several senior roles prior to this – as Country Head for ANZ Grindlays' consumer banking businesses in India; Head of Retail Assets, Strategy, Finance and Legal at Bank of America.

MS. LAVANYA ASHOK
Alternate Director*

Ms. Lavanya Ashok is an Executive Director in the Principal Investment Area (private equity investing effort) of Goldman, Sachs & Co. She also serves on Goldman Sachs's India Diversity Committee. Ms. Ashok currently focuses on investments across sectors including financial services, consumer, healthcare, agri, logistics, and infrastructure. She sits on the Boards of Nova Medical Centers, Azure Hospitality, Pepperfry and Global Consumer Products Pvt. Ltd. Earlier, she worked as an investment associate at SPO Partners & Company, a $10 billion California-based hedge fund focused on value-oriented investing. Ms. Ashok earned a BS in Economics and Finance summa cum laude from The Wharton School at the University of Pennsylvania in 2004 and an MBA in 2010 from Stanford University where she was a Barrett Fellow and President of the South Asia Students' Association.

*** Alternate Director to Mr. Sanjeev Mehra**

BOARD OF DIRECTORS

MAX SPECIALITY FILMS LIMITED

Mr. Mohit Talwar	Chairman
Mr. K. Narasimha Murthy	Independent Director
Mr. Subash Khanchand Bijlani	Independent Director
Mr. Ashok Brijmohan Kacker	Independent Director
Mrs. Sujatha Ratnam	Non-Executive Director
Mr. Kishansingh Ramsinghaney	Non-Executive Director
Mr. Sahil Vachani	Non-Executive Director

MAX ESTATES LIMITED

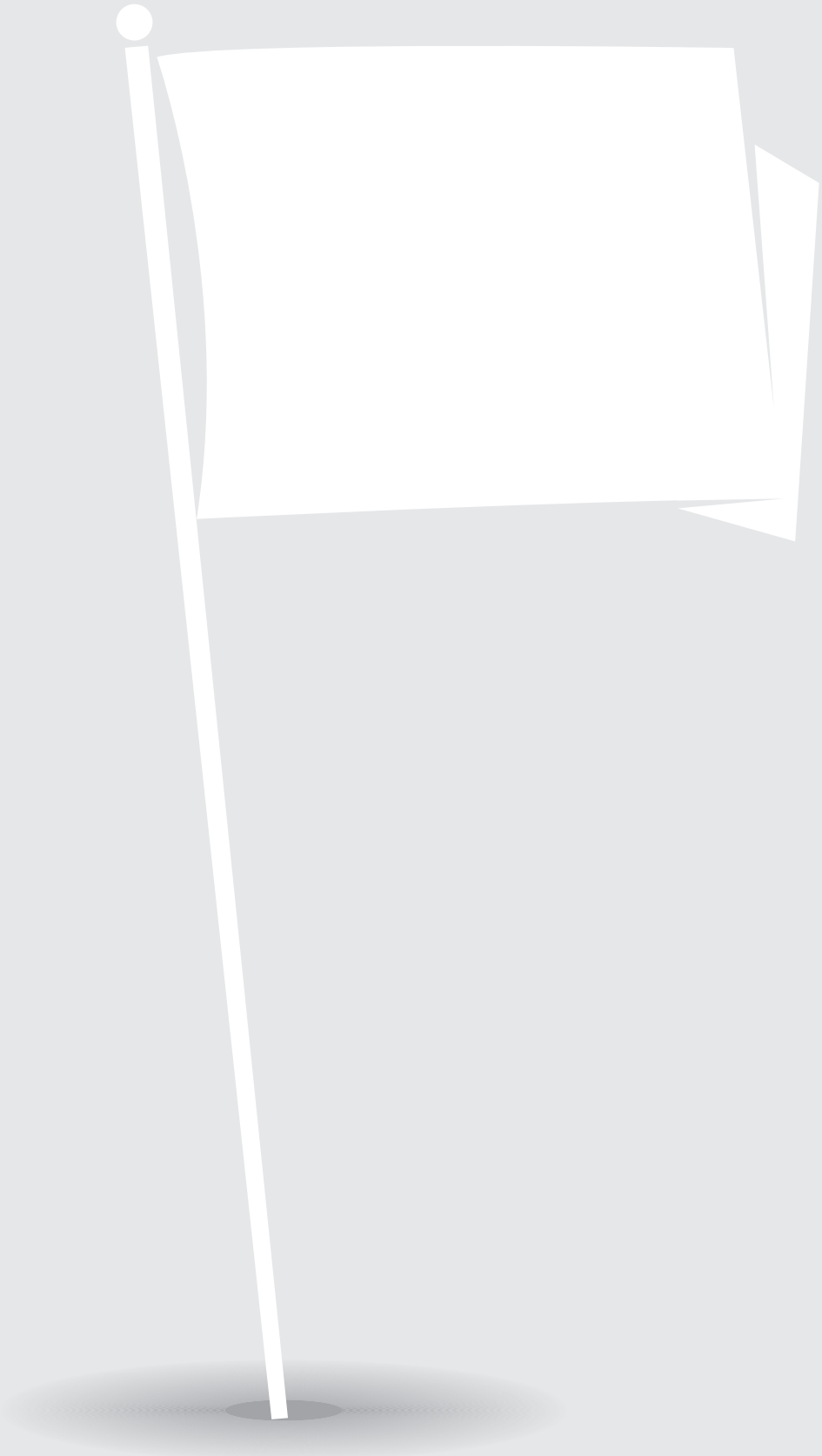
Mr. Sahil Vachani	Director
Ms. Tara Singh Vachani	Director
Mr. Arjunjit Singh	Whole time Director

MAX I. LIMITED

Mr. Sahil Vachani	Director
Mr. Alok Goel	Director
Mr. Nitin Kumar Kansal	Director

MAX INDIA FOUNDATION - BOARD OF TRUSTEES

Mr. Analjit Singh	Managing Trustee
Ms. Archana Pandey	Trustee
Mr. P Dwarakanath	Trustee
Mr. Rajesh Sud	Trustee
Mr. Rajit Mehta	Trustee
Dr. S. K. S. Marya	Trustee
Ms. Sujatha Ratnam	Trustee



02

STRATEGIC REVIEW

CHAIRMAN'S LETTER

MANAGING DIRECTOR'S LETTER

BUSINESS REVIEW

CHAIRMAN'S LETTER

Dear Valued Shareholders,

Greetings!

The past year has been one of significant changes for the Max Group. In January, we concluded the restructuring, that culminated in a formal demerger of the Max Group into three new listed entities, namely, Max Financial Services, Max India and Max Ventures & Industries Limited (MaxVIL).

In the last decade and a half, the Max Group had a major focus on insurance and healthcare sectors. Both have proven to be exciting and high growth opportunities and yet challenging. The fact that we emerged successful in our endeavours, is a testimony to our steadfast focus and excellent execution.

Time has now come for growth and diversification, especially in the light of opportunities being offered by fast evolving socio-economic dynamics of India and the favourable political situation where the Honourable Prime Minister has articulated his vision for a modern India.

In this context, MaxVIL is an expression of a renewed entrepreneurial spirit of the Max Group. There is a pleasant sense of déjà vu, as the new MaxVIL team brings back memories of a youthful entrepreneurship, execution and leadership, the sort many of us displayed in the formative years of Max, when we were in our early 30s.

This vision has been strongly endorsed earlier this year at the time of MaxVIL's listing.

I would like to reiterate that MaxVIL and Max Group's other entities remain committed to the core values of Sevabhav, Excellence and Credibility. Those three values remain our essential DNA, and would always remain our building blocks. Similarly, the Company would continue to abide by similar standards of corporate governance and business ethics, which have remained the hallmark of Max Group over the years.

Talking about some of the new initiatives planned under the MaxVIL umbrella, I see that we have the capability of making distinct improvements the way we did in insurance and healthcare. Real Estate and Education, suffer from a trust deficit. With our reputation for service excellence and the credibility built over the years, we have an immense scope of making lasting impressions in these two critical sectors.

The Real Estate sector, for instance, is marred by poor planning and an abysmal insensitivity to customers requirements. The deadlines are routinely exceeded, sub-standard materials are used in construction and customer norms are blatantly flouted. This is shocking especially because India needs quality housing and commercial space. We are committed to excel on this front.

Similarly, in Education, it is pertinent to point that we are perhaps the youngest, amongst the major economies of the world. Young India is restless and as they go about seeking their aspirations in a growing India, it is our responsibility to create a citizenry that is compassionate, empathetic, considerate towards the less fortunate, sensitive to the environment, cosmopolitan in its outlook and mindful in its overall behavior. Education, as a sector, has always been very close to my heart. My experience tells one that the opportunity to create a positive impact is maximum in the formative years of the child, i.e., during the course of school education.

We will also provide intellectual and financial capital to promising and proven early-stage organisations. We will cherry-pick businesses that are aligned with the Max Group's interests and areas of expertise and which display a demonstrable hunger and passion for growth as well as strong entrepreneurial zeal. In return, we will provide not only capital investment, but also strategic guidance and mentoring to the businesses where we choose to invest.

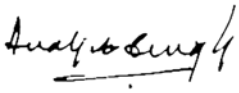
While you will read more about the Company's specific plans in the Annual Report, I would like to share a snapshot of your Company's performance during this past financial year.

In its first year, MaxVIL reported consolidated revenues of ₹ 702 Cr. and Profit after Tax of ₹ 19.2 crore. This is a positive start, and we are confident that a pro-business environment along with a growth-friendly regime will foster the Company's growth.

As I said, there has been a distinct improvement in the business environment in the country in the last few years. Economic resurgence apart, the government has also made progress on curbing red tape which is evident from the improvement India's ranking in the World Bank's 'Ease of Doing Business' index. The parliamentary passage of crucial legislations such as GST, Real Estate Bill, relaxation in sectoral FDI limits, would give a fillip to the economic activity. Favourable international factors, especially the price of crude oil, have also helped.

My sincere thanks for your continued support.

Best Wishes,



Analjit Singh
Chairman, Max Ventures & Industries Limited

MANAGING DIRECTOR'S LETTER

Dear Shareholders,

It is an immense honour for me to be writing my first letter to you as Managing Director & CEO of newly formed Max Venture & Industries Limited (MaxVIL). I am acutely conscious and aware of the responsibility I carry in living up to the fine exemplars set over the years by leaders across various businesses of the Max Group, in terms of business performance and shareholder returns.

Those of you, who have been associated with the Max Group since its earliest days may be getting a sense of déjà vu, because MaxVIL has been envisaged as a fertile place for ideas, new projects and investments, in a manner that makes one reminiscent of the diversified business model that Max followed in its early years. The years may be different but the essential DNA of a entrepreneurial spirit and a commitment for creating long term value remain the same.

The robust performance of MaxVIL stock, ever since it began trading in June, is a testimony to shareholders' and institutional investors' faith in our vision and long term potential. I convey my profuse thanks to all of you and assure you that you will see the same commitment and effort that you have associated with the Max Group, in your long years of association with us.

We have announced our expansion plans around four main verticals. These verticals have been selected after a careful examination of various business

possibilities, growth opportunities, their suitability in Max's way of doing things and most importantly in view of our confidence of creating a positive difference in these fields.

The first is, of course, Max Speciality Films, our speciality packaging film business, which has been a part of the Max Group since its inception. The second vertical is our new real estate business, which will be managed via the recently incorporated Max Estates. The third is MaxVIL's subsidiary (Max I. Limited) which was formally launched in May with its maiden investment in the Food-and-Beverage firm Azure Hospitality Pvt Ltd. The fourth is a proposed education vertical, which we view as an extension of the sponsor's long-standing association with the cause of quality education and Max's enduring focus on the businesses of social good.

There has been significant development on growing/ incubation each of these business verticals in the past one year. The MSF Board last year approved an investment of ₹ 250 Cr, towards the 5th BOPP line which will increase its production capacity by almost 60% to over 75,000 tonnes per annum. The line is expected to commence operations from Q3 of FY 2017-18 and is expected to generate additional revenues of approximately ₹ 400 crore by FY 2019-20. The funding for the new line has already been secured.

The second vertical, real estate, is in sync with the "businesses of life" theme of the Max Group i.e. wherein we look after our customers at critical stages of their lives. Despite a massive real estate business opportunity in India, there is a huge trust deficit owing to various unscrupulous practices and regulatory lacunae in this sector. Things are expected to improve after passing of the Real Estate Bill by the Parliament. This is a sector that will reward players focused on providing good service and bringing in trustworthiness. The Max Group is well positioned to enter this space with the widespread acceptance and recognition of the Max brand, its in-house experience in activities aligned with Real Estate and its access to the sponsor's private and Group land bank.

We have already commenced work on our maiden project in Dehradun. It represents a small investment, but it will offer significant positive and rewarding returns over a short gestation period.

Education also offers an immense opportunity. Education for children is the second biggest expense head in the budget of an average Indian middle class household. There is huge chasm between the demand and supply of quality education. The increasing restlessness, intolerance and insular attitudes amongst the youth show that efforts of the existing education infrastructure have been inadequate. This is a very serious privation, especially in a country like ours, which has overwhelmingly young demographics. Therefore, there is a genuine opportunity not merely in terms of business but also in terms of making a significant positive social impact. Moreover, we are very lucky to benefit from Honourable Chairman's prolific experience in education, with his well acknowledged contributions to institute of repute such as Doon School (where he served as the Chairman of Board of Governors, till about a few years ago), the Indian School of Business (where he serves on the Founder Executive Board), the Indian Institute of Technology-Roorkee (where served as the Chairman till recently) and his continued association with his alma mater, Boston University.

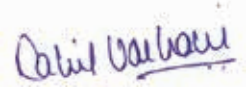
Finally, talking about investments– MaxVIL was conceived as a company that would address the wider world of business opportunities in India and abroad, especially taking cues from the economic and commercial reforms agenda of the present Government and the positive initiatives of the Prime Minister, including 'Make in India', 'Skill India', 'Digital India'.

To avail these opportunities, we have set up a fully owned subsidiary, which will provide intellectual and financial capital to early-stage organizations, with sound business models and proven revenue stream, across identified sectors such as Hospitality, Food and Beverages, Healthcare, Technology-based Financial Services, Education, Real Estate and Senior Living.

As has been the case with other Max businesses, these initiatives would have long gestation periods and would call for a consistent effort, meticulous planning and strong execution. As the MD of the new company, I can assure that the MaxVIL team would not be found wanting of effort in any aspect. On behalf of the entire team, I can tell you that this is a hard working and talented team, which is very eager learn from the previous successes of the Max Group. Those successes continue to be a big source of motivation for all of us. We are also fully conscious of the Max value system and in that sense, we look at all our actions through the prism of Sevabhav, Excellence and Credibility. Ours is a young team and very determined to make an impact. Your support motivates us to give our best. Thank you for placing confidence in us and once again I assure you for our total commitment.

As I write this, I am reminiscent of the famous words of President John F Kennedy in his inaugural address, "With a good conscience our only sure reward, with history the final judge of our deeds, let us go forth to lead the land we love, asking his blessing and his help, but knowing that here on earth God's work must truly be our own."

Warm Regards and many thanks,



Sahil Vachani
Managing Director & CEO,
Max Ventures & Industries Limited

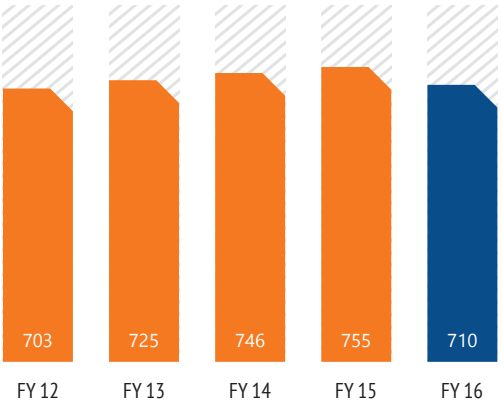
BUSINESS REVIEW

Sale of speciality products increased from **25%** to **34%**

Growth of **132%** in Profit Before Tax

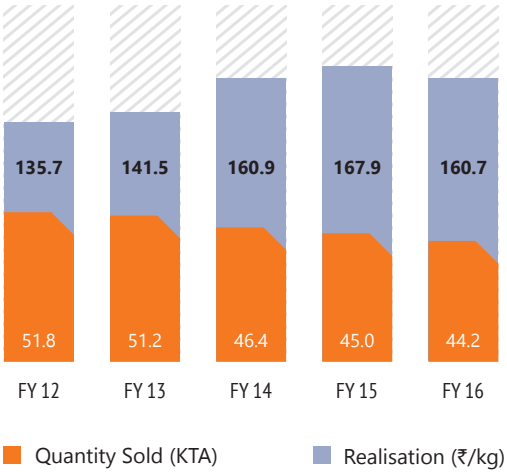
NET SALES

(₹ Cr.)



Maintained strong sales momentum despite correction in global crude oil prices

QUANTITY SOLD & REALISATION



Focus shifting to high value products

470 Committed employees

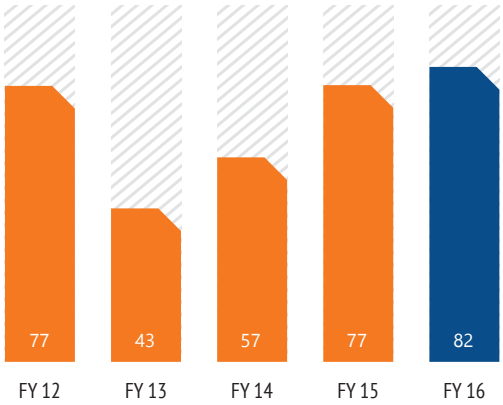
28 years of successful operations

New BOPP line comissioned to increase capacity to over **75,000 TPA**

9% increase in exports in FY 2015-16

EBIDTA

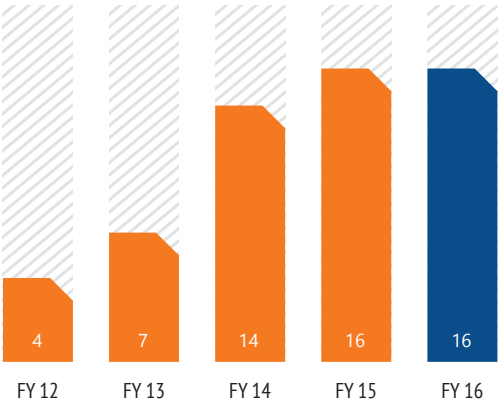
(₹ Cr.)



EBIDTA continues to grow steadily due to focus on high value products

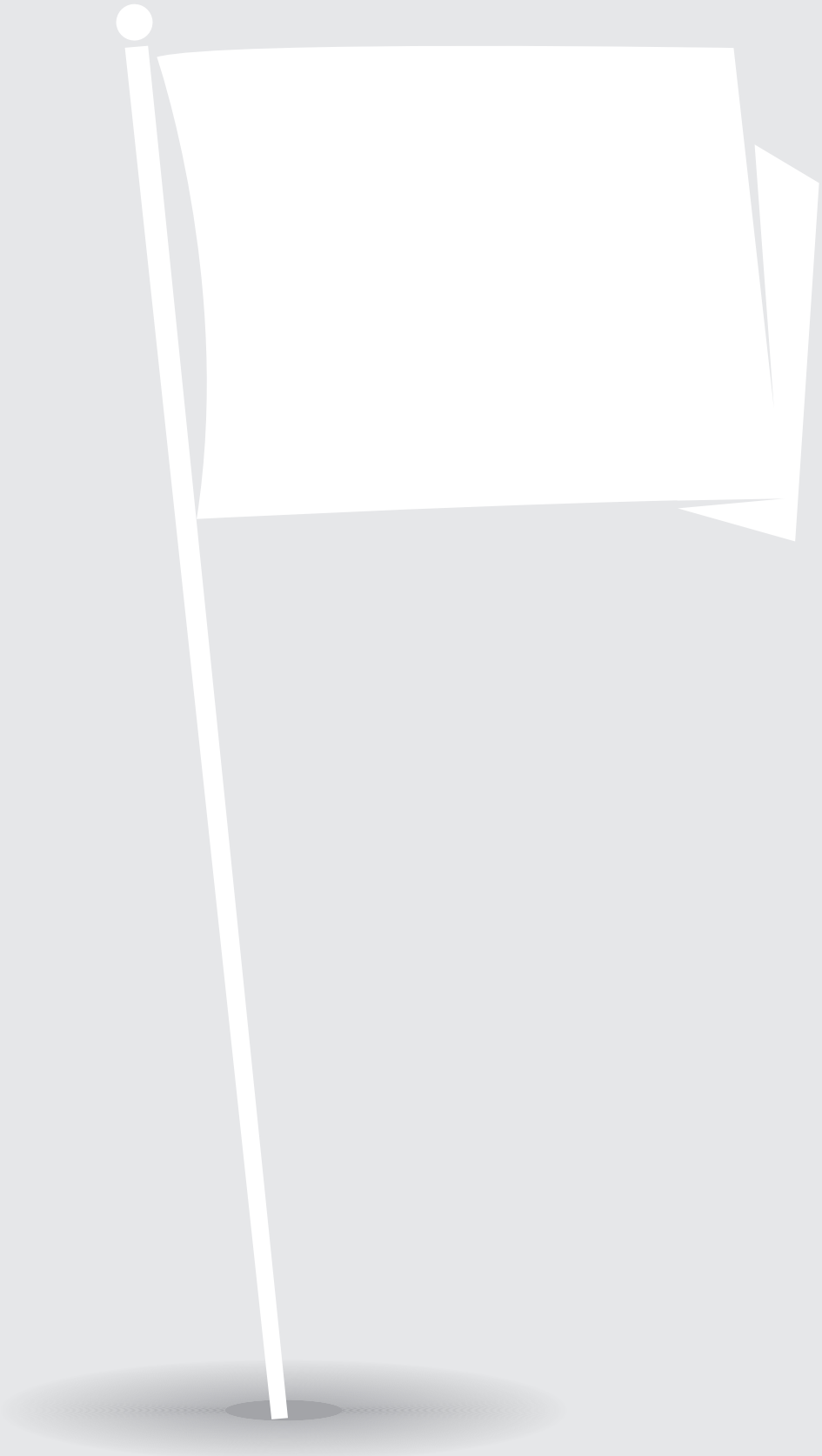
SHARE OF NEW PRODUCTS IN TOTAL SALES

(%)



Continued focus on product innovation and customisation

Strong R&D focus with over **15** new products in the pipeline



03

MANAGEMENT DISCUSSION & ANALYSIS

MAX | VENTURES & INDUSTRIES

Nitin Kumar Kansal
Chief Financial Officer

Dinker Vashisht
General Manager – Business Development

Alok Goel
Company Secretary

Sahil Vachani
Managing Director & CEO

Arjunjit Singh
Chief Operating Officer - Max Estates Ltd.

Atul Pandey
Head - Human Resources

Jaideep Wadhwa
Chief Executive Officer - Max Speciality Films Ltd.

Max Ventures & Industries Limited ('MaxVIL' or 'the Company'), a part of the US$ 2.1 billion Max Group, is the holding company of Max Speciality Films, an innovation leader in the Speciality Packaging Films business. In addition to manufacturing, the Company also serves as the Group's entrepreneurial arm to explore the 'wider world of business', especially taking cues from the economic and commercial reforms agenda of the present Government and the positive initiatives of the Prime Minister, including 'Make in India', 'Skill India', 'Digital India', among others. The Company's vision is to address the wider world of business opportunities in India and abroad. This vision is founded on a clear set of values that are shared across the Group – Sevabhav, Excellence and Credibility.

The operating businesses — existing and planned— under MaxVIL include:

Max Speciality Films (MSF), a 99% subsidiary of MaxVIL and the oldest business in the Max Group. MSF is a quality leader in manufacturing of a wide range of sophisticated bi-axial polypropylene barrier and packaging films.

Max Estates Limited, a recently incorporated wholly owned subsidiary of MaxVIL, will lead the Company's projects in the real estate space.

The third business is Max I. Limited, a wholly-owned subsidiary, which will facilitate intellectual & financial Capital to promising and proven early-stage organizations across identified sunrise sectors.

MaxVIL was formed in January 2016, as a result of the demerger of the erstwhile Max India Limited. The MaxVIL stock started trading on the BSE and the NSE earlier this year in June 2016. In FY 2015-16, the Company reported Revenues of ₹ 980.43 lakh, and Profit after Tax of ₹ 287.72 lakh. The Company's flagship business Max Speciality Films accounted for ₹ 709.93 crore in revenues.

CORPORATE DEVELOPMENTS

The Company has made significant strides in FY 2015-16, in growing and/or advancing the business verticals listed above.

In December 2015, the Boards of Max Speciality Films and the erstwhile Max India Limited approved significant capacity expansion with the setting up of a new BOPP line at an investment of ₹ 250 crore. The approved line, which is expected to commence in Q3 FY 2017-18, will increase capacity to over 75,000 tonnes per annum.

The Real Estate subsidiary Max Estates, has initiated construction and site development activities on its project in Dehradun, Uttarakhand and is in the process of obtaining the requisite regulatory approvals. The project represents ~0.15 million sq.ft. of residential and ~0.01 million sq.ft of commercial developable space.

The third business is MaxVIL's fully-owned subsidiary Max I. Limited, which has made its first investment in July 2016, after the MaxVIL Board approved an investment of ₹ 335 million in Azure Hospitality Pvt. Ltd. in May, 2016. Azure Hospitality owns and operates Mamagoto, a mid-scale casual dining restaurant chain and Speedy Chow/Roll Maal, a quick service restaurant (QSR) format for Indian & Chinese street food and an Institutional Catering Service.

EMPLOYEES

As of March 31, 2016, the Company had 5 employees on its rolls.

OUTLOOK

Over the next one year and beyond, MaxVIL's business plans will continue to evolve and take a more concrete shape. While Max Speciality Films' focus will be on successful implementation of the new BOPP line, Max Estates will explore asset-light residential and high-end commercial real estate development opportunities in North India. MaxVIL would continue to explore and specifically target strategic growth sectors such as Hospitality, Food & Beverages, Healthcare, Technology-based Financial Services, Education, Real Estate and Senior Living.

MaxVIL will also finalize its plans under the Education vertical in FY 2016-17.

MaxVIL is the culmination of the Max Group's intent to delve into sectors that are relatively newer, yet aligned with the other businesses of the Max Group. The Company has already made a promising debut and will continue to evaluate fresh ideas in the 'wider world of business' in the coming years.

MAX SPECIALITY FILMS

Jaideep Wadhwa
Chief Executive Officer

Anil Kumar Bamby
Sr. Manager - Quality Assurance

Avinash Kumar Singh
Head – Strategy & Business Incubation

Dalbir Singh
Chief Financial Officer

GVSR Mohan
Head – International Sales

Atul Pandey
Head – HR

Anil Kant
Head – National Sales

K. Manohar
Vice President - Operations

Amit Jain
Financial Controller

Sanjeev Yadav
Head – Product, Application & Business Development

Overview

A subsidiary of Max Ventures & Industries Limited, Max Speciality Films Limited (MSFL) manufactures BOPP (Bi-axially Oriented Polypropylene) films of the highest quality.

A pioneer of the BOPP in India, MSFL has approximately 9% of installed capacity in India. The global market for BOPP films is 8,200 KTA and the total market for polymer films for flexible packaging is $120 bn and growing at 2.5%. In India, penetration of polymer films is just 0.3 kg per capita, a fraction of the global average of 1.15 kg. These figures suggest tremendous opportunities for growth, especially as economic development is a national priority.

BOPP films play a critical role in flexible packaging of processed foods, confectionery, fast moving consumer goods (FMCG) and industrial goods. The company is also a leading producer of Graphic Lamination films for print finishing and luxury packaging.

As one of the oldest and most respected BOPP specialists in India, MSFL has both the expertise and the experience to exploit the enormous potential that India has to offer in the coming years.

Known for its innovative approach, quality of output and customer service, the company has a growing roster of both Indian and international clients served by its state-of-the-art facility in Railmajra near Chandigarh, The facility has three BOPP lines*, two extrusion coating lines*, three chemical coating lines and three metallisers.
(**Expansions underway)*

The facility follows stringent global standards and has the following accreditations:

- ISO 9001 – 2008 Quality Management System
- ISO 14001 – 2004 Environmental Management System
- OHSAS 18001 – 2007 Occupational Health & Safety Management System
- BRC / IOP (Food Safety) – British Retail Consortium
- HACCP – Hazard Analysis Critical Control Point
- In addition, the MSFL Quality lab is the first in India to have won the coveted NABL accreditation.

MSFL is recognised as a producer of quality specialty packaging films and for partnering with flexible packaging manufacturers and brands to develop unique packaging, labelling and graphic lamination solutions, covering a range of attributes: Barrier, Sealing Reliability, Special Surfaces, Haptics and Optics, Sustainability and so on.

Industry Structure and Development

Food companies have come to realise the value of flexible packaging plays a critical role in nutrient preservation, damage-free distribution and post-harvest conservation. Packaging is now seen as a vital technology driven link in the value chain. MSFL supplies films to flexible packaging manufacturers who Laminate, print and process these into ready to fill flexible packages for the food companies or brands.

Further, the mushrooming of retail malls across the country – fuelled by rising consumer spends and acceleration in demand for convenience and quality products – has sparked a revolution in the packaging business.

The expansion of modern retail has also seen the proliferation of high profile packaged foods and luxury brands that focus on four key areas: pack size, aesthetics, preservation and labelling.

These trends are drivers of growth. By conservative estimate, annual domestic demand for flexible packaging – as well as BOPP – should rise by 11% at the very least.

The international scene continues to be bright despite the overall economic slowdown. Global demand for BOPP is expected to grow at a steady 6%.

Market Position

The company strategy covers Innovation, building long-term customer relationships, and excellence in operations & service.

The company's customer-centric focus has yielded long-term dividends. Customers consistently rate MSFL very high on customer satisfaction surveys and 50 % of the company's revenue continues to flow in from customers who have been associated with MSFL for more than a decade.

MSFL exports approximately 34% of its output and exports increased 9% during the year. Europe is the largest overseas market but the company has a growing presence in demanding markets such as Japan and the Americas. Sales to the fast growing food industry alone accounts for 66% of MSFL output.

Though MSFL has only 9% share of the Country's installed capacity, its market share in the specialty films segment is an impressive 36%.

To sustain its strong market position, the company strives to meet customer requirements through innovative and customised solutions. During the year the company launched a range of coated and label films and greatly expanded its range of Graphic lamination Films.

Products launched in the last three years constitute 16% of the company's revenues. In the last financial year, MSFL introduced as many as 8 new products across the world.

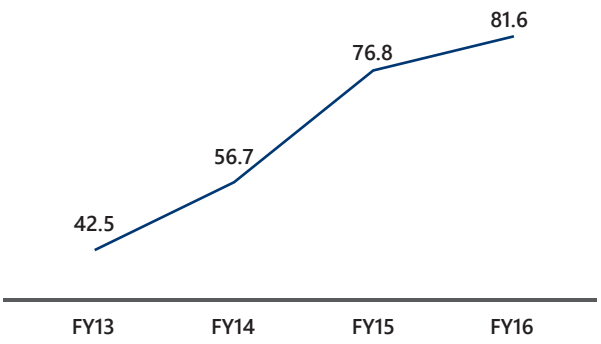
Investments have been made in downstream value added lines. Once they go on-stream in the third quarter of FY 2016-17, the specialty range will have several new additions.

Performance Highlights

EBITDA has risen by 7% despite a 6% decrease in revenues due to volatility and decline in raw material (polypropylene/PP) prices. But the company's focus on product mix optimisation and superior value propositions paid off. Consequently ROCE has increased from 12% to 14.6%.

EBIDTA

(₹ Cr.)



A snapshot of the financials:

- Contribution growth: 12%
- EBIDTA growth: 7%

The company remained a net exporter and delivered ₹ 86 crore of net foreign exchange earnings.

Customer Engagement

'Customer comes first' is the mantra followed by every employee and customer satisfaction is the responsibility of every employee in the company. Customer-centric initiatives during the year include:

- Stage gate innovation process and well equipped Innovation Centre.
- An advanced CRM module to further strengthen customer management.
- Comprehensive complaint handling process that expedites problem-solving.
- Improvised tracking systems of customer service metrics including request and promise compliance.

Human Capital

As of March 31, 2016, the Company had 442 employees. There are no labour unions at its facilities.

Culture of Compliance and Ethical Behaviour

The company's Ethical Committee promotes and monitors the highest standards of professional, personal behaviour.

Health Safety and Environment

MSFL is acutely aware of its responsibilities in the ecosystem – as a producer of polymer films, an employer and a corporate citizen.

In collaboration with Max India Foundation, MSFL contributes generously to local communities in areas of Healthcare, Nutrition, Education and Environment.

The company follows a strict Green Policy and has signed the code for Ecologically Sustainable Business Growth formulated by Confederation of Indian Industry (CII). -The company maintained electricity, fuel and wood consumption at the same levels as of FY 2014-15.

The safety of our employees and visitors is of paramount importance and the company continues to systematically identify and eliminate risks and hazards.

The Punjab Government presented the company with the Kirt Veer Award 2016 for its flawless safety record.

Internal Control System and Adequacy

MSFL has institutionalised robust internal control as well as management systems and processes. These are periodically audited by accrediting agencies. The performance is also reviewed with reference to the Company's budget, year-on-year variances and against competitors. The statutory and internal auditors also review the internal controls every year and their reports are submitted for review with an Audit Committee. MSFL's ERP system has stabilised and is now a key decision making tool.

Risks and Outlook

According to Goldman Sachs, the Indian economy is set to grow 8% each year from 2016 to 2020 – spurred on by widespread access to banking, technology adoption and structural reforms. These factors have already impacted business sentiment.

Equally encouraging are market indicators. Advances in food packaging and changing consumer demographics and psychographics have led pundits to believe that both the flexible packaging industry and the BOPP industry will see double-digit growth over the next five years.

The possible speed-breakers would be the volatility of input costs and installation of new capacity impacting the supply chain. The company's growing speciality exports will partially offset pricing challenges in India.

No matter how the dynamics play out, MSFL remains on solid ground, supported by ongoing investments in the expansion of its speciality portfolio, its global reputation for quality, strong customer base and service ethos. The company will continue to drive efficiencies and benchmark its operations against the best in the world.

The demerger of Max India will especially benefit MSFL. As the sole operating asset in the new industrial vertical Max Ventures & Industries Ltd (MVIL), MSFL will receive unstinted investor support.

BUSINESS RESPONSIBILITY REVIEW

Max India Foundation – FY 2015 -16

Rashid, 50, a motor mechanic by profession and a father of four children, living in Dhakrani village in Uttarakhand was suffering from a hip problem for the last two years due to which he had become totally immobile. The sole bread earner for his family, Rashid was in a quandary about curing this ailment. It was beyond his means to consult a good doctor.

It was one of those days when a health check-up camp was organised in his village – where he went to request for help from Max India Foundation (MIF). Mohini Daljeet Singh, CEO of MIF who was present at the camp helped and directed him to the doctors who examined him and concluded that he required hip surgery to cure his condition. Looking at his financial situation, with his family's total economic dependence on him, MIF facilitated his treatment at the Max Super Speciality hospital, Dehradun pro bono. Under the able supervision of doctors at the hospital, Rashid has undergone a successful surgery.

Fatima, Rashid's wife is elated as she says, "We could never imagine that we will ever be able to afford my husband's treatment. The family was totally dependent on his earnings and I didn't know how to pay my children's fees or even buy the next meal. I'm really grateful to Max India Foundation for supporting us in hard times".

Rashid's first surgery took place in March. Already feeling quite positive, Rashid is all set to begin his new phase of life!

Multiple other cases similar to Rashid's in 6 different medical specialities including cardiology, paediatrics and gynaecology have been supported by MIF in Dhakrani as part of the village adoption project.

Max India Foundation (MIF) represents the Max Group's social responsibility aspirations, and represents the CSR efforts of all 3 Max Group holding companies, including Max Ventures & Industries. As a part of the extension of the Max Group's core value of 'Sevabhav', two villages in Uttarakhand – Dhakrani and Chandrothi gram sabha were adopted in 2015 to improve health and hygiene levels in these villages. Numerous initiatives on healthcare, sanitation, waste management and safe drinking water have been undertaken to improve the lives of the villagers.

The volunteers from Max Life Insurance's Dehradun office have been actively involved in village outreach to spread awareness on waste management, health and hygiene along with financial literacy. So far, 400 households have been covered under this drive.

A sewerage project has been initiated in the village through Punjab based Indo-Canadian Village Improvement Trust. Around 30,000 feet of sewerage network pipes have been laid in the village and a treatment plant has been installed.

Bi-weekly health camps for women and children have been organised in the region through Bella Healthcare Charitable Trust. 87 camps have been conducted till date benefitting 5,136 patients. In all 9,384 people were touched through different health awareness campaigns.

Nine multi-speciality camps benefiting 2,651 patients, were organised with the support of Max Healthcare, Dehradun during FY 2015-16. Twelve immunisation camps supporting 1,147 children were also organised during the year.

A solid waste management system covering the entire village has been operationalised. To sustain this initiative, measures such as door to door waste collection are now in force. Colour coded waste bins have been distributed in all 1,884 households in addition to installation of community dustbins.

A production unit for sanitary napkins aimed at better hygiene for local women is under installation in Dhakrani. This unit will be run entirely by women, thus providing employment opportunity to the local women.

Max India Foundation adopted Chandrothi Gram Sabha, Dehradun as the second village under its village adoption program along with Antara Senior Living. A solar street light project in the dark winding roads of Guniyal Gaon, Chandrothi Gram Sabha, was commenced in December 2015 and is expected to be completed in mid-2016. The

Government School in 'Guniyal Gaon' has been provided with library books, sports equipment and a fully equipped Audio Visual room. A cleaning vehicle has also been commissioned in the village.

A Health centre at Antara Labour camp site caters to the immediate basic medical requirement of the nearby villagers and the surrounding areas. 8,070 patients were treated at the health centre till March 2016.

The village adaption program in Uttarakhand is in line with Max India Foundation's (MIF) mission to provide quality healthcare to the underprivileged; provide holistic and focused healthcare for the wellbeing of underserved communities; village adoption; facilitate awareness of health related issues and work for an eco-friendly environment. The Foundation seeks to achieve its mission by engaging volunteering services of Max Group employees and partnering with reputed NGOs for the execution of its chosen projects. The employee volunteerism also encourages a strong spirit of bonding between employees of the Max Group.

Guided by its vision of "Caring for Life" the Foundation since its inception in 2008, has benefitted over 1.6 million people from the underserved communities, in 667 locations across the country in partnership with more than 400 NGOs. MIF's interventions include pan India immunisation camps, health and cancer screening camps, health centres and artificial limbs & polio callipers camps along with facilitating high end surgeries and treatment.

Cancer has been a focus area recently due to the alarming increase in incidence and inability of the underserved to afford its treatment and the accompanying challenges.

MIF works on every aspect of health, from spreading awareness, screening, advocating early diagnosis to supporting treatment. The Foundation is also proactive on preventive health through immunisation and screening of children.

800 specially-abled people benefitted in FY 2015-16

800 specially-abled people were benefitted through different camps and medical interventions last year. Around 348 people were benefitted at the 'artificial limbs and calipers camp' held at Gaya district from March 5, to March 9, 2016 for the disabled. This camp was organised by Max India Foundation in association with Bhagwan Mahaveer Viklang Sahayata Samiti (BMVSS) – the organisation behind the promotion of 'Jaipur Foot', under the stewardship of His Holiness Karmapa Ogyen Trinley Dorje Dehradun.

A similar camp was organised in Dehradun with Manav Sewa Sannidhi where 219 differently-abled people benefitted.

Six motorised vehicles were given away to patients through Rajiv Gandhi Foundation while one wheelchair was donated to Agewell Foundation India, an NGO that works for the welfare of elderly.

A 'viklang' camp was organised by Bharat Vikas Parishad, Alaknanda Branch in association with Max India Foundation in January this year at Arya Samaj Mandir, GK II, and New Delhi where 46 people benefitted.

15 people are provided artificial limbs every month through Kiwanis Artificial Limb Centre.

Special Care and Support for Cancer Patients

Support to 25 oncology cases have been provided through Max Healthcare. 296 children have been supported with cancer treatment through its NGO partner – CanKids, Kidscan, an organisation dedicated to change for childhood cancer in India.

Since 2008, MIF works closely with CanSupport, an NGO that provides homecare and palliative care to patients with cancer. In the last year, 209 cancer patients have been provided palliative support while 2,557 home visits were made by the organisation with support from MIF. 'Walk for Life', an event to raise awareness on cancer is organised by CanSupport every year which is actively sponsored by MIF.

28 cancer HPV DNA tests were carried out through the Indian Cancer Society, New Delhi. Boarding and lodging of families of 45 cancer patients was provided through St. Jude India Child Care Centre, Noida.

Traditional Birth Attendant Training

Since a substantial section of the India population lives in remote areas, institutional births are not always possible. Training for traditional birth attendants (Dai) have been organised across all 13 districts of Uttarakhand. The Dehradun district Dai training phase was officially inaugurated on June 4, in Dehradun by the Honourable Health Minister Uttarakhand, Shri Surender Singh Negi. More than 1400 Dai's were trained during this campaign.

Similar trainings are being done by NGO partner Seva Mandir, Udaipur that works towards improving Maternal Health in Tribal Population of Southern Rajasthan. With

support from MIF the organisation has benefitted 8,236 people since Jan 2013.

Immunisation Camps – Through its pan India immunisation program, Max India Foundation has immunised 13,475 children through 283 camps across India. 35,530 immunity shots have been given during the entire year.

Surgeries and Treatment – Max India Foundation has supported 1,010 high-end surgeries for the under-privileged. These surgeries include a large number of paediatric cardiac surgeries, brain tumour surgeries, reconstructive surgeries, neuro surgeries, orthopaedic surgeries, cataract surgeries, oncology care and renal transplant.

Health Camps for the Underprivileged – MIF organises multi-specialty camps for the underprivileged in various semi-urban and rural locations where there is no access to specialised medical treatment. Poor patients are screened and given free medicines. Surgeries and treatment are also facilitated for those in need. This year 146,403 patients have been treated through 588 camps across India.

Health Centres – In pursuance of providing quality healthcare to the under privileged, the Foundation has set up 8 health centres in Delhi, Uttarakhand and Punjab regions in partnership with like-minded NGOs. 46,045 patients have so far been treated at these health centres.

Health Awareness – Max India Foundation has been proactively running Health awareness programs in different areas of its presence. In the last financial year, 33,830 people including women and children have been touched with awareness on issues like menstrual hygiene, hand washing, healthy eating, health & hygiene, dengue and tobacco related diseases.

Disaster Relief – Relief was provided for victims of Chennai floods in December 2015 with medicines and medical supplies through CII relief operations.

Max India Foundation in collaboration with Max Healthcare initiated Operation Sadbhavna, under which relief material was dispatched for the victims. A team of doctors and volunteers from Max Healthcare along with medicines worth ₹ 4 lakhs were sent to Nepal to provide medical support to the injured.

Outlook

In its 8 years of existence, Max India Foundation has made significant strides in executing healthcare-focused CSR activities, carving a niche for itself with its quality of execution and compassion. Going ahead in FY 2016-17, MIF will continue its work in the principal verticals of Pan India Immunisation, Preventive Health Awareness through camps, screenings, talks, films, social media, Village Adoption, Environment Conservation.

Specifically the Foundation will focus on specific campaigns including an Anti-Tobacco Campaign, Prevention of Dengue, improving Oral Health among children, Cancer Screening, Waste Management, among others.

While Max India Foundation has consistently helped and benefitted an increasingly larger proportion of the underserved population, MIF firmly believes that there are yet significant milestones to achieve, which will be covered slowly but surely.

MAX VENTURES & INDUSTRIES LIMITED

(FORMERLY KNOWN AS CAPRICORN VENTURES LIMITED)

STANDALONE

MAX

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting their first report along with the Audited Financial Statements of your Company for the period covering January 20, 2015 being the date of incorporation of the Company, upto March 31, 2016.

Standalone Financial Results

The Standalone financial performance of your Company for the first financial year ended March 31, 2016 is summarized below:

(Rs. in Lacs)

Particulars	Period from January 20, 2015 to March 31, 2016
Income	
Revenue from Operations	980.43
Other Income	-
Total Revenues (I)	980.43
Expenditure	
Employee Benefits Expense	192.61
Depreciation & Amortisation	7.34
Other Expenses	459.05
Total Expenses (II)	659.00
Profit/(Loss) before Tax	321.43
Tax expense	33.71
Profit/(Loss) after Tax	287.72

Consolidated Financial Results

The Consolidated financial performance of your Company and its subsidiaries for the first financial year ended March 31, 2016 is summarized below:

(Rs. in Lacs)

Particulars	Period from January 20, 2015 to March 31, 2016*
Income	
Revenue from Operations	70,269.71
Other Income	803.83
Total Revenues (I)	71,073.54
Expenditure	
Cost of Materials consumed	45,361.43
Employee Benefits Expense	3,976.40
Depreciation & Amortisation	1,920.00
Other Expenses	13,651.80
Finance Expenses	3,438.78
Total Expenses (II)	68,348.41
Profit/(Loss) before Tax	2,725.13
Tax expense	786.45
Profit/(Loss) after Tax	1,938.68

* The Financial results of Max Speciality Films Limited ('MSF'), has been consolidated considering results from April 1, 2015 to March 31, 2016 since the financial results from January 20, 2015 to March 31, 2015 of MSF had already been consolidated in the Financial Results of Max Financial Services Limited (erstwhile Max India Limited) while preparing its financial results for the financial year ended March 31, 2016.

Dividend

The year under review was the first financial year of the Company's operations. Therefore, considering the future business plans of the Company, the Board of Directors did not recommend any dividend for the period ended March 31, 2016, on the Equity Share Capital of the Company.

Transfer to Reserves

Consequent to the Composite Scheme of Arrangement becoming effective, the Capital Reserve amounting Rs. 13,042.52 Lacs and Employee Stock Option outstanding Reserve amounting Rs. 19.16 Lacs, both arising on account of said scheme, have been transferred to the Company.

The Company did not transfer any amount out of profits to General Reserve during the year.

Scheme of Arrangement

In terms of the Composite Scheme of Arrangement between Max Financial Services Limited (formerly known as 'Max India Limited') ('MFSL'), Max India Limited (formerly known as 'Taurus Ventures Limited') and Max Ventures and Industries Limited (formerly known as 'Capricorn Ventures Limited') ("the Company") and their respective Shareholders and Creditors, as sanctioned by the Hon'ble High Court of Punjab & Haryana vide order dated December 14, 2015 ("Composite Scheme of Arrangement"), MFSL demerged its activities relating to Speciality Films, into the Company. Accordingly, the Investment held by MFSL in Max Speciality Films Limited stood transferred to the Company w.e.f. appointed date i.e. April 01, 2015.

Share Capital and allotment of shares on account of Scheme of Arrangement

Prior to the Composite Scheme of Arrangement becoming effective, the Company was a wholly owned subsidiary (WOS) of MFSL with the authorized and paid-up share capital of Rs. 500,000/- (Rupees Five Lakhs only) comprising of 50,000 (Fifty Thousand) Equity Shares of Rs. 10/- (Rupees Ten) each.

The aforesaid initial authorised share capital of the Company was increased to Rs. 600,000,000/- (Rupees Sixty Crores only) comprising of 60,000,000 (Six Crores) Equity Shares of Rs. 10/- (Rupees Ten) each on January 13, 2016 in accordance with the provisions of applicable laws.

As per the requirement of the Composite Scheme of Arrangement, the Company has issued and allotted a total of 53,396,800 (Five Crores Thirty Three Lakhs Ninety Six Thousand Eight Hundred) equity shares on March 7, 2016, in the ratio of 1 (one) equity share of Rs. 10 each fully paid up of the Company for every 5 (five) equity share of Rs. 2 each fully paid up, held by the shareholders in MFSL on January 28, 2016 (record date) and the initial issued, subscribed and paid up share capital of Rs. 500,000/- (Rupees Five Lacs only) which was held by the MFSL and its nominees was cancelled.

The Paid up Equity Share Capital of the Company as on the date of this report is Rs. 533,968,000/- (Rupees Fifty Three Crores Thirty Nine Lacs Sixty Eight Thousand only) comprising of 53,396,800 (Five Crores Thirty Three Lacs Ninety Six Thousand Eight Hundred) equity shares of Rs. 10/- (Rupees Ten only) each.

Change of Name and Object Clause

Your Company was originally incorporated as Capricorn Ventures Limited on January 20, 2015. Pursuant to the Composite Scheme of Arrangement coming into effect, the Company was re-named as MAX VENTURES AND INDUSTRIES LIMITED and a fresh Certificate of Incorporation was obtained, subsequent to change of its name on January 22, 2016.

Further during the period under review, the Company amended the objects clause of its Memorandum of Association, inter-alia, to include few more objects like carrying out of activities relating to packaging

materials, packaging systems, real estate business, management and consultancy services, education and learning, hospitality, electronic appliances & electrical equipments and promoting, holding and nurturing of companies having similar objects as that of the Company.

Listing of Equity Shares

Post the Composite Scheme of Arrangement becoming effective, the Company applied for Listing of its shares on BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) and received Listing Approvals from NSE and BSE on June 20, 2016. The equity shares of the Company are traded on BSE (Scrip Code '539940') and NSE (Symbol 'MAXVIL') effective from June 22, 2016.

The ISIN number for dematerialisation of the equity shares of the Company is INE154U01015.

Employee Stock Option Plan

The Composite Scheme of Arrangement, inter-alia, provides that with respect to the stock options granted by the MFSL to its employees under its existing Employee Stock Option Scheme (ESOP) (irrespective of whether the said employees continue to be employees of MFSL or not or become the employees of the Company upon the Demerger), the said employees of MFSL shall be issued one stock option by the Company of face value of Rs. 10/- each under the new scheme for every five (5) stock options held in MFSL of face value of Rs. 2/- each, whether the same are vested or not, on the terms and conditions similar to the existing Stock Option Plan of MFSL.

Accordingly, the Board of directors in its meeting held on May 10, 2016, approved and adopted the existing ESOP Scheme of MFSL as ESOP Scheme of your Company and named it as "MAX VENTURES AND INDUSTRIES EMPLOYEE STOCK PLAN – 2016" ('ESOP Plan').

The Company is in the process of implementation of ESOP Plan. It may be further noted that 25,03,560 stock options of face value of Rs. 2/- per share granted to the employees of MFSL and outstanding as on Effective date i.e. January 15, 2016 are eligible for 5,00,711 nos. stock options of face value of Rs. 10/- per share of the Company under new ESOP Plan on similar terms and conditions.

Material changes between the end of Financial Year and the date of this Report

The Board of Directors of your Company, in their meeting held on May 10, 2016 approved the investment in Azure Hospitality Private Limited. Subsequently, Max I. Limited, a wholly owned subsidiary of your Company, invested an amount of Rs. 33.50 crores in 7,615,947 (Seven Million Six Hundred and Fifteen Thousand Nine Hundred and Forty Seven) compulsorily convertible debentures and 100 (One Hundred) equity shares of Azure Hospitality, amounting to 11.17% of the paid up share capital of Azure Hospitality (on a fully diluted basis), which were allotted on July 19, 2016.

Open Offer

The Promoters of the Company had issued a Public Announcement on June 22, 2016 in respect of the Open Offer ("Offer") for acquisition of up to 18,473,049 Equity Shares of face value of Rs. 10 each representing 36.40% of the issued, subscribed and paid-up capital and 34.27% of the fully diluted voting share capital of your Company ("Target Company") at a price of Rs. 31.50 per Equity share through Siva Enterprises Private Limited and P V T Ventures Private Limited (collectively "the Acquirers"). Axis Capital Ltd., the Manager to the Offer, has issued a Detailed Public Statement on June 29, 2016 in respect of the Offer.

Extract of Annual Return

An extract of the Annual Return as at March 31, 2016 in prescribed Form MGT-9 forms part of this report as '**Annexure – 1**'.

Subsidiaries, Associates and Joint Ventures

Consequent to the Composite Scheme of Arrangement becoming effective from April 1, 2015 being appointed date, Max Speciality Films Limited became a subsidiary of your Company effective April 1, 2015.

Further, your Company incorporated the following wholly owned subsidiaries:

(i) Max Estates Limited on March 22, 2016; and

(ii) MAX I. Limited on June 23, 2016

There are no associates or joint ventures of your Company.

The basic details of Max Speciality Films Limited and Max Estates Limited (i.e. the subsidiaries in existence during the reporting period) form part of the Extract of Annual Return given in '**Annexure - 1**' to this Report.

Form AOC-1 containing the salient features of financial statements of the Company's subsidiaries and associates is attached as '**Annexure - 2**' to this Report.

Further, a detailed update on the performance of your Company's subsidiaries is furnished in the Management Discussion and Analysis section which forms a part of this Report.

As provided in Section 136 of the Companies Act, 2013, the financial statements and other documents of the subsidiary companies are not being attached with the financial statements of the Company. The Company will make available, free of cost, the Audited Financial Statements of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same.

The Financial Statements of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies.

The Consolidated Financial Statements presented by the Company include financial results of its Subsidiary companies.

Corporate Governance

The Company was unlisted during the period under review, therefore provisions of Corporate Governance stipulated under Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") were not applicable.

Management Discussion & Analysis

A review of the performance of Company, including those of your Company's operating subsidiary, is provided in the Management Discussion & Analysis section which is attached elsewhere in this Annual Report.

Directors

Upon the Composite Scheme of Arrangement becoming effective, the Board of the Company was significantly reconstituted on January 15, 2016. As on March 31, 2016, your Board of Directors comprised of ten members (detailed below) with one Executive Director and nine Non-Executive Directors out of which five (5) were independent, as under:

S. No.	Name of Directors	DIN	Category/ Position	Date of appointment
1.	Mr. Analjit Singh	00029641	Chairman / Non- Executive Director	15-01-2016
2.	Mr. Sahil Vachani	00761695	Managing Director & CEO	15-01-2016
3.	Mr. Mohit Talwar	02394694	Vice Chairman and Non-Executive Director	15-01-2016
4.	Ms. Sujatha Ratnam	00403024	Non - Executive Director	15-01-2016
5.	Mr. Sanjeev K. Mehra #	02195545	Non - Executive Director	15-01-2016
6.	Mr. N. C. Singhal	00004916	Independent Director	15-01-2016
7.	Mr. K. Narasimha Murthy	00023046	Independent Director	15-01-2016
8.	Mr. D. K. Mittal	00040000	Independent Director	15-01-2016
9.	Dr. S. K. Bijlani	01040271	Independent Director	15-01-2016
10.	Mr. Ashok Kacker	01647408	Independent Director	15-01-2016

Ms. Lavanya Ashok was appointed as an alternate Director to Mr. Sanjeev Mehra w.e.f. May 10, 2016.

All the above stated ten (10) directors were appointed as Additional Directors w.e.f. January 15, 2016 and therefore, their term of office

expires on the date of ensuing Annual General Meeting.

Further, Mr. N. C. Singhal shall retire from the Board of Directors of the Company on August 10, 2016, in terms of the Articles of Association of the Company. The Board places on record its appreciation for the valuable contributions made by Mr. Singhal during his association with the Company.

The Company has received notices under Section 160 of the Companies Act, 2013 from members proposing the candidature of the additional directors for being appointed as directors of the Company, alongwith the requisite deposit as prescribed. The Board of Directors recommend to the shareholders for their appointment as Directors of the Company. The brief particulars of all the above directors as required under Regulation 36(3) of the Listing Regulations forms a part of the notice of the ensuing Annual General Meeting.

As per the provisions of the Companies Act, 2013, Independent Directors are required to be appointed for a term of five consecutive years and shall not be liable to retire by rotation. Accordingly, resolutions proposing appointment of Mr. Kummamuri Murthy Narasimha, Mr. Dinesh Kumar Mittal, Dr. Subhash Khanchand Bijlani and Mr. Ashok Brijmohan Kacker, as Independent Directors of the Company, form part of the notice of the ensuing Annual General Meeting.

Subject to the approval of shareholders of the Company to be obtained at the ensuing Annual General Meeting and upon the recommendation of the Nominaton and Remuneration Committee, the Board of Directors of the Company in its meeting held on January 15, 2016, appointed Mr. Sahil Vachani as Managing Director for five years up to January 14, 2021. The terms and conditions of his appointment form part of the notice of the ensuing Annual General Meeting.

In terms of Section 152 of the Act and the Articles of Association of the Company, none of the Directors are eligible to retire by rotation in the ensuing Annual General Meeting.

Other changes in the directorship of your Company that took place during the year under review are as under:

Mr. Venkatraman Krishnan, Mr. Rahul Ahuja and Mr. Jatin Khanna were appointed as Additional Directors in professional capacity w.e.f. February 7, 2015, in place of first directors namely, Mr. Kuldeep Singh Bisht, Mr. Harish Bhardwaj and Mr. Kanhaiya Prasad. Further, Mr. Rahul Ahuja and Mr. Jatin Khanna ceased to be the Directors on January 15, 2016, when arising from the Scheme the Board of the Company was reconstituted, and Mr. Venkatraman Krishnan ceased to be a Director w.e.f. February 5, 2016.

The Board of Directors met 13 times during the period from January 20, 2015 till March 31, 2016 on following dates:

S. No.	Date	Board Strength	No. of Directors Present
1	January 22, 2015	3	3
2	February 5, 2015	3	3
3	February 7, 2015	3	3
4	March 2, 2015	3	3
5	April 13, 2015	3	3
6	April 20, 2015	3	3
7	August 10, 2015	3	3
8	September 28, 2015	3	3
9	November 23, 2015	3	3
10	December 15, 2015	3	2
11	January 15, 2016 Adjourned Meeting	3 10	2 9
12	February 09, 2016	10	9
13	March 7, 2016	10	4

The attendance of the Directors at the Board meetings held during the period under review, are as below:

Name of directors	Designation	Board Meetings	
		Held during tenure	Attended
Mr. Analjit Singh	Chairman	3	2
Mr. Mohit Talwar	Vice Chairman & Director	3	2
Mr. Sahil Vachani	Managing Director and CEO	3	3
Mr. N.C Singhal	Independent Director	3	3
Mr. D.K Mittal	Independent Director	3	2
Mr. Ashok Kacker	Independent Director	3	2
Mr. K. Narasimha Murthy	Independent Director	3	3
Mrs. Sujatha Ratnam	Non-Executive Director	3	3
Mr. Subash K. Bijlani	Independent Director	3	2
Mr. Sanjeev Mehra	Non-Executive Director	3	0
Mr. Kuldeep Singh Bisht	Director	3	3
Mr. Harish Bhardwaj	Director	3	3
Mr. Kanhaiya Prasad	Director	3	3
Mr. Rahul Ahuja	Director	9	7
Mr. V. Krishnan	Director	9	9
Mr. Jatin Khanna	Director	9	9

Statement of Declaration by Independent Directors

In terms of Section 149(6) of the Companies Act, 2013 and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has received declaration of Independence from all Independent Directors namely Mr. Naresh Chand Singhal, Mr. Kummamuri Murthy Narasimha, Mr. Dinesh Kumar Mittal, Dr. Subhash Khanchand Bijlani and Mr. Ashok Brijmohan Kacker.

Key Managerial Personnel

In terms of provisions of Section 203 of the Act, Mr. Sahil Vachani - Managing Director and CEO and Mr. Alok Goel – Company Secretary were appointed as Key Managerial Personnel (KMP) of the Company w.e.f. January 15, 2016. Further, Mr. Nitin Kumar Kansal, Head – Finance of the Company was appointed and designated as the Chief Financial Officer of the Company, w.e.f. August 9, 2016.

Committees of Board of Directors

The Company has following committees of Board of directors which have been established as a part of the best Corporate Governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. Mr. Alok Goel, the Company Secretary of the Company acts as the Secretary to the Committees of the Board.

(i) **Audit Committee:**

The Audit Committee of the Board comprising of Mr. Ashok Kacker as Chairman, Mr. D. K. Mittal and Mr. Mohit Talwar as its members, was constituted on January 15, 2016. Mr. Sahil Vachani, Managing Director and CEO, is a permanent invitee to the Committe meetings.

All the members of the Audit Committee are financially literate and the Chairman Mr. Ashok Kacker possesses the required accounting and financial management expertise.

The terms of reference of the Audit Committee are in line with the relevant provisions of Companies Act, 2013 read with Listing Regulations.

The committee met two times during the period under review, viz., on January 15, 2016 and February 9, 2016. All members were present in both the meetings.

(ii) **Nomination & Remuneration Committee:**

The Nomination and Remuneration Committee of the Board comprising of Mr. K. N. Murthy as Chairman, Mr. D. K. Mittal, Mr.

Ashok Kacker and Mr. Mohit Talwar as its other members, was constituted on January 15, 2016.

The terms of reference of the Nomination & Remuneration Committee are in line with the relevant provisions of Companies Act, 2013 read with Listing Regulations.

The Nomination & Remuneration Committee met on January 15, 2016 during the period under review, wherein all members of the Committee were present.

(iii) **Stakeholder's Relationship Committee:**

The Stakeholder's Relationship Committee comprising of Mr. Mohit Talwar as Chairman, Mr. Ashok Kacker and Mr. Sahil Vachani as its other members, was constituted on January 15, 2016.

The terms of reference of the Stakeholders Relationship Committee are in line with the relevant provisions of Companies Act, 2013 read with Listing Regulations, 2015.

No meeting of Stakeholders Relationship Committee was held during the period under review.

(iv) **Investment & Finance Committee:**

The terms of reference of Investment & Finance Committee, inter-alia, includes reviewing and recommending for the approval of the Board the Investment and Financial activities of the Company.

The Committee was constituted on January 15, 2016 and met twice during the period under review, viz, February 9, 2016 and March 7, 2016. The details of composition, meetings and attendance at the Meetings of the Audit Committee are as under:

S. No.	Name of directors	Category	Designation	Board Meetings	
				Held during tenure	Attended
1.	Mr. N. C. Singhal	Independent	Chairman	2	2
2.	Mr. D. K. Mittal	Independent	Member	2	1
3.	Mr. K. N. Murthy	Independent	Member	2	2
4.	Mr. Mohit Talwar	Non-Executive	Member	2	1
5.	Mr. Sahil Vachani	Managing Director and CEO	Member	2	2
6.	Mr. Sanjeev Mehra	Non-Executive	Member	2	Nil

Independent Directors' Meeting

All the Independent Directors met on August 9, 2016, inter-alia, to:

1. Review the performance of non-independent Directors and the Board as a whole;
2. Review the performance of the Chairman of the Company, taking into account the views of executive Directors and non-executive Directors;
3. 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.

Performance Evaluation of the Board

The performance evaluation of the Board as stipulated under Section 134 of the Companies Act, 2013 read with Rule 8(4) of the Companies (Account) Rules, 2014, a Formal Annual Evaluation process has been carried out for evaluating the performance of the Board, the Committees of the Board and the Individual Directors including Chairman.

The performance evaluation was carried out by obtaining feedback from all Directors through a confidential online survey mechanism through Board Link which is a secured electronic medium through which the Company interfaces with its Directors. The outcome of this performance evaluation was placed before Nomination and Remuneration Committee, Independent Directors' Committee and the Board in their meetings held on August 9, 2016.

The review concluded by affirming that the Board as a whole as well as its Chairman, 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.

Nomination & Remuneration Policy

In adherence to the provisions of Section 134 (3)(e) and 178 (1) & (3) of the Act, the Board of Directors on the recommendation of the Nomination and Remuneration Committee approved a policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided. The said Policy is attached as '**Annexure - 3**' and is also available on our website www.maxvil.com

Disclosure under Sexual Harassment of women at workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has requisite policy for prevention, prohibition and redressal of Sexual Harassment of Women at workplace. This comprehensive policy ensures gender equality and the right to work with dignity. The Internal Complaints Committee (ICC) has been constituted to redress complaints received relating to sexual harassment.

During the period under review, no complaint pertaining to sexual harassment was received under the provisions of the Act.

Particulars of Loans, Guarantees or Investments in Securities

The details of Loans, guarantees and investments, if any forms part of the notes to the financial statements attached with this Annual Report.

Contracts or Arrangements with Related Parties

All transactions entered by the Company during the first financial year with related parties were in the ordinary course of business and on an arm's length basis. Further, your Company did not enter into any Related Party Transaction which may be considered material in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and thus disclosure in Form AOC-2 is considered to be not applicable to the Company.

The details of all related party transactions forms part of notes to the financial statements attached to this Report.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at www.maxvil.com

Risk Management

Your Company considers that risk is an integral part of its business and therefore, it takes proper steps to manage all risks in a proactive and efficient manner. The Company management periodically assesses risks in the internal and external environment and incorporates suitable risk treatment processes in its strategy, business and operating plans.

There are no risks which, in the opinion of the Board, threaten the very existence of your Company. However, some of the challenges faced by its key operating subsidiaries have been dealt in detail in the Information Memorandum filed by the Company with the Stock Exchanges while obtaining listing approval of its shares. A copy of the same can be accessed at the Company website www.maxvil.com.

Vigil Mechanism

The Company has a vigil mechanism pursuant to which a Whistle Blower Policy has been adopted and the same is hosted on the Company's website www.maxvil.com

It provides opportunities to the directors and employees to report in good faith to the management about the unethical and improper practices, fraud or violation of Company's Code of Conduct. The vigil

mechanism under the Policy also provides for adequate safeguard against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases.

The Company affirms that none of the personnel of the Company has been denied access to the Audit Committee during the period under review.

Particulars of Employees

The information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is given in '**Annexure - 4'.**

Particulars of Conservation Of Energy, Technology Absorption & Foreign Exchange Earning and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings & outgo as stipulated under Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is as follows:

a) **Conservation of Energy**

(i) the steps taken or impact on conservation of energy

Regular efforts are made to conserve the energy through various means such as use of low energy consuming lightings, etc.

(ii) the steps taken by the Company for using alternate sources of energy

Since your Company is not an energy intensive unit, utilization of alternate source of energy may not be feasible.

(iii) Capital investment on energy conservation equipment : Nil

b) **Technology Absorption**

Your Company is not engaged in manufacturing activities therefore, there is no specific information to be furnished in this regard.

There was no expenditure on Research and Development during the period under review.

c) **Foreign Exchange Earnings and Outgo**

The foreign exchange earnings and outgo are given below:

Total Foreign Exchange earned	:	Nil
Total Foreign Exchange used	:	Rs. 5.42 Lacs

Statutory Auditors

M/s S.R. Batliboi & Co., LLP, Chartered Accountants (Firm Registration No. 301003E), were appointed as the first Auditors of the Company at the 2nd Extra-Ordinary General Meeting of the Shareholders held on November 9, 2015 to hold office till the ensuing Annual general Meeting. As per the provisions of Companies Act, 2013, they are eligible for re-appointment for another term of four years starting from the conclusion of the ensuing Annual General Meeting.

The Company has received letter from M/s S.R. Batliboi & Co., LLP, Chartered Accountants, to the effect that their appointment as Statutory Auditors of the Company, if made, would be within the prescribed limits under Section 139 of the Companies Act, 2013 and they are not disqualified for re-appointment. Accordingly, the Board recommends appointment of M/s. S.R. Batliboi & Co., LLP, as Statutory Auditors of the Company from the conclusion of ensuing Annual General Meeting till the conclusion of 5th Annual General Meeting to be held in the calendar year 2020, subject to the ratification of their appointment at each Annual General Meeting, if required.

The first Auditors Report annexed with this Annual Report, does not contain any qualification, reservation or adverse remarks.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors appointed M/s. Sanjay Grover & Associates, Company Secretaries to undertake the Secretarial Audit of your Company. The Report of the Secretarial Auditor has been annexed as '**Annexure - 5**' to this Report, which is self-explanatory.

Internal Auditors

During the year under review, M/s. MGC & KNAV, Global Risk Advisory LLP, were appointed as Internal Auditors of the Company for conducting the Internal Audit of key functions and assessment of Internal Financial Controls.

Internal Financial Controls

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

Further, the testing of such controls was also carried out independently by the Statutory Auditors for the period ended 2015-16.

In the opinion of the Board, the existing internal control framework is adequate and commensurate with the size and nature of the business of the Company.

Public Deposits

During the year under review, the Company has not accepted or renewed any deposits from the public.

Directors' Responsibility Statement

In terms of Section 134(3)(c) of the Companies Act, 2013 and to the best of their knowledge and belief, and according to the information and explanation provided to them, your Directors hereby confirm that:

(a) in preparation of the Financial Statements, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;

(b) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2016 and of the profit of the Company for period ended on that date;

(c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities;

(d) the financial statements have been prepared on going concern basis;

(e) proper internal financial controls were in place and that financial controls were adequate and were operating effectively; and

(f) the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Unclaimed Shares

In compliance of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Registrar and Transfer Agents of the Company have sent a reminder to those shareholders whose certificates have been returned undelivered and is in the process of sending second reminder for those certificates that are still lying with them. In case there is no response after three reminders, the unclaimed shares shall be transferred to one folio in the name of "Unclaimed Shares Suspense Account" and voting rights on such shares shall remain frozen till the rightful owner claims the shares.

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 the period under review impacting the going concern status and your Company's

operations in future.

Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

Acknowledgements

Your Directors would like to place on record their sincere appreciation for the continued co-operation and contribution made by its management and employees towards the growth of the Company. Your Directors acknowledge with thanks the co-operation and assistance received from various agencies of the Central and State Governments, Financial Institutions and Banks, Shareholders and all other business associates.

On behalf of the Board of Directors
Max Ventures and Industries Limited
(formerly known as Capricorn Ventures Limited)

Analjit Singh
Chairman
DIN No. 00029641

August 9, 2016
Mumbai

ANNEXURE - 1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2016

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

I	**REGISTRATION & OTHER DETAILS:**	
i	CIN	U85100PB2015PLC039204
ii	Registration Date	January 20, 2016
iii	Name of the Company	MAX VENTURES AND INDUSTRIES LIMITED (Formerly known as Capricorn Ventures Ltd.)
iv	Category/Sub-category	Public Company Limited by Shares; Indian Non-Government Company
v	Address of the Registered office & contact details	419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr - 144 533, Punjab
vi	Whether listed company	The Company was not listed as on March 31, 2016. Listed on BSE and NSE w.e.f. June 22, 2016
vii	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 E-mail : info@masserv.com, Website: www.masserv.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company is engaged in the business of investments and providing consultancy services to group companies. However, since it is primarily engaged only in one business segment viz, "Business Investment" and most of the operations are in India, there are no separate reportable segments as per Accounting Standard 17 prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Business Activities of the Company namely Management Consultancy (NIC Code: 70200) and Investing in Subsidiaries (NIC Code: 64200), respectively constitutes 50.40% and 49.60% of total turnover of the Company.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Prior to the Composite Scheme of Arrangement becoming effective, the Company was a wholly owned subsidiary (WOS) of Max Financial Services Limited (formerly known as Max India Limited) ('MFSL') with the authorized and paid-up share capital of Rs. 500,000/-(Rupees Five Lakhs only) comprising of 50,000 (Fifty Thousand) Equity Shares of Rs. 10/- each.

After the Composite Scheme of Arrangement becoming effective, the initial issued, subscribed and paid up share capital of Rs. 500,000/- (Rupees Five lakhs Only) which was subscribed by MFSL and its nominees was cancelled. Therefore, the Company ceased to be the subsidiary of MFSL w.e.f. March 7, 2016.

As on March 31, 2016, the Company has following Subsidiary Companies:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
1.	**Max Speciality Films Limited** 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U24100PB2012PLC036981	Subsidiary	99%	2(87)(ii)
2.	**Max Estates Limited** 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U70200PB2016PLC040200	Subsidiary	100%	2(87)(ii)

IV SHAREHOLDING PATTERN (Equity Share capital Breakup as percentage to Total Equity)

i) Category-wise shareholding

Sl. No.	Category of Shareholders	No. of Shares held on March 31, 2015				No. of Shares held on March 31, 2016				% change during the year
	Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	**Promoters**									
1	**Indian**									
a)	Individual/HUF	-	@ 6	@ 6	0.00	1,257,523	-	1,257,523	2.35	2.35
b)	Central Govt	-	-	-	-	-	-	-	-	-

ANNEXURE - 1

Sl. No.	Category of Shareholders / Particulars	No. of Shares held on March 31, 2015				No. of Shares held on March 31, 2016				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	49,994	49,994	100.00	20,317,028	-	20,317,028	38.05	(61.95)
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	**-**	**50,000**	**50,000**	**100.00**	**21,574,551**	**-**	**21,574,551**	**40.40**	**(59.60)**
2	**Foreign**									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other–Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Total shareholding of Promoter & Promoter Group [(A) = (A)(1)+(A)(2)]	**-**	**50,000**	**50,000**	**100.00**	**21,574,551**	**-**	**21,574,551**	**40.40**	**(59.60)**
B.	**Public Shareholding**									
1	**Institutions**									
a)	Mutual Funds	-	-	-	-	7,060,637	1,113	7,061,750	13.23	13.23
b)	Banks / FI	-	-	-	-	896	2,905	3,801	0.01	0.01
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	9,150	9,150	0.02	0.02
g)	Foreign Portfolio Investors	-	-	-	-	458,527	-	458,527	0.86	0.86
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i)	Any other (FDI)	-	-	-	-	6,468,149	-	6,468,149	12.11	12.11
	Any other (Foreign Institutional Investor)	-	-	-	-	12,721,459	11	12,721,470	23.82	23.82
	Sub-total (B)(1)	**-**	**-**	**-**	**-**	**26,709,668**	**13,179**	**26,722,847**	**50.05**	**50.05**
2	**Non-Institutions**									
a)	Bodies Corp.									
	i) Indian -	-	-	-	837,372	19,394	856,766	1.60	1.60	
	ii) Overseas	-	-	-	-	290,360	-	290,360	0.54	0.54
b)	Individuals								-	-
	i) holding shares upto Rs.1 lakh	-	-	-	-	2,652,582	467,532	3,120,114	5.85	5.85
	ii) holding shares above Rs.1 lakh	-	-	-	-	476,909	-	476,909	0.89	0.89
c)	NBFCs Registered with RBI	-	-	-	-	86,653	-	86,653	0.16	0.16
d)	Employees Trusts	-	-	-	-	-	-	-	-	-
c)	Any Others									
	Non-Resident Indians	-	-	-	-	139,714	14,564	154,278	0.29	0.29
	Clearing Members	-	-	-	-	45,961	200	46,161	0.09	0.09
	Trusts -	-	-	-	12,601	4,439	17,040	0.03	0.03	
	Directors and Relatives	-	-	-	-	47,971	3,150	51,121	0.10	0.10
	Sub-total (B)(2)	**-**	**-**	**-**	**-**	**4,590,123**	**509,279**	**5,099,402**	**9.55**	**9.55**
	Total Public Shareholding [(B)=(B)(1)+(B)(2)]	**-**	**-**	**-**	**-**	**31,299,791**	**522,458**	**31,822,249**	**59.60**	**59.60**
C.	**Shares held by Custodian for GDRs & ADRs**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Grand Total (A+B+C)	**-**	**50,000**	**50,000**	**100.00**	**52,874,342**	**522,458**	**53,396,800**	**100.00**	**-**

Note :

* The equity shares of the Company were allotted to the public shareholders of the Demerged Entity pursuant to to the Composite Scheme of Arrangement, details of which have been provided in the Board's Report. Accordingly, the changes in shareholding for various categories are not comparable for the beginning and closing of the period under review.

@ Shares held as nominees of Max Financial Services Limited (formerly Max India Limited).

(ii) **SHARE HOLDING OF PROMOTERS**

Sl No.	Shareholder's Name	Shareholding at the begginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	Max Financial Services Limited (formerly Max India Limited)	49,994	100.00	-	-	-	-	(100.00)
2	Rahul Ahuja @	1	0.00	-	-	-	-	0.00
3	Pradeep Pal Chadha @	1	0.00	-	-	-	-	0.00
4	Jatin Khanna @	1	0.00	-	-	-	-	0.00
5	Dilbhagh Singh Narang @	1	0.00	-	-	-	-	0.00
6	Venkatraman Krishnan @	1	0.00	-	-	-	-	0.00
7	M.G. Rajagopalan @	1	0.00	-	-	-	-	0.00
8	Analjit Singh	-	-	-	1,175,357	2.20	-	2.20
9	Neelu Analjit Singh	-	-	-	20,000	0.04	-	0.04
10	Piya Singh	-	-	-	22,066	0.04	-	0.04
11	Veer Singh	-	-	-	20,100	0.04	-	0.04
12	Tara Singh Vachani	-	-	-	20,000	0.04	-	0.04
13	Liquid Investment and Trading Company Pvt. Ltd.	-	-	-	4,763,774	8.92	-	8.92
14	Maxopp Investments Ltd.	-	-	-	3,768,983	7.06	-	7.06
15	Max Ventures Investment Holdings Pvt. Ltd.	-	-	-	3,509,233	6.57	-	6.57
16	Medicare Investments Ltd.	-	-	-	2,393,667	4.48	-	4.48
17	Cheminvest Ltd.	-	-	-	1,994,213	3.73	-	3.73
18	Mohair Investment & Trading Co Pvt. Ltd.	-	-	-	1,617,312	3.03	-	3.03
19	Boom Investments Pvt. Ltd.	-	-	-	1,120,802	2.10	-	2.10
20	Pen Investments Ltd.	-	-	-	376,222	0.70	-	0.70
21	Pivet Finances Ltd.	-	-	-	351,674	0.66	-	0.66
22	PVT Investment Ltd.	-	-	-	309,508	0.58	-	0.58
23	Maxpak Investment Ltd.	-	-	-	111,640	0.21	-	0.21
	TOTAL	**50,000**	**100.00**	**-**	**21,574,551**	**40.40**	**-**	**40.40**

@ Shares held as nominees of Max Financial Services Limited (formerly Max India Limited).

(iii) **Change in Promoters' Shareholding**

Sl No.		Share holding at the beginning of the Year		Cumulative Share holding during the year	
		No of shares	% of total shares of the company	No of shares	% of total shares of the company
1.	**Max Financial Services Limited** (formerly Max India Limited)$				
	At the beginning of the year	50,000	100.00		
	Date wise increase / decrease				
	- Cancellation of shares on March 7, 2016 pursuant to the Composite scheme of arrangement	50,000	100.00	50,000	100.00
	At the end of year	0	0.00		
2.	**Mr. Analjit Singh**				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Allotment of shares on March 7, 2016	1,175,357	2.20	1,175,357	2.20
	At the end of year	1,175,357	2.20		
3.	**Ms. Neelu Analjit Singh**				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Allotment of shares on March 7, 2016	20,000	0.04	20,000	0.04
	At the end of year	20,000	0.04		
4.	**Ms. Piya Singh**				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Allotment of shares on March 7, 2016	22,066	0.04	22,066	0.04
	At the end of year	22,066	0.04		

ANNEXURE - 1

Sl No.	Share holding at the beginning of the Year		Cumulative Share holding during the year	
	No of shares	% of total shares of the company	No of shares	% of total shares of the company
5. Mr. Veer Singh				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	20,100	0.04	20,100	0.04
At the end of year	20,100	0.04		
6. Ms. Tara Singh Vachani				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	20,000	0.04	20,000	0.04
At the end of year	20,000	0.04		
7. Liquid Investment and Trading Company Pvt Ltd				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	4,763,774	8.92	4,763,774	8.92
At the end of year	4,763,774	8.92		
8. Maxopp Investments Ltd				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	3,768,983	7.06	3,768,983	7.06
At the end of year	3,768,983	7.06		
9. Max Ventures Investment Holdings Private Limited				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	3,509,233	6.57	3,509,233	6.57
At the end of year	3,509,233	6.57		
10. Medicare Investments Ltd				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	2,393,667	4.48	2,393,667	4.48
At the end of year	2,393,667	4.48		
11. Cheminvest Ltd				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	1,994,213	3.73	1,994,213	3.73
At the end of year	1,994,213	3.73		
12. Mohair Investment & Trading Co Pvt Ltd				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	1,617,312	3.03	1,617,312	3.03
At the end of year	1,617,312	3.03		
13. Boom Investments Pvt Ltd				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	1,120,802	2.10	1,120,802	2.10
At the end of year	1,120,802	2.10		
14. Pen Investments Ltd				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	376,222	0.70	376,222	0.70
At the end of year	376,222	0.70		
15. Pivet Finances Ltd				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	351,674	0.66	351,674	0.66
At the end of year	351,674	0.66		

Sl No.	Share holding at the beginning of the Year		Cumulative Share holding during the year	
	No of shares	% of total shares of the company	No of shares	% of total shares of the company
16. PVT Investment Ltd				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	309,508	0.58	309,508	0.58
At the end of year	309,508	0.58		
17. Maxpak Investment Ltd				
At the beginning of the year	0	0.00		
Date wise increase / decrease				
- Allotment of shares on March 7, 2016	111,640	0.21	111,640	0.21
At the end of year	111,640	0.21		

Note: The shares were allotted on March 7, 2016 pursuant to the Composite Scheme of arrangement, details of which have been provided in the Board's Report.

$ The shareholding of Max Financial Services Limited above includes 6 shares held by its nominees.

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl No.	Name of Shareholder	Shareholding			Reason for increase/ decrease	Cumulative shareholding during the year	
		Date	No. of shares	% of total shares		No. of shares	% of total shares
1.	**XENOK LIMITED**						
	At the beginning of the year	07-03-2016	4,815,940	9.02	Allotment*	4,815,940	9.02
	At the end of the year	31-03-2016	4,815,940	9.02			
2.	**GS MACE HOLDINGS LIMITED**						
	At the beginning of the year	07-03-2016	3,439,276	6.44	Allotment*	3,439,276	6.44
	At the end of the year	31-03-2016	3,439,276	6.44			
3.	**INTERNATIONAL FINANCE CORPORATION**						
	At the beginning of the year	07-03-2016	1,652,209	3.09	Allotment*	1,652,209	3.09
	At the end of the year	31-03-2016	1,652,209	3.09			
4.	**NEW YORK LIFE INSURANCE COMPANY**						
	At the beginning of the year	07-03-2016	1,030,821	1.93	Allotment*	1,030,821	1.93
	At the end of the year	31-03-2016	1,030,821	1.93			
5.	**ICICI PRUDENTIAL VALUE DISCOVERY FUND**						
	At the beginning of the year	07-03-2016	903,573	1.69	Allotment*	903,573	1.69
	At the end of the year	31-03-2016	903,573	1.69			
6.	**RELIANCE CAPITAL TRUSTEE CO. LTD A/C RELIANCE EQUITY OPPORTUNITIES FUND**						
	At the beginning of the year	07-03-2016	715,795	1.34	Allotment*	715,795	1.34
	At the end of the year	31-03-2016	715,795	1.34			
7.	**GOVERNMENT PENSION FUND GLOBAL**						
	At the beginning of the year	07-03-2016	664,590	1.24	Allotment*	664,590	1.24
	At the end of the year	31-03-2016	664,590	1.24			
8.	**RELIANCE CAPITAL TRUSTEE COMPANY LIMITED A/C RELIANCE GROWTH FUND**						
	At the beginning of the year	07-03-2016	567,247	1.06	Allotment*	567,247	1.06
	At the end of the year	31-03-2016	567,247	1.06			
9.	**ARANDA INVESTMENTS (MAURITIUS) PTE LTD**						
	At the beginning of the year	07-03-2016	517,083	0.97	Allotment*	517,083	0.97
	At the end of the year	31-03-2016	517,083	0.97			
10.	**MOTILAL OSWAL MOST FOCUSED MULTICAP 35 FUND**						
	At the beginning of the year	07-03-2016	504,389	0.94	Allotment*	504,389	0.94
	At the end of the year	31-03-2016	504,389	0.94			

Notes:

*The shares were allotted on March 7, 2016 pursuant to the Composite Scheme of arrangement, details of which have been provided in the Board's Report.

(v) **Shareholding of Directors and Key Managerial Personnel**

Sl No.	Name of the Director / Key Managerial Personnel	Shareholding		Cumulative Share holding during the year	
		No of shares	% of total shares	No of shares	% of total shares
1.	**Mr. Analjit Singh**				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Allotment of shares on March 7, 2016 pursuant to the Composite scheme of arrangement	1,175,357	2.20	1,175,357	2.20
	At the end of year	1,175,357	2.20	1,175,357	2.20
2.	**Mr. Mohit Talwar**				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Allotment of shares on March 7, 2016	28,021	0.05	28,021	0.05
	At the end of year	28,021	0.05	28,021	0.05
3.	**Mr. N C Singhal**				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Allotment of shares on March 7, 2016	10,700	0.02	10,700	0.02
	At the end of year	10,700	0.02	10,700	0.02
4.	**Mr. K. M. Narasimha**				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Allotment of shares on March 7, 2016	1,000	0.002	1,000	0.002
	At the end of year	1,000	0.002	1,000	0.002
5.	**Dr. Subash K. Bijlani**				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Allotment of shares on March 7, 2016	4,400	0.01	4,400	0.01
	At the end of year	4,400	0.01	4,400	0.01
6.	**Mrs. Sujatha Ratnam**				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Allotment of shares on March 7, 2016	7,000	0.01	7,000	0.01
	At the end of year	7,000	0.01	7,000	0.01

Note:

1. Allotment of shares was made pursuant to the composite scheme of arrangement.
2. No other director holds any share in the Company as on March 31, 2016.

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

VI. **REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

A. Remuneration to Managing Director, Whole-time Director and/or Manager:

Sl. No.	Particulars of Remuneration	Name of the Managing Director
		Mr. Sahil Vachani
1.	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	2,349,833
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	
	c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	• As % of profit	-
	• Others, specify	-
5.	Others, please specify	-
	Total (A)	**2,349,833**
	Ceiling as per the Act (proportionate value for January 15, 2016 to March 31, 2016)	**5,128,767**

Notes:

1. Mr. Sahil Vachani was appointed as a Managing Director and CEO of the Company w.e.f. January 15, 2016
2. He is not in receipt of any remuneration or commission from any of Company's holding or subsidiary.

B. Remuneration to other directors: (in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
1.	Independent Directors	Mr. N. C. Singhal	Mr. K. N. Murthy	Mr. D. K. Mittal	Mr. S. K. Bijlani	Mr. Ashok Kacker	
	a) Fee for attending Board/ Committee meetings	300,000	600,000	800,000	200,000	500,000	2,400,000
	b) Commission	-	-	-	-	-	-
	c) Others	-	-	-	-	-	-
	TOTAL (1)	300,000	600,000	800,000	200,000	500,000	2,400,000
2.	Other Non-Executive Directors	Mr. Analjit Singh	Ms. S. Ratnam	Mr. S. K. Mehra	Mr. Mohit Talwar		
	a) Fee for attending Board/ Committee meetings	200,000	300,000	-	600,000		1,100,000
	b) Commission	-	-	-	-	-	-
	c) Others	-	-	-	-	-	-
	TOTAL (2)	200,000	300,000	-	600,000		1,100,000
	TOTAL B = (1+2)						3,500,000
	TOTAL MANAGERIAL REMUNERATION (A+B)						**5,849,833**
	Overall ceiling as per the Act						**5,128,767**

Notes:

1. The sitting fee excludes service tax, cess paid/payable on such fee.
2. The overall ceiling as per the Act does not include the sitting fee payable to Non-Executive Directors in terms of Section 197 of the Act.

C. Remuneration to Key Managerial Personnel (KMP) other than Managing Director/Manager/Whole-time Directors:

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of KMP
		Mr. Alok Goel (Company Secretary)^
1.	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	1,999,388
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	
	c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission	
	• As % of profit	-
	• Others, specify	-
5.	Others, please specify	-
	Total (A)	**1,999,388**

^ Appointed as a Key Managerial Personnel of the Company w.e.f. January 15, 2016.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NONE

ANNEXURE – 2

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 / associate companies / joint ventures

Part "A" - Subsidiaries

(Amount Rs. in Lakhs, except otherwise stated)

Sl. No.	Particulars	Max Speciality Films Limited	Max Estates Limited
1.	The date since when subsidiary was acquired	April 1, 2015	March 22, 2016
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	April 1, 2015 to March 31, 2016	March 22, 2016 to March 31, 2017
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Not Applicable	Not Applicable
4.	Share capital	3,378.79	-
5.	Reserves and Surplus	15,783.52	-
6.	Total Assets	55,643.81	-
7.	Total Liabilities	36,481.50	-
8.	Investments	-	-
9.	Turnover	70,993.42	-
10.	Profit before taxation	2,736.51	-
11.	Provision for taxation	751.05	-
12.	Profit after taxation	1,985.46	-
13.	Proposed Dividend	337.88	-
14.	Extent of shareholding (in %)	99%	-

Notes:

The Financial year of Max Estates Limited shall end on March 31, 2017, hence the financial details are not available. Further, the investment in the said subsidiary was made after March 31, 2016.

1. Names of subsidiaries which are yet to commence operations as on March 31, 2016 – Max Estates Limited
2. Names of subsidiaries which have been liquidated or sold during the year – NIL

PART – B – Not Applicable since there are no associates or joint ventures of the company.

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 10, 2016

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

Sahil Vachani
(Managing Director)
(DIN 00761695)

Ashok Brijmohan Kacker
(Director)
(DIN 01647408)

Nitin Kumar Kansal
(Head Finance)

Alok Goel
(Company Secretary)

Place : New Delhi
Date : May 10, 2016

ANNEXURE - 3

Max Ventures and Industries Limited - Appointment Criteria, Qualification & Remuneration Policy

APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OFSECTION 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.

The key components of the Company's Remuneration Policy are - the Compensation will be based on credentials and the major driver of performance, compensation will be competitive and benchmarked with industry practice and compensation will be fully transparent and tax compliant.

The purpose of this Policy is to ensure that the remuneration to Directors, KMP and Senior Management involves a balance between fixed and incentive pay reflecting short and long-termperformance objectives appropriate to the working of the Company and its goals and to retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

Remuneration of Managing / Whole-time Director / Manager / CEO, KMP and Senior Management

The remuneration of the Managing / Whole - time Director/ Manager / CEO will be determined by the NRC and recommended to the Board for approval. Such remuneration shall be subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder. Further, the Manager / CEO of the Company is authorised to decide the remuneration of KMP (other than Managing / Whole-time Director / Manager / CEO) and Senior Management, and which shall be decided by the Manager / CEO based on the standard market practice and prevailing HR policies of the Company.

Remuneration to Non-executive / Independent Director

The remuneration / commission / sitting fees, 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.

ANNEXURE - 4

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is as follows:-

(a) **the ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

S. No.	Name of the Director	Ratio to Median
1	Mr. Analjit Singh	0.16
2	Mr. Sahil Vachani	1.85
3	Mr. Mohit Talwar	0.47
4	Ms. Sujatha Ratnam	0.24
5	Mr. Sanjeev K. Mehra	-
6	Mr. N. C. Singhal	0.23
7	Mr. K. Narasimha Murthy	0.47
8	Mr. D. K. Mittal	0.63
9	Dr. S. K. Bijlani	0.16
10	Mr. Ashok Kacker	0.39

Note: This ratio has been calculated for remuneration of all employees pro-rated for 77 days which reflects a like to like comparison for the Directors and rest of the employees.

(b) **the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year** - Not Applicable, as the year under review is the first financial year of the Company.

(c) **the percentage increase in the median remuneration of employees in the financial year** - Not Applicable, as the year under review is the first financial years of the Company.

(d) **the number of permanent employees on the rolls of Company** - 5 (Five) as on March 31, 2016.

(e) **average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration** - Not Applicable, as the year under review is the first financial year of the Company.

(f) **affirmation that the remuneration is as per the remuneration policy of the Company** - It is hereby affirmation that the remuneration is as per the remuneration policy of the Company.

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Details of top 10 employees in terms of remuneration drawn, including:

A. Employees who were employed throughout the year and were in receipt of remuneration of not less than Rs. 1,02,00,000/- : None

B. Employees employed for a part of the financial year and were in receipt of remuneration of not less than Rs. 8,50,000/- per month :

S. No.	Name	Designation	Age (Years)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of Employment	Last Employment
1.	Mr. Sahil Vachani	Managing Director and CEO	33	2,349,833	B.Sc. (Management Sciences)	14	15-Jan-16	Siva Realty Ventures Pvt. Ltd.

C. Other Employees:

S. No.	Name	Designation	Age (Years)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of Employment	Last Employment
1.	Ms. Indu Anand	Head - External Affairs	49	2,024,644	Masters in Computer Application	15	01-Dec-15	Max India Limited
2.	Mr. Nitin Kumar Kansal	Head- Finance	40	2,010,372	Chartered Accountant	15	01-Dec-15	Max India Limited
3.	Mr. Alok Goel	Assistant Vice President - Legal & Secretarial	44	1,999,388	B.Sc., FCS, L.LB, ICWA (Inter)	18	01-Dec-15	Max India Limited
4.	Mr. Atul Pandey	Head - Human Capital	49	1,176,674	PG diploma in Labour Laws & Personnel Management; MA (Social Work)	20	01-Feb-16	Max Speciality Films Limited

Notes:

1. Remuneration comprises of salary, allowances, value of rent free accommodation, bonus, medical expenses, leave travel assistance, personal accident and health insurance, Company's contribution to provident fund, pension, gratuity and superannuation fund, leave encashment and value of perquisites.
2. Total remuneration of Mr. Nitin Kumar Kansal, Ms. Indu Anand and Mr. Alok Goel includes remuneration paid to them by Max Financial Services Limited (formerly known as Max India Limited) with effect from December 1, 2015. The aforesaid employees were transferred to your Company on January 15, 2016, by virtue of the Composite Scheme of Arrangement, details of which have been provided in the Board's Report.
3. None of the employees mentioned above is related to any director of the Company, except Mr. Sahil Vachani, who is a relative of Mr. Analjit Singh.
4. During FY 2015-16, no employee was in receipt of remuneration in excess of the Managing Director of the Company and held himself or along with his spouse and dependent children two percent or more of the equity shares of the Company.
5. All appointments are contractual in accordance with the terms and conditions as per Company Rules / Policies.

ANNEXURE - 5

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Max Ventures and Industries Limited
(formerly known as Capricorn Ventures Limited)
(CIN: U85100PB2015PLC039204)
419, Bhai Mohan Singh Nagar, Village Railmajra,
Tehsil Balachaur, NawanShehar,
Punjab-144533

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Max Ventures And Industries Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

We report that-

a) Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

c) We have not verified the correctness and appropriateness of the financial statements of the Company.

d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.

e) The compliance of the provisions of the Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

f) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;and

(ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings, wherever applicable;

We have also examined compliance with the applicable clauses of Secretarial Standards on Meetings of the Board of Directors and General Meetings issued by the Institute of Company Secretaries of India applicable w.e.f. July 01, 2015, with which the Company has generally complied with.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations and Guidelines, to the extent applicable, as mentioned above.

(iii) The Company is holding Company of Max Speciality Films Limited and Max Estates Limited which are respectively engaged in the business of manufacturing & sale of Biaxially Oriented Polypropylene ("BoPP") metallised films, BoPP unmetallised films, thermal lamination films, leather finishing foils and real estate activities. As informed by the Management, there is no sector specific law applicable to the Company.

We have checked the compliance management system of the Company to obtain reasonable assurance about the adequacy of systems in place to ensure compliance of specifically applicable laws and this verification was done on test basis. We believe that the Audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion. In our opinion and to the best of our information and according to explanations given to us, we believe that the compliance management system of the Company seems adequate to ensure compliance of laws specifically applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings; Agenda and detailed notes on agenda were sent in advance of the meetings and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting for meaningful participation at the meeting.

Board decisions are carried out with unanimous consent and therefore, no dissenting views were required to be captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and standards.

We further report that during the audit period-

(a) Hon'ble High Court of Punjab & Haryana vide its Order dated December 14, 2015 approved Composite Scheme of Arrangement between Max India Limited, Taurus Ventures Limited and Capricorn Ventures Limited pursuant to the provisions of Sections 391 to 394 read with Sections 100 to 103 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 whereby Max Speciality Films Limited which was carrying Speciality Films Business become the Subsidiary Company of the Company;

(b) Shareholders of the Company at its Extra-ordinary General Meeting held on January 05, 2016 passed special resolution for the change of name of the Company from Capricorn Ventures Limited to Max Ventures and Industries Limited.

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

sd/-
Devesh Kumar Vasisht
Partner
CP No.: 13700

New Delhi
August 04, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)

Report on the Financial Statements

We have audited the accompanying financial statements of Max Ventures and Industries Limited (formerly Capricorn Ventures Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the period January 20, 2015 to March 31, 2016 (the "period"), and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, 2016, its profit, and its cash flows for the period January 20, 2015 to March 31, 2016.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. **As required by section 143 (3) of the Act, we report that:**
   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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, Statement of Profit and Loss, and 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 Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, 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 2" to this report;
   (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 does not have any pending litigations which would impact its financial position.
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

per Manoj Kumar Gupta
Partner
Membership No: 083906

Place of Signature: Gurgaon
Date: May 10, 2016

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

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

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

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

(c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment/ fixed assets are held in the name of the Company.

(ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 4(ii) of the Order are not applicable to the Company and hence not been commented upon.

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

(iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.

(v) The Company has not accepted any deposits from the public.

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

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

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

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, which have not been deposited on account of any dispute. The provisions related to employees' state insurance, sales tax, duty of excise, duty of custom and value added taxes are not applicable to the Company.

(viii) The Company did not have any outstanding dues in respect of debenture holders, financial institutions, banks, or government during the period.

(ix) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

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

(xi) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

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

(xiii) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

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

(xv) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.

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

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

per Manoj Kumar Gupta
Partner
Membership No: 083906

Place of Signature: Gurgaon
Date: May 10, 2016

BALANCE SHEET
AS AT MARCH 31, 2016

(Rs. in Lacs)

	Notes	As at March 31, 2016
Equity and liabilities		
Shareholders' funds		
Share capital	4	5,339.68
Reserves and surplus	5	13,354.52
		18,694.20
Non-current liabilities		
Long-term provisions	7	2.96
		2.96
Current liabilities		
Trade payables	8	
Total outstanding dues of micro enterprises and small enterprises		-
Total outstanding dues of creditors other than micro enterprises and small enterprises		229.09
Other current liabilities	8	32.59
Short-term provisions	7	8.58
		270.26
TOTAL		18,967.42
Assets		
Non-current assets		
Fixed assets		
Tangible assets	9	14.41
Deferred tax assets (Net)	6	2.43
Non-current investments	10	16,704.95
Loans and advances	11	550.06
Other non - current assets	14	101.38
		17,373.23
Current assets		
Trade receivables	12	328.28
Cash and bank balances	13	1,126.37
Loans and advances	11	92.25
Other current assets	14	47.29
		1,594.19
TOTAL		18,967.42
Summary of significant accounting policies	3	

The accompanying notes are integral part of the financial statements
As per our report of even date

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 10, 2016

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

Sahil Vachani
(Managing Director)
(DIN 00761695)

Ashok Brijmohan Kacker
(Director)
(DIN 01647408)

Nitin Kumar Kansal
(Head Finance)

Alok Goel
(Company Secretary)

Place : New Delhi
Date : May 10, 2016

STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD JANUARY 20, 2015 TO MARCH 31, 2016

(Rs. in Lacs)

	Notes	For the period January 20, 2015 to March 31, 2016
Income		
Revenue from operations	15	980.43
Total income (I)		980.43
Expenses		
Employee benefits expense	16	192.61
Other expenses	17	459.05
Depreciation	9	7.34
Total expenses (II)		659.00
Profit before tax (I - II)		321.43
Tax expenses		
Current tax		36.14
Deferred tax		(2.43)
Total tax expense		33.71
Profit for the period		287.72
Earnings per equity share	18	
[Nominal value of shares Rs.10]		
Basic (Rs.)		0.54
Diluted (Rs.)		0.53
Summary of significant accounting policies	3	

The accompanying notes are integral part of the financial statements
As per our report of even date

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 10, 2016

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

Sahil Vachani
(Managing Director)
(DIN 00761695)

Ashok Brijmohan Kacker
(Director)
(DIN 01647408)

Nitin Kumar Kansal
(Head Finance)

Alok Goel
(Company Secretary)

Place : New Delhi
Date : May 10, 2016

CASH FLOW STATEMENT
FOR THE PERIOD JANUARY 20, 2015 TO MARCH 31, 2016

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Cash flow from operating activities	
Net Profit before tax	321.43
Non cash adjustments to reconcile profit before tax to net cash flows:	
Depreciation / amortisation	7.34
Interest income	(126.84)
Profit on sale of current investments	(24.99)
Dividend income	(334.50)
Operating profit before working capital changes	(157.56)
Movement in working capital :	
Increase in trade payables	230.65
Increase in other current liabilities	28.47
Increase in long-term provisions	2.30
Increase in short-term provisions	5.71
Increase in trade receivables	(328.28)
Decrease in short-term loans and advances	26.84
Increase in other current assets	(47.29)
Cash used in operations	(239.16)
Direct taxes paid (net of refunds)	(57.31)
Net cash flow used in operating activities (A)	(296.47)
Cash flow from investing activities	
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(14.58)
Proceeds from sale of fixed assets	47.29
Purchase of current investments	(1,046.39)
Proceeds from sale/maturity of current investments	1,071.37
Dividend received	334.50
Interest received	25.45
Net cash flow from investing activities (B)	417.64
Cash flow from financing activities	
Proceeds from Equity share capital	5.00
Net cash flow from financing activities (C)	5.00
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	126.17
Cash and cash equivalents transferred on demerger (Refer note no. 23)	1,000.20
Cash and cash equivalents at the end of the year	1,126.37
Components of cash and cash equivalent	
Cash on hand	0.35
Balances with banks	
on current account	326.02
Deposits with original maturity of less than 3 months	800.00
Total cash and cash equivalents	1,126.37
Summary of significant accounting policies 3	

The accompanying notes are integral part of the financial statements
As per our report of even date

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 10, 2016

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

Sahil Vachani
(Managing Director)
(DIN 00761695)

Ashok Brijmohan Kacker
(Director)
(DIN 01647408)

Nitin Kumar Kansal
(Head Finance)

Alok Goel
(Company Secretary)

Place : New Delhi
Date : May 10, 2016

1. **Corporate information**

Max Ventures and Industries Limited (the Company) is a company registered under Companies Act, 2013 and incorporated on January 20, 2015. The Company has invested in business which is engaged in the businesses of Speciality Films. Its shares are in the process of listing on stock exchanges in India.

2. **Basis of preparation**

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards specified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rule 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

3. **Summary of significant accounting policies**

a) **Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) **Tangible assets**

Fixed assets are stated at cost, net of accumulated depreciation and impairment losses (if any). The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) **Depreciation**

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The company has used the following rates to provide depreciation on its fixed assets:

	Useful lives (years)
Computers	6

d) **Impairment of tangible 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 selling price 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 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit and loss.

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

An assessment 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.

e) **Leases**

Where the Company is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as

operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

Where the Company is lessor

Leases in which the company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

f) **Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

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

g) **Revenue Recognition**

Revenue is recognised 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:

Shared Service Income

Revenue from shared services are recognised over the period of contract, as and when services are rendered. The Company collects service tax on behalf of the government and, therefore, it is not an economic benefit flowing to the Company and is thus excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend

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

h) **Foreign exchange transactions**

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Forward exchange contracts not intended for trading or speculation purposes

The premium or discounts arising at the inception of forward exchange contracts is amortised and recognised as an expense or income over the life of the contract. Exchange difference on such contracts is recognized in the statement of profit and loss in the period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense for the period.

i) **Employee Benefits**

Provident Fund

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

Gratuity

Employee benefit in form of gratuity plan is a defined benefit obligation. The cost of providing benefit under this plan are determined on the basis of actuarial valuation at end of each year using projected unit credit method. Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

Leave Encashment

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

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

Long Term Incentive Plan

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

j) **Income taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

k) **Employee stock compensation cost**

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

In accordance with the Securities and Exchange Board of India (SEBI) (Share based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the "Stock options outstanding account" in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

l) **Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.

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

m) **Provisions**

A provision is recognized when the Company has a present obligation 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.

n) **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.

o) **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprises of cash at bank, cash in hand and short term investments with an original maturity of three months or less.

4.0 Share capital

(Rs. in Lacs)

	As at March 31, 2016
Authorised shares (Nos.)	
60,000,000 equity shares of Rs.10/- each	6,000.00
	6,000.00
Issued, subscribed and fully paid-up shares (Nos.)	
5,33,96,800 equity shares of Rs.10/- each fully paid up	5,339.68
Total issued, subscribed and fully paid-up capital	5,339.68

4.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2016	
	No. of shares	(Rs. in Lacs)
Equity Shares		
At the beginning of the period	-	-
Add: Shares issued at incorporation of the Company	50,000	5.00
Add: Issued during the period under scheme of demerger (Refer note no. 23)	53,396,800	5,339.68
Less: Cancelled pertaining to scheme of demerger (Refer note no. 23)	50,000	5.00
Outstanding at the end of the period	53,396,800	5,339.68

4.2 Terms/rights attached to equity shares

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

4.3 Details of shareholder holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2016	
	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up		
Xenok Limited	4,815,940	9.02%
Maxopp Investments Limited	3,768,983	7.06%
Max Ventures Investment Holdings Private Limited.	3,509,233	6.57%
GS Mace Holdings Limited	3,439,276	6.44%

As per records of the Company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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

Existing shareholders of Max Financial Services Limited (erstwhile Max India Limited) were allotted shares in the ratio of 1:5 in Max Ventures and Industries Limited i.e. 53,300,555 equity shares under the scheme of demerger without any consideration.

In addition, the Company has issued 96,245 Equity shares during the period on exercise of options granted under the Employee Stock Option Plan 2006 of Max Financial Services Limited under the Corporate Restructuring plan, for details refer note 25.

5 Reserve and surplus

(Rs. in Lacs)

	As at March 31, 2016
Capital reserve	
Balance as at beginning of the period	-
Add: additions on account of demerger (Refer note no. 23)	13,042.52
	13,042.52
Employee stock option outstanding	
Balance as at beginning of the period	-
Add: additions on account of demerger (Refer note no. 23)	19.16
Add: compensation expensed during the year (Refer note no. 25)	7.47
Less : stock options forfeited during the year	2.35
Closing balance	24.28
Surplus in the statement of profit and loss	
Balance as at beginning of the period	-
Profit for the period	287.72
Net surplus in the statement of profit and loss	287.72
Total reserves and surplus	13,354.52

6 Deferred tax liabilities (net)

(Rs. in Lacs)

	As at March 31, 2016
Deferred tax liability	
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	1.39
Gross deferred tax liability	1.39
Deferred tax assets	
Impact of expenditure charged to the statement of profit and loss in the period but allowed for tax purposes on payment basis	3.82
Gross deferred tax assets	(3.82
Net deferred tax assets	(2.43)

7 Provisions

(Rs. in Lacs)

	Long - term	Short - term
	As at March 31, 2016	As at March 31, 2016
Provision for employee benefits		
Provision for gratuity (Refer Note 16.2)	2.96	-
Provision for leave benefits	-	8.58
	2.96	8.58

8 **Other current liabilities**

(Rs. in Lacs)

		As at March 31, 2016
Trade payables		
Total outstanding dues of micro enterprises and small enterprises*		-
Total outstanding dues of creditors other than micro enterprises and small enterprises	(A)	229.09
Other liabilities		
Statutory dues payable	(B)	32.59
Total	(A+B)	261.68

*** 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 the 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.

9 **Tangible assets**

(Rs. in Lacs)

	Tangible assets		
	Leasehold Improvment	Computers	Total
Gross Block			
At January 20, 2015	-	-	-
Acquired under demerger (Refer Note 23)	75.29	14.58	89.87
Additions during the period	-	-	-
Deletions during the period	(75.29)	-	(75.29)
At March 31, 2016	-	14.58	14.58
Accumulated Depreciation			
At January 20, 2015	-	-	-
Acquired under demerger (Refer Note 23)	20.83	-	20.83
Charge for the period	7.17	0.17	7.34
Deletions during the period	(28.00)	-	(28.00)
At March 31, 2016	-	0.17	0.17
Net block			
At March 31, 2016	-	14.41	14.41

10 **Non-current investments**

(Rs. in Lacs)

	As at March 31, 2016
Trade investments (valued at cost unless stated otherwise)	
Investment in subsidiaries company (unquotated)	
Max Speciality Films Limited (Refer note. 23)	
33,449,500 Equity shares of Rs. 10 each fully paid up	16,704.95
	16,704.95
Aggregate amount of unquoted investments	16,704.95

11 Loans and advance

(Rs. in Lacs)

		Non - Current	Current
		As at March 31, 2016	As at March 31, 2016
Loans and advances to related parties			
Unsecured, considered good (unless stated otherwise)			
Security deposit		-	48.00
Inter corporate deposit		550.06	-
	A	550.06	48.00
Other loans and advances (unsecured, considered good unless stated otherwise)			
Balances with statutory/government authorities		-	7.74
Prepaid expenses		-	0.14
Advances recoverable in cash or in kind		-	15.20
Advance income tax (net of provisions)		-	21.17
	B	-	44.25
Total (A+B)		550.06	92.25

12 Trade receivables

(Rs. in Lacs)

	As at March 31, 2016
Other receivables	
Outstanding for a period less than six months from the date they are due for payment)	
Secured, considered good	-
Unsecured, considered good*	328.28
	328.28

* recoverable from subsidiary company, Max Speciality Films Limited (Refer note no. 19.1)

13 Cash and bank balances

(Rs. in Lacs)

	As at March 31, 2016
Cash and cash equivalents	
Cash on hand	0.35
Balances with banks	
On current accounts	326.02
Deposits with original maturity less than 3 months	800.00
	1,126.37

14 Other assets

(Rs. in Lacs)

	Non - Current	Current
	As at March 31, 2016	As at March 31, 2016
Unsecured, considered good unless stated otherwise		
Others		
Other receivables	-	47.29
Interest accrued on deposits	101.38	-
	101.38	47.29

15 Revenue from operations

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Income from shared services	494.11
Income from investment activities	
Interest income on inter corporate deposits	71.70
Dividend Income	334.50
Gain on mutual fund investments	24.99
Interest income on fixed deposits	55.13
	486.32
Revenue from operations	980.43

16 Employee benefits expense

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Salaries, wages and bonus	175.69
Contribution to provident and other funds	5.61
Gratuity expense (Refer Note 16.2)	2.96
Staff welfare expenses	8.35
	192.61

16.1 Managerial Remuneration

Effective January 15, 2016, the Company has appointed managing director for a term of 5 years. In absence of adequate profits, the Nomination and Remuneration Committee and the Board of Directors in terms of Section 196 and 197 of the Companies Act, 2013 ('the Act') read with the limits prescribed under the Act has approved remuneration of Rs. 240.00 lacs per annum; the Company is in the process of obtaining the necessary approval from the shareholders of the Company.

16.2 Gratuity

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. This scheme of Company is unfunded presently.

The following table summarises the component of net benefit expense recognised in statement of profit and loss and the amount recognised in the balance sheet in respect of defined benefit plans.

Statement of profit and loss

Net employee benefit expense recognized in employee cost

(Rs. in Lacs)

	Gratuity
	As at March 31, 2016
Current service cost	2.96
Interest cost on benefit obligation	-
Expected return on plan assets	-
Net actuarial(gain) / loss recognized in the period	-
Past service cost	-
Net benefit expense	2.96

Balance sheet

Benefit asset/ liability

(Rs. in Lacs)

	Gratuity
	As at March 31, 2016
Defined benefit obligation	2.96
Less: Unrecognized past service cost	-
Plan asset / (liability)	(2.96)

Changes in the present value of the defined benefit obligation are as follows:

(Rs. in Lacs)

	Gratuity
	As at March 31, 2016
Acquisition on account of demerger	0.91
Interest cost	-
Current service cost	2.96
Benefits paid	(0.91)
Actuarial (gains) / losses on obligation	-
Closing defined benefit obligation	2.96

The principal assumptions used in determining benefit obligations for the Company's plans are shown below:

(Rs. in Lacs)

	Gratuity
	As at March 31, 2016
	%
Discount rate	8%
Retirement Age	60 Years
Employee turnover	1%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amounts for the current year is as follows:

(Rs. in Lacs)

	As at March 31, 2016
Defined benefit obligation	2.96

16.3 Provident Fund

The Company deposits contribution in the "Max India Limited Employees Provident Trust Fund" which is managed by Max India Limited. This is a common fund for Max India Limited and its group companies. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per AS-15 (Revised).

The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Company.

The actuary has accordingly provided a valuation for "Max India Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its group companies based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2016 as per the actuarial valuation of active members are as follows:

(Rs. in Lacs)

	As at March 31, 2016
Plan assets at year end at fair value	10.01
Present value of defined benefit obligation at year end	9.94
Excess value of plan assets as at year end	0.07
Active members as at year end (Nos)	5

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

(Rs. in Lacs)

	As at March 31, 2016
Discount rate for the term of the obligation	7.72%
Average historic yield on the investment portfolio	9.06%
Discount rate for the remaining term to maturity of the investment	7.72%
Expected investment return	9.06%
Guaranteed rate of return	8.75%

17 Other expenses

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Rent	106.48
Insurance	1.90
Rates and taxes	48.15
Travelling and conveyance	21.83
Legal and professional	85.39
Shared service charges	146.73
Directors' fee	35.18
Establishment Expenses	9.37
Printing and stationery	0.59
Miscellaneous	3.43
	459.05

Payment to auditor (excluding service tax) (included in legal and professional)

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
As auditor:	
Audit fee	9.00
	9.00

18 Calculation of earnings per share (EPS) - Basic and Diluted

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Basic EPS	
Profit after tax (Rs. in Lacs)	287.72
Weighted average number of equity shares outstanding during the year (Nos.)*	53,364,617
Basic earnings per share (Rs.)	0.54
Dilutive EPS	
Equivalent weighted average number of employee stock options outstanding	543,770
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)*	53,908,387
Diluted earnings per share (Rs.)	0.53

*Weighted average number of shares considered for the purpose of calculation of EPS are those which are required to be issued as per the scheme of demerger approved by the Hon'ble High Cout of Punjab and Haryana on the record date i.e. January 28, 2016. The Company received the FIBP approval on Februrary 19, 2016 and has issued and alloted 5,33,96,880 equity shares of Rs. 10/- each on March 07, 2016. However, EPS has been calculated assuming these shares would have been issued on appointed date i.e. April 01, 2015 for true reflection of EPS.

19 **Related parties disclosures**

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Subsidiary companies	Max Speciality Films Limited
	Max Estates Limited*
Names of other related parties with whom transactions have taken place during the year	
Key management personnel	Mr. Sahil Vachani (Managing Director)
Relatives of Key Management personnel	Mr. Veer Singh (Son of Mr. Analjit Singh - Director)
Enterprises owned or significantly influenced by key management personnel or their relatives	Max India Limited (formerly Taurus Ventures Limited)
	Max Financial Services Limited (formerly Max India Limited)
	Max Ventures Private Limited
	Piveta Estates Private Limited
	Siva Realty Ventures Private Limited
	Max UK Ltd.
	Lake View Enterprises
Employee benefit funds	Max India Limited Employees' Provident Fund Trust
Additional related parties as per Companies Act, 2013	
Key management personnel	Alok Goel - Company Secretary

* Max Estates Limited was incorporated on March 15, 2016, however its share capital was issued subsequent to year end.

19.1 Transactions with related parties during the year:

(Rs. in Lacs)

	Subsidiaries	Key Management personnel	Relatives of KMP	Enterprises owned or significantly influenced by key management personnel or their relatives	Employee benefit funds	Total
	For the period January 20, 2015 to March 31, 2016	For the period January 20, 2015 to March 31, 2016	For the period January 20, 2015 to March 31, 2016	For the period January 20, 2015 to March 31, 2016	For the period January 20, 2015 to March 31, 2016	For the period January 20, 2015 to March 31, 2016
Transactions with related parties during the period:						
Reimbursement of expenses (Received from)						
Max Speciality Films Limited	0.88	-	-	-	-	0.88
Reimbursement of expenses (Paid to)						
Max Financial Services Limited (formerly Max India Limited)	-	-	-	421.51	-	421.51
Max India (formerly Taurus Ventures Limited)	-	-	-	56.00	-	56.00
Services rendered (to)						
Shared Services						
Max Speciality Films Limited	494.11	-	-	-	-	494.11
Interest received (from)						
Max Speciality Films Limited	71.70	-	-	-	-	71.70
Establishment Expense						
Max Ventures Private Limited	-	-	-	6.73	-	6.73
Travelling and conveyance						
Piveta Estates Private Limited	-	-	-	0.45	-	0.45
Siva Realty Ventures Private Limited	-	-	-	3.27	-	3.27
Legal and professional						
Max UK Limited	-	-	-	5.42	-	5.42
Rent						
Veer Singh	-	-	66.55	-	-	66.55
Lake View Enterprises	-	-	-	39.93	-	39.93
Dividend Income (from)						
Max Speciality Films Limited	334.50	-	-	-	-	334.50
Sale/Transfer of Fixed Assets (to)						
Max Speciality Films Limited	47.29	-	-	-	-	47.29
Company's contribution to Provident Fund Trust						
Max India Limited Employees' Provident Fund Trust	-	-	-	-	3.18	3.18
Key managerial remuneration*						
Sahil Vachani	-	23.50	-	-	-	23.50
Alok Goel	-	11.76				11.76
	As at March 31, 2016	As at March 31, 2016	As at March 31, 2016	As at March 31, 2016	As at March 31, 2016	As at March 31, 2016
Balance outstanding as at the period end						
Statutory dues payable						
Max India Limited Employees' Provident Fund Trust	-	-	-	-	3.01	3.01
Interest Accrued on ICD's						
Max Speciality Films Limited	101.38	-	-	-	-	101.38
Trade Receivables						
Max Speciality Films Limited	328.28	-	-	-	-	328.28
Other Receivables						
Max Speciality Films Limited	47.29	-	-	-	-	47.29
Inter Corporate Deposit Receivable						
Max Speciality Films Limited	550.06	-	-	-	-	550.06
Security Deposit (Receivable)						
Veer Singh	-	-	30.00	-	-	18.00
Lake View Enterprises	-	-	-	18.00	-	30.00
Trade payables						
Max Financial Services Limited	-	-	-	96.13	-	96.13
Max India Limited	-	-	-	58.52	-	58.52
Max Ventures Private Limited	-	-	-	7.03	-	7.03
Piveta Estates Private Limited	-	-	-	0.45	-	0.45
Siva Realty Ventures Private Limited	-	-	-	3.27	-	3.27
Max UK Limited				5.42		5.42

* The remuneration to the key managerial personal does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

20 Expenditure in foreign currency

(Rs. in Lacs)

Particulars	For the period January 20, 2015 to March 31, 2016
Legal and professional	5.42
Total	**5.42**

21 Particulars of Unhedged Foreign Currency Exposure

Particulars	As at March 31, 2016		
	Foreign Currency (In Lacs)	Exchange Rate (Rupee)	Indian Rupee (In Lacs)
Trade payables (GBP)	0.06	95.09	5.42

22 Leases

Lease rental expense recognized in the statement of profit and loss for the period is Rs. 106.48 lacs.

(i) The Company has entered into operating leases for its office spaces and accommodation for its employees under operating lease agreements and are cancellable at Company's option. The Company has not entered into sublease agreements in respect of these leases.

(ii) There are no future commitments for lease payments for any of the above mentioned agreements.

23 Scheme of Arrangement (De-merger) between the Max Financial Services Limited, Max India Limited and Company

The Board of Directors of Max Financial Services Limited (MFS, erstwhile Max India Limited) in meeting held on January 27, 2015 have approved the Corporate Restructuring plan to vertically split Max Financial Services Limited through a Scheme of demerger ('Scheme'), into three separate listed companies.

a) The Hon'ble High Court of Punjab and Haryana vide its order dated December 14, 2015, has sanctioned the Composite scheme of arrangement ('Scheme') under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 between Max Financial Services Limited (MFS, erstwhile Max India Limited), Max India Limited ("MIL" - erstwhile Taurus Ventures Limited) and Max Ventures and Industries Limited (the Company,'MVIL'- erstwhile Capricorn Ventures Limited). The Scheme is effective from January 15, 2016 i.e. the date of filing of the certified copy of the order of the Hon'ble High Court of Punjab and Haryana with the Registrar of Companies, Chandigarh and Shimla. Pursuant to the Scheme, all the assets and liabilities pertaining to the Demerged Undertaking (as defined in the Scheme) have been transferred to and vested in the Company with retrospective effect from the appointed date i.e. April 1, 2015 at their respective book values appearing in the books of demerged company i.e., MFS. Accordingly, the Scheme has been given effect to in the financial statements.

b) The consideration for the demerger to the equity shareholders of the demerged company i.e., MFS is discharged by the Company i.e., Max Ventures and Industries Limited wholly by issue of equity shares of the Company. Pursuant to the Scheme coming into effect, every shareholder holding fully paid up equity shares of Rs. 2/- each in MFS as on the Record Date i.e., January 28, 2016 will be allotted one equity share of Rs. 10/- each in the Company for five equity shares of Rs. 2/- each held in MFS as on the Record Date. As a result of this and pursuant to the provisions of the Scheme, the existing share capital of Rs. 5 lacs of the Company shall stand cancelled. Further, with respect to employee's stock options granted by the demerged company i.e. MFS to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company or not) shall be allotted one stock option by the Company under the new ESOP scheme for every five stock option held in MFS. Accordingly, ESOP outstanding as on the Effective Date in MFS shall be allocated between the demerged company and resulting companies. The surplus of net assets acquired by the Company over the aggregate face value of share capital to be issued shall be credited to capital reserve. The value of net assets acquired effective from April 1, 2015 and the calculation of differential consideration and value of net identifiable assets acquired is set out below:

(Rs. in Lacs)

Particulars	As on April 1, 2015
Assets acquired	
- Fixed assets (net of accumulated depreciation)	54.46
- Investments (Non-current and current)	16,704.95
- Loans and advances (Non-current and current)	647.98
- Cash and bank balance	1,000.20
Sub-total (A)	18,407.59
Liabilities assumed	
- Trade payables and other current liabilities	12.32
- Provisions (Non-current and current)	3.53
Sub-total (B)	15.85
Net assets acquired (A-B)	18,391.74
Share capital to be issued	5,330.06
ESOP to be issued	19.16
Capital Reserve	13,042.52

c) The reconciliation of share capital to be issued pursuant to the scheme is given below and disclosed as 'Shares capital issued ' in the financial statements:

(Rs. in Lacs)

Particulars	As at March 31, 2016
Shares capital to be issued (refer point b above)	5,330.06
Shares capital to be issued against ESOPs exercised before record date	9.62
Share capital issued	5,339.68

d) Post receipt of approval from the Foreign Investment Promotion Board (FIPB), vide its letter dated February 19, 2016, MVIL has issued and allotted the shares to MFS's shareholders on March 7, 2016. Further, existing equity capital of MVIL of Rs. 5 lacs which was fully held by MFS was cancelled and MVIL ceases to be subsidiary of MFS.

e) This Scheme is a non-cash transaction and hence, has no impact on the cash flow of the Company for the current period.

24 Segment Reporting

Being a holding company, the Company is having investments in various subsidiaries and primarily engaged in growing and nurturing these business investments and providing shared services to group companies. Accordingly, the Company views these activities as one business segment, therefore, there are no separate reportable segments as per Accounting Standard 17 prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

25 Employee Stock Option Plan

Max Financial Services Limited-"MFSL" (formerly known as Max India Limited) had instituted the 2003 Plan, which was approved by the Board of Directors in August 25, 2003 and by the shareholders in September 30, 2003. The 2003 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of MFSL to eligible employees of MFSL. The 2003 Plan is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the plan, the employees receive shares of MFSL upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to five years and options can be exercised within two years from vesting date. As amended in the 2003 Plan and approved by the shareholders in Annual General Meeting held on September 30, 2014, the Option Price will be determined by the Nomination and Remuneration Committee, from time to time, in accordance with the provisions of applicable law, provided that the Option Price shall not be below the face value of the equity shares of MFSL.

Pursuant to the Scheme of demerger, with respect to the employee's stock options granted by the de-merged company i.e. MFS to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company) shall be allotted one stock option by the Company under the new ESOP scheme for five stock option held in MFS. Accordingly, ESOP outstanding as on the effective date in MFS shall be allocated between the demerged company and resulting companies. The Company is in the process of implementation of ESOP scheme on terms and conditions similar to the relevant ESOP plan of MFSL. Accordingly, 511,588 stock options granted to the employees of MFSL and outstanding as on Effective date i.e. January 15, 2016 are eligible for stock options of the Company under new ESOP scheme on similar terms and conditions. These ESOPs have intrinsic value of Rs. 19.16 lacs, which got transferred to the Company.

30 Disclosure of section 186 (4) of the Companies Act 2013

a) **Particulars of Loans given:**

(Rs. in Lacs)

Name of the Loanee	Transferrd on a/c of demerger as on April 1, 2015*	Loan given during the year	Loan repaid during the year	Outstanding Balance as on 31.03.16	Purpose
Max Speciality Films Limited	550.06	-	-	550.06	Operational cash flow requirement

b) **Particulars of Investments made:**

(Rs. in Lacs)

Name of the Investee	Transferrd on a/c of demerger as on April 1, 2015*	Investment made	Investment redeemed/ extinguished	Outstanding Balance as on 31.03.16	Purpose
Max Speciality Films Limited	16,704.95	-	-	16,704.95	Strategic investment

*Balances transferred from MFSL as per demerger scheme (refer note 23)

27 Being the first year of the Company, the accounts have been drawn up for a period of January 20, 2015 (i.e. Date of incorporation) to March 31, 2016. Accordingly, there are no comparative previous period figures.

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 10, 2016

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

Sahil Vachani
(Managing Director)
(DIN 00761695)

Ashok Brijmohan Kacker
(Director)
(DIN 01647408)

Nitin Kumar Kansal
(Head Finance)

Alok Goel
(Company Secretary)

Place : New Delhi
Date : May 10, 2016

MAX VENTURES & INDUSTRIES LIMITED

(FORMERLY KNOWN AS CAPRICORN VENTURES LIMITED)

CONSOLIDATED

MAX

INDEPENDENT AUDITOR'S REPORT

To the Members of Max Ventures and Industries Limited(Formerly Capricorn Ventures Limited)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Max Ventures and Industries Limited (formerly Capricorn Ventures Limited) (hereinafter referred to as "the Holding Company"), its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the period January 20, 2015 to March 31, 2016 (the "period"), and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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 the consolidated state of affairs of the Group, as at March 31, 2016, their consolidated profit, and their consolidated cash flows for the period.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, we report, to the extent applicable, that:

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

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

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

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and of its subsidiary company incorporated in India, none of the directors of the Group's companies, incorporated in India is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary company, incorporated in India, refer to our separate report in "Annexure 1" to this report;

(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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group,- Refer Note 29 to the consolidated financial statements;

ii. The Group did not have any material foreseeable losses in 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 and its subsidiary incorporated in India.

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

per Manoj Kumar Gupta
Partner
Membership No: 083906

Place of Signature: Gurgaon
Date: May 10, 2016

INDEPENDENT AUDITOR'S REPORT

Annexure-1 to the Independent Auditor's Report of even date on the Consolidated Financial Statement of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)

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

In conjunction with our audit of the consolidated financial statements of Max Ventures and Industries Limited as of and for the year ended March 31, 2016, we have audited the Internal Financial Controls Over Financial Reporting of Max Ventures and Industries Limited (formerly Capricorn Ventures Limited) (hereinafter referred to as the "Holding Company") and its subsidiary company, which is company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 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 Holding Company and its subsidiary company which are companies incorporated in India, have, maintained 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, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Manoj Kumar Gupta
Partner
Membership No: 083906

Place of Signature: Gurgaon
Date: May 10, 2016

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2016

(Rs. in Lacs)

	Notes	As at March 31, 2016
Equity and liabilities		
Shareholders' funds		
Share capital	4	5,339.68
Reserves and surplus	5	15,654.14
		20,993.82
Minority Interest		157.69
Non-current liabilities		
Long-term borrowings	6	18,096.10
Deferred tax liabilities (Net)	7	786.43
Long-term provisions	8	353.23
		19,235.76
Current liabilities		
Short-term borrowings	9	7,892.95
Trade payables	10	
Total outstanding dues of micro enterprises and small enterprises		89.24
Total outstanding dues of creditors other than micro enterprises and small enterprises		5,282.05
Other current liabilities	10	2,979.96
Short-term provisions	8	238.45
		16,482.65
TOTAL		56,869.92
Assets		
Non-current assets		
Fixed assets		
Tangible assets	11	26,528.93
Intangible assets	11	439.87
Capital work-in- progress		2,179.15
Loans and advances	12	3,057.09
		32,205.04
Current assets		
Inventories	13	5,584.47
Trade receivables	14	14,849.77
Cash and bank balances	15	1,289.41
Loans and advances	12	2,484.93
Other current assets	16	456.30
		24,664.88
TOTAL		56,869.92
Summary of significant accounting policies	3	

The accompanying notes are integral part of the financial statements
As per our report of even date

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 10, 2016

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

Sahil Vachani
(Managing Director)
(DIN 00761695)

Ashok Brijmohan Kacker
(Director)
(DIN 01647408)

Nitin Kumar Kansal
(Head Finance)

Alok Goel
(Company Secretary)

Place : New Delhi
Date : May 10, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE PERIOD JANUARY 20, 2015 TO MARCH 31, 2016

(Rs. in Lacs)

	Notes	For the period January 20, 2015 to March 31, 2016
Income		
Revenue from operations (gross)	17	76,400.82
Less: excise duty		6,131.11
Revenue from operations (net)		70,269.71
Other income	18	803.83
Total income (I)		71,073.54
Expenses		
Cost of raw materials consumed	19	45,361.43
Decrease in inventories of finished goods and work-in-progress	20	22.82
Employee benefits expense	21	3,976.40
Other expenses	22	13,628.98
Depreciation and amortization expense	23	1,920.00
Finance cost	24	3,438.78
Total expenses (II)		68,348.41
Profit before tax (III = I - II)		2,725.13
Tax expenses		
Current tax		634.30
Less: MAT credit entitlement		(239.39)
Deferred tax		391.54
Total tax expense (IV)		786.45
Profit after tax (V = III - IV)		1,938.68
Minority Interest (VI)		19.85
Profit for the period (V-VI)		1,918.83
Earnings per equity share	25	
[Nominal value of shares Rs.10]		
Basic (Rs.)		3.60
Diluted (Rs.)		3.56
Summary of significant accounting policies	3	

The accompanying notes are integral part of the financial statements
As per our report of even date

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 10, 2016

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

Sahil Vachani
(Managing Director)
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Ashok Brijmohan Kacker
(Director)
(DIN 01647408)

Nitin Kumar Kansal
(Head Finance)

Alok Goel
(Company Secretary)

Place : New Delhi
Date : May 10, 2016

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD JANUARY 20, 2015 TO MARCH 31, 2016

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Cash flow from operating activities	
Net Profit before tax	2,725.13
Non cash adjustments to reconcile profit before tax to net cash flows:	
Depreciation / amortisation	1,920.00
Interest income	(186.04)
Interest expense	2,993.68
Net profit on sale of current investments	(24.99)
Bad debts written off	23.12
Provision for doubtful debts and advances	7.18
Unrealised foreign exchange (gain) / loss	(51.42)
Liability/ provisions no longer required written back	(32.64)
Net loss on sale of fixed assets	290.40
Operating profit before working capital changes	7,664.42
Movement in working capital :	
Increase in trade payables	208.09
Increase in other current liabilities	1,733.16
Increase in long-term provisions	48.50
Decrease in short-term provisions	(44.37)
Decrease in trade receivables	16.46
Increase in inventories	(14.48)
Decrease in long-term loans and advances	64.70
Increase in short-term loans and advances	(586.91)
Increase in other current assets	(121.37)
Cash generated from operations	8,968.20
Direct taxes paid (net of refunds)	(733.44)
Net cash flow from operating activities (A)	8,234.76
Cash flow from investing activities	
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(5,476.50)
Proceeds from sale of fixed assets	227.64
Purchase of current investments	(1,046.39)
Proceeds from sale/maturity of current investments	1,071.37
Interest received	159.19
Net cash flow used in investing activities (B)	(5,064.69)
Cash flow from financing activities	
Proceeds from Equity share capital	5.00
Proceeds from long -term borrowings	1,688.47
Repayment of long -term borrowings	(536.19)
Proceeds / (Repayment) of short -term borrowings	(1,214.25)
Interest Paid	(2,992.71)
Dividend Paid	(3.39)
Net cash flow used in financing activities (C)	(3,053.07)
Net increase in cash and cash equivalents (A + B + C)	117.00
Impact of Foreign Exchange Fluctuations	0.42
Cash and cash equivalents transferred on demerger (refer note 34)	1,171.99
Cash and cash equivalents at the end of the year	1,289.41
Components of cash and cash equivalent	
Cash on hand	2.21
Stamps on hand	0.15
Balances with banks	
on current account	485.81
Margin money deposits	1.24
Deposits with original maturity of less than 3 months	800.00
Total cash and cash equivalents	1,289.41

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD JANUARY 20, 2015 TO MARCH 31, 2016

Summary of significant accounting policies	3

The accompanying notes are integral part of the financial statements
As per our report of even date

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 10, 2016

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

Sahil Vachani
(Managing Director)
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Ashok Brijmohan Kacker
(Director)
(DIN 01647408)

Nitin Kumar Kansal
(Head Finance)

Alok Goel
(Company Secretary)

Place : New Delhi
Date : May 10, 2016

1. **Basis of preparation**

Max Ventures and Industries Limited (the Company) is a company registered under Companies Act, 2013 and incorporated on January 20,2015. Its shares are in the process of listing on stock exchanges in India.

The Consolidated Financial Statements (CFS) comprises the financial statements of Max India Limited ("the Company") and its Subsidiaries and Joint Ventures (hereinafter referred to as "Group Companies" and together as "Group". The CFS of the Group have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP) under historical cost convention on an accrual basis in compliance with all material aspects of Accounting Standards (AS) notified section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.

The accounting policies have been consistently applied by the Group.

2. **Principles of Consolidation**

The financial statements of the Company and its subsidiary have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating all intra-Group balances and transactions and resulting unrealized gains/losses as per AS-21 "Consolidated Financial Statements" using the uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

Minority interest in the net assets of Subsidiaries consist of :

(a) The amount of equity attributable to the minorities at the date on which investment in Subsidiary is made;

(b) The minorities' share of movements in equity since the date the parent-subsidiary relationship came into existence.

The subsidiary follows financial year as accounting year. However, the financial statements of Max Speciality Films (MSF) has been consolidated considering results from April 1, 2015 to March 31, 2016 since the financial statements from January 20, 2015 to March 31, 2015 of MSF has already been consolidated in the financial results of MFSL (erstwhile Max India Limited) while preparing its financial results for the year ended March 31, 2015.

Name of the Subsidiary	Country of Incorporation	Proportion of ownership as at March 31, 2016	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
			As % of consolidated net assets	Amount (in Rs. lakhs)	As % of consolidated profit or loss	Amount (in Rs. lakhs)
Parent						
Max Ventures & Industries Limited	India		2.17%	1,235.44	-1.05%	(596.97)
Subsidiary						
Max Speciality Films Limited	India	99%	97.83%	55,634.48	4.42%	2,515.80
				56,869.92		1,918.83

3. **Summary of significant accounting policies**

a) **Use of estimates**

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b) **Tangible fixed assets**

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, the cost of replacing part of the fixed assets and directly attributable cost of bringing the asset to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components of machinery. When significant parts of the fixed assets are required to be replaced at intervals, the Group recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The excess of consideration paid for acquisition of assets over the net assets value minus liabilities taken over in the acquired business is recognised as goodwill and included under intangible assets.

Intangible assets comprising of computer softwares are amortized over a period of 3 - 6 years based on management's estimate of economic useful life of the individual assets.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized..

d) **Depreciation & Amortization**

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

b) In respect to other tangible and intangible assets acquired during the year, depreciation/amortization is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management.

The identified components are depreciated separately over their useful lives; the remaining components are depreciated over the life of principal asset. The Group has estimated following useful lives to provide depreciation on its fixed assets:

	Useful lives estimated by management (years)
Factory building	30
Other buildings	60
Plant and equipments	15-25
Furniture and fixtures	10
Office equipment	3 - 5
Computers	3 - 6
Vehicles	3 - 8
Computer softwares	3 - 6

Goodwill recognized pursuant to acquisition of business is amortized over 5 years on a straight line basis.

The management has estimated, supported by independent assessment by professionals, the useful lives of certain office equipment and motor vehicles are estimated to be 3 - 4 years which are lower to life as per the Companies Act 2013.

e) **Leases**

Where the Group is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight line basis over the lease term.

Where the Group is lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of profit and loss.

f) **Borrowing costs**

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange difference arising from foreign currency borrowings to the extent they are recorded as an adjustment to the interest cost.

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 respective asset. All other borrowing costs are expensed in the period they occur.

g) **Impairment of tangible and intangible assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the 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 selling price 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 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group 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 longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognized in the statement of profit and loss.

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

An assessment 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 Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss.

h) **Inventories**

Raw materials, packing materials, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, packing materials, and stores and spares is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

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

i) **Revenue Recognition**

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

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Group collects sales taxes, excise duty and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Export benefits

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

Jobwork income

Revenue from jobwork services is recognized as and when services are rendered.

j) **Foreign exchange transactions**

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items, or on reporting such monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Forward exchange contracts not intended for trading or speculation purposes

The premium or discounts arising at the inception of forward exchange contracts is amortised and recognised as an expense or income over the life of the contract. Exchange difference on such contracts is recognized in the statement of profit and loss in the period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognized as income or expense for the period.

k) **Employee Benefits**

Provident Fund

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

Superannuation fund

Retirement benefit in the form of superannuation fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the fund. Liability in respect of superannuation fund to the employees is accounted for as per the Group's Scheme and contributed to “Max Speciality Films Limited Employees Group Superannuation Trust” every year. The contributions to the funds are charged to the statement of profit and loss of the year.

Gratuity

Employee benefit in form of gratuity plan is a defined benefit obligation. The cost of providing benefit under this plan are determined on the basis of actuarial valuation at end of each year using projected unit credit method. Actuarial gains and losses for the defined benefit plan is recognized in full in the period in which they occur in the statement of profit and loss.

The subsidiary of the Company has a recognised gratuity trust “Max Speciality Films Limited Employees Group Gratuity Trust” which in turn has taken a policy with LIC to cover the gratuity liability of the employees.

Leave Encashment

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

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

Long Term Incentive Plan

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

l) ***Income taxes***

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each reporting date, the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Group writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

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 tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group 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 Group 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 Group reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

m) Employee stock compensation cost

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

In accordance with the Securities and Exchange Board of India (SEBI) (Share based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the intrinsic value method and recognized, together with a corresponding increase in the “Stock options outstanding account” in reserves. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company’s best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

m) Segment reporting policies

As the Company's business activity primarily falls within a single business segment viz "packaging film", no separate segment is disclosed. Secondary segment information reported geographical. Accordingly disclosures are provided in terms of Accounting Standard 17 on 'Segment Reporting.

n) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of the equity shares outstanding during the period.

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

o) Provisions

A provision is recognized when the Group has a present obligation 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.

p) Contingent liabilities

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

The Group does not recognize a contingent liability but discloses its existence in the financial statements.

q) **Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprises of cash at bank, cash in hand and short term investments with an original maturity of three months or less.

4. Share capital

(Rs. in Lacs)

	As at March 31, 2016
Authorised shares (Nos.)	
60,000,000 equity shares of Rs. 10/- each	6,000.00
	6,000.00
Issued, subscribed and fully paid-up shares (Nos.)	
5,33,96,800 equity shares of Rs. 10/- each fully paid up	5,339.68
Total issued, subscribed and fully paid-up capital	5,339.68

4.1 Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	March 31, 2016	
	No. of shares	(Rs. in Lacs)
Equity Shares		
At the beginning of the period	-	-
Add: Shares issued at incorporation of the Company	50,000	5.00
Add: Issued during the period on account of demerger(refer note 34)	53,396,800	5,339.68
Less: Cancelled pertaining to scheme of demerger (refer note 34)	50,000	5.00
Outstanding at the end of the period	53,396,800	5,339.68

4.2 Terms/rights attached to equity shares

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

4.3 Details of shareholder holding more than 5% shares in the Company

Name of the Shareholder	March 31, 2016	
	No. of shares	% held
Equity shares of Rs. 10 each fully paidup		
Xenok Limited	4,815,940	9.02%
Maxopp Investments Limited	3,768,983	7.06%
Max Ventures Investment Holdings Pvt. Ltd.	3,509,233	6.57%
GS Mace Holdings Limited	3,439,276	6.44%

As per records of the Company, including its register of shareholders and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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

Existing shareholders of Max Financial Services Limited (erstwhile Max India Limited) were allotted shares in the ratio of 1:5 in Max Ventures and Industries Limited i.e. 53,300,555 equity shares under the scheme of demerger without any consideration.

In addition, the Company has issued 96,245 Equity shares during the period on exercise of options granted under the Employee Stock Option Plan 2006 of Max Financial Services Limited under the Corporate Restructuring plan, for details refer note 35.

5 **Reserve and surplus**

(Rs. in Lacs)

	As at March 31, 2016
Capital reserve	
Balance as at beginning of the period	
Add: arises out of scheme of demerger (refer note 34)	13,785.12
	13,785.12
Employee stock option outstanding	
Balance as at beginning of the period	
Add: arises out of scheme of demerger (refer note 34)	19.16
Add: compensation expensed during the year (refer note 35)	7.47
Less : stock options forfeited during the year	2.35
Closing balance	24.28
Surplus/ (deficit) in the statement of profit and loss	
Balance as at beginning of the period	-
Profit for the period	1,918.83
Less: Appropriations	
Interim dividend [amount per share Rs.1]	3.39
Tax on interim dividend	70.70
Net surplus/ (deficit) in the statement of profit and loss	1,844.74
Total reserves and surplus	15,654.14

6 **Long term borrowings**

(Rs. in Lacs)

	Non-current portion	Current maturities
	As at March 31, 2016	As at March 31, 2016
Term loans		
From banks (secured)	13,048.75	846.34
Non-banking financial institution (secured)	2,962.50	37.50
Other loans and advances		
Buyers Credit foreign currency (secured)	2,026.19	1,250.84
Vehicle Loans from banks (secured)	58.66	37.26
	18,096.10	2,171.94
The above amount includes		
Secured borrowings	18,096.10	2,171.94
Unsecured borrowings	-	-
Amount disclosed under the head "other current liabilities" (refer note 10)	-	(2,171.94)
	18,096.10	-

i) Term loan from Yes Bank Limited amounting to Rs. 8,500.00 Lacs is secured by way of first pari passu charge on the moveable fixed assets (excluding assets/equipment/vehicles, etc. specifically charged to other lenders) and immoveable fixed assets both present and future of Max Speciality Films Limited, subsidiary of the Company. The loan is repayable in 32 structured quarterly instalments commencing from 3rd December 2016.

ii) Term loan from Yes Bank Limited amounting to Rs. 4,900.00 Lacs is secured by way of first pari passu charge on the moveable fixed assets (excluding assets/equipment/vehicles, etc. specifically charged to other lenders) and immoveable fixed assets both present and future of Max Speciality Films Limited, subsidiary of the Company. The loan is repayable in 20 structured quarterly instalments commencing from 3rd December 2016.

iii) Term loan from Yes Bank Limited amounting to Rs. 495.09 Lacs is secured by way of first pari passu charge on the moveable fixed assets (excluding assets/equipment/vehicles, etc. specifically charged to other lenders) and immoveable fixed assets both present and future of Max Speciality Films Limited, subsidiary of the Company. The loan is repayable in 12 equal quarterly instalments commencing from 1st April 2014.

iv) Term loan from Tourism Finance Corporation of India Limited amounting to Rs. 3,000.00 Lacs is secured by way of first pari passu

charge on the moveable fixed assets (excluding assets/equipment/vehicles, etc. specifically charged to other lenders) and immoveable fixed assets both present and future of Max Speciality Films Limited, subsidiary of the Company. The loan is repayable in 32 structured quarterly instalments commencing from 3rd December 2016.

v) Buyer credit foreign currency facility from Yes Bank Limited amounting to Rs. 3,277.03 Lacs is secured by way of first pari passu charge on the moveable fixed assets (excluding assets/equipment/vehicles, etc. specifically charged to other lenders) and immoveable fixed assets both present and future of Max Speciality Films Limited, subsidiary of the Company. The loan is repayable in 2 yearly instalments in next 2-3 years.

vi) Vehicle loans amounting to Rs. 95.92 Lacs are secured by way of hypothecation of respective vehicles. The loans are repayable in 3 to 5 years.

7 **Deferred tax liabilities (net)**

(Rs. in Lacs)

	As at March 31, 2016
Deferred tax liability	
Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting period	1,266.66
Gross deferred tax liability	1,266.66
Deferred tax assets	
Impact of expenditure charged to the statement of profit and loss in the current period but allowed for tax purposes on payment basis	466.70
Provision for doubtful debts and advances	13.53
Gross deferred tax assets	480.23
Net deferred tax liabilities	786.43

8 **Provisions**

(Rs. in Lacs)

	Long - term	Short - term
	As at March 31, 2016	As at March 31, 2016
Provision for employee benefits		
Provision for gratuity (refer note 21.2)	353.23	90.54
Provision for leave benefits	-	147.91
Total	353.23	238.45

9 **Short term borrowings**

(Rs. in Lacs)

	As at March 31, 2016
Loan repayable on demand:	
From Banks:	
Cash credit from banks (secured)	5,870.37
Other loans & advances:	
Packing credit foreign currency (secured)	225.15
Packing credit (unsecured)	1,500.00
Bills discounted from banks	297.43
	7,892.95
The above amount includes	
Secured borrowings	6,095.52
Unsecured borrowings	1,797.43
	7,892.95

(i) Cash credit facilities from Citi Bank NA, Yes Bank Limited, Kotak Mahindra Bank Limited, Ratnakar Bank Limited, Indusind Bank Limited and HDFC Bank Limited are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Max Speciality Films Limited, subsidiary of the Company, both present and future.

(ii) Packing credit foreign currency facilities from Yes Bank Limited is repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Max Speciality Films Limited, subsidiary of the Company, both present and future.

(iii) Packing credit facilities from Deutsche Bank is repayable on demand.

10 Other current liabilities

(Rs. in Lacs)

	As at March 31, 2016
Trade payables	
Total outstanding dues of micro enterprises and small enterprises	89.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,282.05
	5,371.29
Other liabilities	
Current maturities of long-term borrowings (refer note 6)	2,171.94
Interest accrued but not due on borrowings	7.62
Advance from customers	162.69
Others	
Bank overdraft	0.32
Security deposit received	127.19
Statutory dues payable	251.73
Capital creditors	171.74
Dividend distribution tax payable	70.70
Unexpired premium on forward contracts	16.03
	2,979.96
	8,351.25

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

(Rs. in Lacs)

	As at March 31, 2016
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	22.58
The interest due on unpaid principal amount remaining as at the end of each accounting year.	0.13
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.17
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	0.01

11 Tangible and intangible assets

(Rs. in Lacs)

	Tangible assets									Intangible assets		
	Land (Freehold)	Building	Leasehold improvements	Plan & equipment*	Furniture & fixture	Office equipments	Computers	Vehicles	Total	Computer software	Goodwill	Total
Gross Block												
Acquired under demerger (refer note 34)	1,685.81	4,389.93	75.29	22,779.06	133.48	228.78	247.47	182.68	29,722.50	319.36	278.49	597.85
Additions	-	85.14	-	948.84	80.09	26.76	71.61	66.33	1,278.77	116.85	-	116.85
Deletions/ Adjustments	-	-	-	(570.52)	(0.30)	(21.61)	(0.79)	(13.56)	(606.78)	-	-	-
At March 31, 2016	**1,685.81**	**4,475.07**	**75.29**	**23,157.38**	**213.27**	**233.93**	**318.29**	**235.45**	**30,394.49**	**436.21**	**278.49**	**714.70**
Accumulated depreciation												-
Acquired under demerger (refer note 34)	-	113.20	20.83	1,847.61	21.09	85.74	91.48	50.95	2,230.90	69.82	55.70	125.52
Charge for the year	-	114.01	9.76	1,466.18	23.06	42.28	54.96	60.44	1,770.69	93.61	55.70	149.31
Deletions/ Adjustments	-	-	-	(122.12)	(0.12)	(5.80)	(0.68)	(7.31)	(136.03)	-	-	-
At March 31, 2016	**-**	**227.21**	**30.59**	**3,191.67**	**44.03**	**122.22**	**145.76**	**104.08**	**3,865.56**	**163.43**	**111.40**	**274.83**
Net Block												-
At March 31, 2016	**1,685.81**	**4,247.86**	**44.70**	**19,965.71**	**169.24**	**111.71**	**172.53**	**131.37**	**26,528.93**	**272.78**	**167.09**	**439.87**

*including lab equipment amounting to Rs. 178.17 lacs.

12 Loans and advance

(Rs. in Lacs)

		Non - Current	Current
		As at March 31, 2016	As at March 31, 2016
Capital advances			
Unsecured, considered good		1,950.60	-
	A	1,950.60	-
Security deposits			
Unsecured, considered good		295.43	48.00
	B	295.43	48.00
Advances recoverable in cash or kind			
Unsecured, considered good		-	967.45
	C	-	967.45
Other loans and advances (unsecured, considered good unless stated otherwise)			
Balances with statutory/government authorities		-	658.05
Prepaid expenses		807.26	309.51
Loans to employees		3.80	19.66
MAT credit entitlement		-	467.62
Advance income tax (net of provision)		-	14.64
	D	811.06	1,469.48
Total (A+B+C+D)		3,057.09	2,484.93

13 Inventories (valued at lower of cost and net realisable value)

(Rs. in Lacs)

	As at March 31, 2016
Raw materials (including stock in transit Rs. 582.50 Lacs)	2,581.59
Packing materials	54.79
Stores and spares	1,226.91
Work in process	1,040.80
Finished goods (including in transit Rs. 319.94 Lacs)	680.38
	5,584.47

14 Trade receivables

(Rs. in Lacs)

	Current
	As at March 31, 2016
Unsecured, considered good unless stated otherwise	
Outstanding for a period exceeding six months from the date they are due for payment	
Unsecured, considered good	530.88
Doubtful	39.80
	570.68
Provision for doubtful receivables	(39.80)
	530.88
Other receivables	
Unsecured, considered good	14,318.89
	14,318.89
	14,849.77

15 Cash and bank balances

(Rs. in Lacs)

	Current
	As at March 31, 2016
Cash and cash equivalents	
Balances with banks	
On current accounts	485.81
Cash on hand	2.21
Deposits with original maturity for less than 3 months	800.00
Stamps on hand	0.15
	1,288.17
Other bank balances	
Margin money deposits	1.24
	1,289.41

Margin money deposits given as security

Margin money deposits with a amount of Rs 1.24 Lacs are subject to first charge to secure the bill discounted.

16 Other assets

(Rs. in Lacs)

	Current
	As at March 31, 2016
Unsecured, considered good unless stated otherwise	
Others	
Interest accrued on deposits	31.21
Export benefits receivables	336.85
Forward recoverable	88.24
	456.30

17 Revenue from operations

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Sale of products	
Finished goods	
Bi-axially oriented polypropylene film	75,122.14
Soft leather finishing foil	143.30
	75,265.44
Other operating revenue	
Export benefits	590.43
Job work charges	20.09
Scrap - waste of plastic sale	301.66
Income from investment activities	
Interest income	186.04
Gain on mutual fund	24.99
Miscellaneous income	12.17
Total Other operating revenue	1,135.38
Revenue from operations (gross)	76,400.82
Less: Excise duty (refer note 17.1)	6,131.11
Revenue from operations (net)	70,269.71

17.1. Excise duty on sales amounting to Rs. 6,131.11 Lacs has been reduced from sales in statement of profit and loss and excise duty on (increase) / decrease in stock amounting to Rs. 38.02 Lacs has been considered as expense in note 22 of financial statements.

18 Other Income

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Liabilities/provisions no longer required written back	32.64
Gain on foreign exchange fluctuation (net)	547.61
Scrap sale	223.58
	803.83

19 Cost of raw materials consumed

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Inventories acquired on account of demerger	2,646.88
Add: Purchases	45,296.14
Less: inventory at the end of period	2,581.59
Cost of raw materials consumed	45,361.43
19.1 Details of raw materials consumed	
Polypropylene	38,713.26
Polypropylene compounds	5,059.32
Others	1,588.85
	45,361.43

19.2 Details of raw materials inventory

Polypropylene	1,150.74
Polypropylene compounds	613.07
Others	817.78
	2,581.59

20 Decrease in work-in-progress and finished goods

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Inventories at end of period	
Work-in-process	1,040.80
Finished goods	680.38
	1,721.18
Inventories acquired on account of demerger	
Work-in-process	985.16
Finished goods	758.84
	1,744.00
Decrease in work-in-progress and finished goods	22.82
Details of inventory	
Work-in-process	
BOPP Film	1,040.80
Soft leather finishing foil	-
	1,040.80
Finished goods	
BOPP Film	680.38
Soft leather finishing foil	-
	680.38

21 Employee benefit expenses

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Salaries, wages and bonuses	3,528.42
Contribution to provident and other funds	155.91
Gratuity expense	105.42
Staff welfare expenses	186.65
	3,976.40

21.1 Managerial Remuneration

Effective January 15, 2016, the Company has appointed managing director for a term of 5 years. In absence of adequate profits, the Nomination and Remuneration Committee and the Board of Directors in terms of Section 196 and 197 of the Companies Act, 2013 ('the Act') read with the limits prescribed under the Act has approved remuneration of Rs. 240.00 lacs per annum; the Company is in the process of obtaining the necessary approval from the shareholders of the Company.

21.2 Gratuity

The Group has a defined benefit gratuity plan. Every employee who has completed 5 years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme of of Max Speciality Films Limited, subsidiary of the Company is funded with Life Insurance Company of India in form of a qualifying insurance policy. The scheme of Company is unfunded presently.

The following table summarises the component of net benefit expense recognised in statement of profit and loss, the funded status and the amount recognised in the balance sheet in respect of defined benefit plans.

Statement of profit and loss
Net employee benefit expense recognized in employee cost

(Rs. in Lacs)

	Gratuity
	As at March 31, 2016
Current service cost	52.52
Interest cost on benefit obligation	49.82
Expected return on plan assets	(22.47)
Net actuarial(gain) / loss recognized in the year	25.55
Net benefit expense	105.42
Actual return on plan assets	6.44

Balance sheet
Benefit asset/ liability

(Rs. in Lacs)

	Gratuity
	As at March 31, 2016
Defined benefit obligation	670.73
Fair value of plan assets	226.96
Funded Status	(443.77)
Less: Unrecognized past service cost	-
Plan asset / (liability)	(443.77)

Changes in the present value of the defined benefit obligation are as follows:

(Rs. in Lacs)

	Gratuity
	As at March 31, 2016
Opening defined benefit obligation	-
Acquired on account of demerger	638.75
Interest cost	49.82
Current service cost	52.52
Benefits paid by employer	(43.57)
Benefits paid through fund	(37.22)
Actuarial (gains) / losses on obligation	10.43
Closing defined benefit obligation	670.73

Changes in the fair value of plan assets are as follows:

(Rs. in Lacs)

	Gratuity
	As at March 31, 2016
Opening fair value of plan assets	-
Acquired on account of demerger	257.74
Expected return	22.47
Contributions by employer	-
Benefits paid	(37.22)
Actuarial gains / (losses)	(16.03)
Closing fair value of plan assets	226.96

One of the subsidiary of the Company, Max Speciality Films Limited expects to contribute Rs. 90.54 Lacs to gratuity fund in next year.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(Rs. in Lacs)

	Gratuity
	As at March 31, 2016
	%
Life Insurance Corporation of India	100

The principal assumptions used in determining benefit obligations for the Group's plans are shown below:

(Rs. in Lacs)

	Gratuity
	As at March 31, 2016
	%
Discount rate	7.80%
Expected rate of return on assets	5.52%
Retirement Age	58 years
Employee turnover	5%
- Upto 30 years	5%
- 31 to 44 years	5%
- Above 44 years	5%

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Further, the overall expected rate on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been no significant change in expected rate of return on assets.

Amounts for the current period are as follows:

(Rs. in Lacs)

	As at March 31, 2016
Defined benefit obligation	670.73
Plan assets	226.96
Deficit	(443.77)
Experience adjustments on plan liabilities	(10.43)
Experience adjustments on plan assets	(15.38)

21.3 Provident Fund

The Group deposits contribution in the "Max India Limited Employees Provident Trust Fund" which is managed by Max India Limited ("holding company"). This is a common fund for Max India Limited and its group companies. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per AS-15 (Revised).

The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by the Group.

The actuary has accordingly provided a valuation for "Max India Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its group companies based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2016 as per the actuarial valuation of active members are as follows:

(Rs. in Lacs)

	As at March 31, 2016
Plan assets at year end at fair value	2,289.04
Present value of defined benefit obligation at year end	2,273.49
Excess value of plan assets as at year end	15.55
Active members as at year end (Nos)	447

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

(Rs. in Lacs)

	As at March 31, 2016
Discount rate for the term of the obligation	7.72%
Average historic yield on the investment portfolio	9.06%
Discount rate for the remaining term to maturity of the investment portfolio	7.72%
Expected investment return	9.06%
Guaranteed rate of return	8.75%

22 Other expenses

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Consumption of stores and spares	809.99
Consumption of packing materials	2,295.00
Increase of excise duty on inventories	(38.02)
Power and fuel	4,260.30
Processing charges	4.43
Recruitment and training expenses	93.92
Rent	163.66
Insurance	172.94
Rates and taxes	263.54
Interest on late deposit of advance tax	6.01
Repairs and maintenance:	
Building	76.36
Plant and equipments	659.92
Others	331.77
Electricity and water	5.09
Printing and stationery	30.41
Travelling and conveyance	432.81
Communication	53.55
Legal and professional (refer note no 22.1)	351.56
Management services	146.73
Directors' fee	68.24
Sales promotion	88.09
Product development	168.16
Commission to other than sole selling agents	126.78
Cash discounts	225.64
Freight and forwarding expenses	2,445.16
Provision for doubtful debts and advances	7.18
Net loss on sale of fixed assets	290.40
Bad debts written off	23.12
CSR expenditure (refer note no 32)	10.03
Establishment expense	9.37
Miscellaneous	46.84
	13,628.98

22.1 Payment to auditor (excluding service tax) (included in legal and professional)

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
As auditor:	
Audit fee	
Audit fee	25.50
Limited review	9.00
	34.50

23 Depreciation and amortization expense

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Depreciation of tangible assets	1,770.69
Amortization of intangible assets	149.31
	1,920.00

24 Finance Cost

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
interest on term loan	2,239.36
Interest on others	754.32
Bank charges	445.10
	3,438.78

25 Calculation of earnings per share (EPS) - Basic and Diluted

(Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
Basic EPS	
Profit after tax (Rs. in Lacs)	1,918.83
Weighted average number of equity shares outstanding during the year (Nos.)*	53,364,617
Basic earnings per share (Rs.)	3.60
Dilutive EPS	
Equivalent weighted average number of employee stock options outstanding	5,43,770
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)*	53,908,387
Diluted earnings per share (Rs.)	3.56

*Weighted average number of shares considered for the purpose of calculation of EPS are those which are required to be issued as per the scheme of demerger approved by the Hon'ble High Cout of Punjab and Haryana on the record date i.e. January 28, 2016. The Company received the FIBP approval on February 19, 2016 and has issued and allotted 5,33,96,880 equity shares of Rs. 10/- each on March 07, 2016. However, EPS has been calculated assuming these shares would have been issued on appointed date i.e. April 01, 2015 for true reflection of EPS.

26. Segment Reporting

(a) **Primary segment**

The Group has one primary business segment i.e. "packaging speciality films". Accordingly, there are no separate reportable business segments as per Accounting Standard-17 prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

(b) **Geographical Segments**

The analysis of geographical segment is based on the geographical location of the customers. The Group has considered geographical segment as secondary reporting segment for disclosure. For this purpose, the revenues are bifurcated based on location of customers in India and outside India.

The following table shows the distribution of the Group's consolidated revenue by geographical market, regardless of where the goods were produced.

Net revenue (Rs. in Lacs)

	For the period January 20, 2015 to March 31, 2016
In India	52,567.61
Outside India	22,697.83
Total	75,265.44

The following table shows the distribution of the Group's debtors by geographical market, regardless of where the goods were produced.

Trade receivables (Rs. in Lacs)

	As at March 31, 2016
In India	10,298.98
Outside India	4,591.08
Total Trade Receivables (Gross)	14,890.06
Less: Provision for doubtful receivables	39.80
Trade Receivables	14,850.26

The Group has common fixed assets for manufacturing goods for domestic market and overseas market. Hence, separate figures for fixed assets/additions to fixed assets cannot be furnished.

27 Capital and other commitments

a) **Capital Commitments** (Rs. in Lacs)

	As at March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	14,000.12
Less: Capital advances	1,950.60
Net capital commitment for acquisition of capital assets	12,049.52

28 Related parties disclosures

Names of other related parties with whom transactions have taken place during the year	
Key management personnel and their relatives	Mr. Sahil Vachani (Managing Director)
Relatives of Key Management personnel	Mr. Veer Singh (Son of Mr. Analjit Singh - Director)
Enterprises owned or significantly influenced by key management personnel or their relatives	New Delhi House Services Limited Malsi Estates Limited Max India Foundation Max Ventures Private Limited Max Life Insurance Company Limited Max Healthcare Institute Limited (until November 9, 2014) Max Bupa Health Insurance Company Limited Pharmax Corporation Limited Max India Limited (formerly Taurus Ventures Limited) Max Financial Services Limited Piveta Estates Private Limited Siva Realty Ventures Private Limited Max UK Ltd. Lakeview Enterprises
Employee benefit funds	Max India Limited Employees' Provident Fund Trust Max Speciality Films Limited Employees Group Superannuation Trust Max Speciality Films Limited Employees Group Gratuity Trust
Additional related parties as per Companies Act, 2013	
Key management personnel	Alok Goel - Company Secretary

28.1 Transactions with related parties during the year:

(Rs. in Lacs)

	Holding Company	Key management personnel (Directors' CEO &CFO)	Relatives of KMP	Enterprises owned or significantly influenced by key management personnel or their relatives	Employee benefit funds	Total
	2016	2016	2016	2016	2016	2016
Reimbursement of expenses (Received from)						
Max Life Insurance Company Limited	-	-	-	0.05	-	0.05
Max Healthcare Institute Limited	-	-	-	1.37	-	1.37
Max Ventures Private Limited	-	-	-	0.11	-	0.11
Reimbursement of expenses (Paid to)						
Max Financial Services Limited (formerly Max India Limited)	-	-	-	426.92	-	426.92
Max India (formerly Taurus Ventures Limited)				56.00		56.00
Max Ventures Private Limited	-	-	-	62.23	-	62.23
Insurance						
Max Life Insurance Company Limited	-	-	-	10.31	-	10.31
Max Bupa Health Insurance Company Limited	-	-	-	44.58	-	44.58
Rent						
Pharmax Corporation Limited	-	-	-	1.56	-	1.56
Veer Singh	-	-	79.86	-	-	79.86
Lakeview Enterprises	-	-	-	47.92	-	47.92
Legal and professional						
Max UK	-	-	-	5.42		5.42
Establishment expense						
Max Ventures Private Limited	-	-	-	6.73		6.73
Travelling and conveyance						
Piveta Estates Private Limited	-	-	-	0.45		0.45
Siva Realty Ventures Private Limited	-	-	-	3.27		3.27
Repair and maintenance						
New Delhi House Services Limited	-	-	-	5.35	-	5.35
Key managerial remuneration*						
Sahil Vachani	-	23.50	-	-	-	23.50
Alok Goel	-	11.76	-	-	-	11.76
Company's contribution to Provident Fund Trust	-	-	-	-	74.20	74.20
Company's contribution to Superannuation Trust	-	-	-	-	16.46	16.46
Dividend Paid						
Pharmax Corporation Limited	-	-	-	3.38	-	3.38
Balance outstanding as at the period end						
Statutory dues payable						
Company's contribution to Superannuation Trust	-	-	-	-	1.17	1.17
Company's contribution to Provident Fund Trust	-	-	-	-	9.12	9.12
Trade payables						
Max Ventures Private Limited	-	-	-	11.94	-	11.94
Piveta Estates Private Limited	-	-	-	0.45	-	0.45
Siva Realty Ventures Private Limited	-	-	-	3.27	-	3.27
Veer Singh	-	-	11.98	-	-	11.98
Lakeview Enterprises	-	-	-	7.19	-	7.19
Max Financial Services Limited (formerly Max India Limited)	-	-	-	96.13	-	96.13
Max India Limited (being renamed as Max Financial Services Limited)	-	-	-	58.52	-	58.52
Max Life Insurance Company Limited	-	-	-	6.72	-	6.72
Max UK	-	-	-	5.42	-	5.42
New Delhi House Services Limited	-	-	-	15.22	-	15.22
Security Deposit Given						
Veer Singh	-	-	30.00	-	-	30.00
Lakeview Enterprises	-	-	-	18.00	-	18.00

* The remuneration to the key managerial personal does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

29 Contingent liabilities not provided for

(Rs. in Lacs)

S. No.	Particulars	As at March 31, 2016
i.	Bank Guarantees submitted with (refer note (a)) - The President of India through Assistant Commissioner of Customs, CFS Ludhiana	524.75
ii.	Claims against the Group not acknowledged as debts (refer note (b)) - Excise duty demands - Service tax demands	1,469.00
iii.	Obligation arising from import of capital equipment and raw material at concessional rate of duty during the year under Export Promotion Scheme (refer note (c))	530.26
iv.	Contingent liability for pending C forms from customers	762.27

Note:

a. Bank Guarantees submitted with Assistant Commissioner of Customs, CFS Ludhiana is in relation to Advance Licenses obtained for duty free import of raw material.

b. Claims against the Group not acknowledged as debts represent the cases pending with judicial forums/authorities. Based on management estimation, future cash flow in respect of these cases are determinable only on receipt of judgement / decision pending with various forums/authorities. The Group has not made any provisions for the demands in Excise, Service Tax & Entry tax as the Company believes that they had a good case based on existing judicial pronouncements.

c. The export obligation undertaken by the Group for import of capital equipment & raw material under Export Promotion Capital Goods Scheme of the Central Government at concessional or zero rate of custom duty are in the opinion of the management expected to be fulfilled within the respective timelines.

30 Derivative instruments and unhedged foreign currency exposure

a. Particulars of forward contract*

(Rs. in Lacs)

Particulars of derivatives	As at March 31, 2016
Forward contracts (Sell) outstanding at Balance Sheet date (in Lacs)	USD 17.47 (Rs. 1,135.87) EURO 12.59 (Rs. 925.71) GBP 1.57 (Rs. 146.39)

b. Particulars of unhedged foreign currency exposure

(Rs. in Lacs)

Particulars of derivatives	As at March 31, 2016			
	Currency	Foreign Currency (In Lacs)	Exchange Rate (Rupee)	Indian Rupee (In Lacs)
Import trade payables	EUR	3.99	76.59	305.59
Import trade payables	GBP	0.20	97.03	19.41
Import trade payables	USD	15.36	67.61	1,038.49
Export trade receivables	USD	23.31	65.02	1,515.62
Export trade receivables	EUR	7.59	73.54	558.17
Export trade receivables	GBP	3.32	93.17	309.32
Buyers credit-Short term borrowings	USD	2.87	67.61	194.04
Buyers credit-Short term borrowings	EUR	1.54	76.59	117.95
Buyers credit-Short term borrowings (capex)	EUR	12.26	76.59	938.99
Buyers credit-Long term borrowings (capex)	EUR	2.70	76.59	206.79
Buyers credit-Long term borrowings (capex)	USD	26.91	67.61	1,819.39
Packing credit	EUR	0.64	76.59	49.02
Packing credit	GBP	1.82	97.03	176.59
Bank balance	USD	0.00	65.02	0.04
Total				**7,249.41**

31 Capitalization of expenditures

During the period, the Group has capitalized the following expenses of revenue nature to the cost of fixed asset/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

(Rs. in Lacs)

Particulars	As at, March 31, 2016
Opening balance	-
Add: Expenses incurred during the year	
Legal and professional	33.72
Interest cost	55.72
Bank charges	58.44
Salaries, wages and bonuses	104.37
Cost of raw materials consumed	70.51
Travelling and conveyance	16.42
Power and fuel	9.38
Freight and forwarding expenses	6.43
Insurance	1.69
Miscellaneous expenses	6.38
Less: Disposal of tested material	(6.53)
Less: Closing stock of tested material	(3.27)
Total	353.26
Less: Allocated to fixed assets	-
Closing balance included in capital work in progress	353.26

32 Expenditure on corporate social responsibility activities :

In compliance with Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been framed by Company's subsidiary. The areas for CSR activities are promoting preventive health care, promoting education, promoting gender equality and empowering women, ensuring environment sustainability and protection of flora and fauna, training to promote rural sports and rural development projects. The requirements of the section are not applicable to the Holding Company.

(a) Gross amount required to be spent by the Company's subsidiary during the year is Rs. 8.07 Lacs.

(b) Amount spent during the year is as follows:

(Rs. in Lacs)

	Particulars	In cash	Yet to be paid in cash	Total
i)	Construction/acquisition of any asset	-	-	-
ii)	On Purposes other than (i) above :	10.03	-	10.03
	a) Promoting education	6.57	-	6.57
	b) Ensuring environment sustainability and protection of flora and fauna	1.67	-	1.67
	c) Health care services	1.19	-	1.19
	d) Rural development projects	0.25	-	0.25
	e) Training to promote rural sports	0.13	-	0.13
	f) Promoting gender equality and empowering women	0.08	-	0.08
	g) Others	0.14	-	0.14

33 Leases

Lease rental expense recognized in the statement of profit and loss for the period is Rs. 163.66 lacs.

(i) The Group has entered into operating leases for its office spaces and accommodation for its employees under operating lease agreements and are cancellable at Group's option. The Group has not entered into sublease agreements in respect of these leases.

(ii) There are no future commitments for lease payments for any of the above mentioned agreements.

34 Scheme of Arrangement (De-merger) between the Max Financial Services Limited, Max India Limited and the Company

The Board of Directors of Max Financial Services Limited (MFS, erstwhile Max India Limited) in meeting held on January 27, 2015 have approved the Corporate Restructuring plan to vertically split Max Financial Services Limited through a Scheme of demerger ('Scheme'), into three separate listed companies.

a) The Hon'ble High Court of Punjab and Haryana vide its order dated December 14, 2015, has sanctioned the Composite scheme of arrangement ('Scheme') under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956 between Max Financial Services Limited (MFS, erstwhile Max India Limited), Max India Limited ("MIL" - erstwhile Taurus Ventures Limited) and Max Ventures and Industries Limited (the Company,'MVIL'- erstwhile Capricorn Ventures Limited). The Scheme is effective from January 15, 2016 i.e. the date of filing of the certified copy of the order of the Hon'ble High Court of Punjab and Haryana with the Registrar of Companies, Chandigarh and Shimla. Pursuant to the Scheme, all the assets and liabilities pertaining to the Demerged Undertaking (as defined in the Scheme) have been transferred to and vested in the Company with retrospective effect from the appointed date i.e. April 1, 2015 at their respective book values appearing in the books of demerged company i.e., MFS. Accordingly, the Scheme has been given effect to in the financial statements.

b) The consideration for the demerger to the equity shareholders of the demerged company i.e., MFS is discharged by the Company i.e., Max Ventures and Industries Limited wholly by issue of equity shares of the Company. Pursuant to the Scheme coming into effect, every shareholder holding fully paid up equity shares of Rs. 2/- each in MFS as on the Record Date i.e., January 28, 2016 will be allotted one equity share of Rs. 10/- each in the Company for every five equity shares of Rs. 2/- each held in MFS as on the Record Date. As a result of this and pursuant to the provisions of the Scheme, the existing share capital of Rs. 5 lacs of the Company shall stand cancelled. Further, with respect to employee's stock options granted by the demerged company i.e. MFS to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company or not) shall be allotted one stock option by the Company under the new ESOP scheme for every five stock option held in MFS. Accordingly, ESOP outstanding as on the Effective Date in MFS shall be allocated between the demerged company and resulting companies. The surplus of net assets acquired by the Company over the aggregate face value of share capital to be issued shall be credited to capital reserve. The value of net assets acquired effective from April 1, 2015 and the calculation of differential consideration and value of net identifiable assets acquired is set out below:

Particulars	(Rs. in Lacs)
Assets acquired	
- Fixed assets (net of accumulated depreciation) including capital work in progress	28,060.07
- Inventories	5,569.99
- Trade receivables	14,817.06
- Other assets (Non-current and current)	376.12
- Loans and advances (Non-current and current)	2,765.27
- Cash and bank balance	1,171.99
Sub-total (A)	52,760.50
Liabilities assumed	
- Minority Interest	137.84
- Trade payables and other current liabilities	6,442.21
- Borrowings (Short Term and Long Term)	26,050.75
- Provisions (Non-current and current)	600.47
- Deferred tax liabilities	394.89
Sub-total (B)	33,626.16
Net assets acquired (A-B)	19,134.34
Share capital to be issued	5,330.06
ESOP to be issued	19.16
Capital Reserve	13,785.12

The reconciliation of share capital to be issued pursuant to the scheme is given below and disclosed as 'Shares capital Issued' in the financial statements:

Particulars	(Rs. in Lacs)
Shares capital to be issued (refer point b above)	5,330.06
Shares capital to be issued against ESOPs exercised before record date	9.62
Share capital issued	5,339.68

d) Post receipt of approval from the Foreign Investment Promotion Board (FIPB), vide its letter dated February 19, 2016, MVIL has issued and allotted the shares to the MFS's shareholders on March 7, 2016. Further, existing equity capital of MVIL of Rs. 5 lacs which was fully held by MFS was cancelled and MVIL ceases to be subsidiary of the MFS.

e) This Scheme is a non-cash transaction and hence, has no impact on the cash flow of the Company for the current period.

35 Employee Stock Option Plan

Max Financial Services Limited-"MFSL" (formerly known as Max India Limited) had instituted the 2003 Plan, which was approved by the Board of Directors on August 25, 2003 and by the shareholders on September 30, 2003. The 2003 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of MFSL to eligible employees of MFSL. The 2003 Plan is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the plan, the employees receive shares of MFSL upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to five years and options can be exercised within two years from vesting date. As amended in the 2003 Plan and approved by the shareholders in Annual General Meeting held on September 30, 2014, the Option Price will be determined by the Nomination and Remuneration Committee, from time to time, in accordance with the provisions of applicable law, provided that the Option Price shall not be below the face value of the equity shares of MFSL.

Pursuant to the Scheme of demerger, with respect to the employee's stock options granted by the de-merged company i.e. MFS to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company) shall be allotted one stock option by the Company under the new ESOP scheme for every five stock option held in MFS. Accordingly, ESOP outstanding as on the effective date in MFS shall be allocated between the demerged company and resulting companies. The Company is in the process of implementation of ESOP scheme on terms and conditions similar to the relevant ESOP plan of MFSL. Accordingly, 511,588 stock options granted to the employees of MFSL and outstanding as on Effective date i.e. January 15, 2016 are eligible for stock options of the Company under new ESOP scheme on similar terms and conditions. These ESOPs have intrinsic value of Rs.19.16 lacs, which got transferred to the Company.

36 Being the first year of the company, the accounts have been drawn up for a period of January 2015 (i.e. Date of incorporation) to March 31, 2016. Accordingly, there are no comparative previous period figures. However, the financial statements of Max Speciality Films (MSF) has been consolidated considering results from April 1, 2015 to March 31, 2016 since the financial statements from January 20, 2015 to March 31, 2015 of MSF has already been consolidated in the financial results of MFSL (erstwhile Max India Limited) while preparing its financial results for the year ended March 31, 2015.

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

per Manoj Kumar Gupta
Partner
Membership Number: 83906

Place : Gurgaon
Date : May 10, 2016

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

Sahil Vachani
(Managing Director)
(DIN 00761695)

Ashok Brijmohan Kacker
(Director)
(DIN 01647408)

Nitin Kumar Kansal
(Head Finance)

Alok Goel
(Company Secretary)

Place : New Delhi
Date : May 10, 2016

MAX | VENTURES & INDUSTRIES

MAX SPECIALITY FILMS

MAX ESTATES