

October 10, 2017

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

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 2016-17 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 2016-17.

This is for your information and records.

Thanking you,

Yours faithfully

For ~~Max~~ **Max Ventures and Industries Limited**



Nitin Kumar Kansal

Nitin Kumar Kansal
Chief Financial Officer

Encl. as above



CHARTING NEW HIGH- POTENTIAL FRONTIERS

ANNUAL REPORT 2016-17





Annual Report 2017

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CORPORATE REVIEW

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OUR ENTERPRISE



Max Ventures & Industries (MaxVIL) 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.



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 ₹ 666 Cr.



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.

Max Learning

MaxVIL's Education vertical recognises the gap in provision of quality education 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 India Limited, a multi-business corporate, owns and actively manages a 45.95% 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 has revenues of ₹ 2,567 Cr. 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 Written Premium (GWP) of ₹ 594 crore, about 17,000 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 was launched in April 2017 near Dehradun, Uttarakhand.



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 offers comprehensive long term savings, protection and retirement solutions through its high quality agency distribution and multi-channel distribution partners. It is India's largest non-bank private life insurer, with revenues of ₹ 12,937 crore and a customer base of 3.9 million across 210 offices in 143 cities in India.



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 28,00,000 people in over 730 locations since its inception.

MEASURES OF SUCCESS*



Consolidated Operating Revenues of
₹ 656 Cr.

100% growth
in MaxVIL share price
since listing

New York Life subsidiary
invests
₹ 121 Cr. for
22.51% stake in MaxVIL



Japan-based **Toppan
Printing Co. Ltd**
inducted as JV partner for
Max Speciality Films with
investment of at
₹ 199 Cr.



Investments made in
Azure Hospitality
and **Nykaa.com**. More
high-growth prospects being
explored

* as at 31st March, 2017



~1 Million sq. ft
of commercial and residential
space under development by Max
Estates

Exploratory work commenced for
**Max Learning
Limited**



20% inventory
sold in Max Estates'
maiden project in
Dehradun

Benefitted **28,00,000**
lives in **730** locations across
India through Max India
Foundation



Our Vision

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

OUR PATH



Our Mission

- Deliver sustainable growth and profitability through entrepreneurial initiatives
- Tap 'Made 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 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 (MaxVIL). 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.

As the Deputy Managing Director of the erstwhile consolidated Max India Limited, he 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 Max Life, Life Healthcare's entry in Max Healthcare and later the equalization of its stake in the business and completing the mega-restructuring of the erstwhile Max India into three new listed companies, which received a significantly positive reaction from capital markets. Mr. Talwar was instrumental in executing a stake repurchase transaction with IDFC Limited and more recently a transaction with IFC to repurchase its stake in Max Healthcare. He has also overseen key transactions in MaxVIL, including the induction of Toppan Group as a JV partner in Max Speciality Films, and a 22.5% stake sale to New York Life's subsidiary.

Mr. Talwar has a wealth of experience in Corporate Finance and Investment Banking, and spent 24 years in Wholesale Banking in Standard Chartered, ANZ Grindlays and Bank of Nova Scotia.



MR. SAHIL VACHANI
Managing Director and 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. The Company emerged as the single-largest third party contract manufacturer of Washing Machines for the Indian market. In July 2015, Mr. Vachani sold his shareholding in the company to pursue new opportunities.



MR. ARTHUR H. SETER
Additional Director

Mr. Arthur H. Seter, CFA is Senior Vice President, Deputy Chief Investment Officer and Chief Derivatives Officer of New York Life Insurance Company. Mr. Seter also serves as the Secretary of the Investment Committee of the Board of New York Life and is a Trustee of New York Life's retirement and benefit plans.

Mr. Seter is responsible for the day-to-day management of the Office of the Chief Investment Officer, which is responsible for the oversight of New York Life's General Account investment portfolio, the use of derivatives and the management of the Surplus of the Company.

Mr. Seter's other responsibilities include, supporting the Trustees of New York Life pension and benefit plans; coordinating the activities of the Investment Committee of the Board of New York Life and due-diligence and monitoring of funds offered on New York Life's variable product platforms.

Mr. Seter joined New York Life in 1989 and prior to his current position he served in positions of increasing responsibility in the Real Estate and Investments Groups.

Mr. Seter has 35 years of investment experience, having previously worked at E.F. Hutton and L.F. Rothschild, first as a financial analyst and later as an investment banker specializing in mortgage finance.

Mr. Seter graduated from Sussex University in England with a B.S. in Operations Research and earned an M.B.A. from Adelphi University. Mr. Seter holds the Chartered Financial Analyst designation.



MR. ASHOK KACKER
Independent Director

Mr. 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 more than 50 industries. In addition, 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 Limited (Tata Cromax), Max Life Insurance Company Ltd., Max Healthcare Institute Ltd., Max Bupa Health Insurance Co. Ltd., Max Speciality Films Ltd. In addition, he is Member on Tirumala Tirupathi Devasthanams Internal Audit & Investment Committees, Cost Accounting Standards Board of Institute of Cost Accountants of India. He is also holding a position of 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 (presently 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.



MS. SUJATA KESHAVAN GUHA
Independent Director

Ms. Sujata Keshavan is the co-founder and Creative Director of Varana, the first luxury brand from India for the world. She is on the Governing Councils of NID and Srishti, India's two leading design schools. Ms. Keshavan has served on the jury of most major international design competitions including D&AD and Cannes. She was on the World Economic Forum's Global Council on Design and Innovation from 2012 to 2014.

She founded Ray+Keshavan, India's first professional design company in 1989. She was Chairman and Creative Director for 25 years and India's highest paid designer. She is regarded as a pioneer in developing the brand consulting and design industry in South Asia.

Through Ms. Keshavan's tenure, Ray+Keshavan was consistently ranked India's no. 1 branding firm, year after year, by the Economic Times. Ray+Keshavan was acquired by British media conglomerate WPP between 2006 and 2012.

She graduated from the National Institute of Design, Ahmedabad in 1984 and from Yale University in 1987 with an MFA in Graphic Design.



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 31 years of working in India and globally. He is currently President of the Max Group, and also serves as Executive President, Max Financial Services; Chairman, Max India; Chairman, Max Life Insurance; and Chairman, Max Healthcare. He also serves on the Boards of Antara Senior Living and Max Bupa Health Insurance Company.

Under his leadership, the Max Group has delivered superior financial performance, significantly grown market capitalization, and concluded seminal corporate transactions. He also led the mega-restructuring of the erstwhile Max India into three new listed entities. 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.

Mr. Rahul Khosla served as President, NatHealth, India's leading multi-stakeholder platform for healthcare organizations in 2016 and is the President of the FICCI Committee on Health Services. In addition, he serves on the Executive Board of the Indian School of Business (ISB), one of Asia's top B-Schools.

MAX SPECIALITY FILMS LIMITED

Mr. Mohit Talwar	Chairman
Mr. K. Narasimha Murthy	Independent Director
Dr. Subash Bijlani	Independent Director
Mr. Ashok Brijmohan Kacker	Independent Director
Mr. Sahil Vachani	Director
Mr. Hideharu Maro	Additional Director
Mr. Chiharu Komachi	Additional Director

MAX ESTATES LIMITED

Mr. Sahil Vachani	Director
Mrs. Tara Singh Vachani	Director
Mr. Arjunjit Singh	Wholetime Director

MAX LEARNING

Mr. Sahil Vachani	Director
Mrs. Tara Singh Vachani	Director
Mr. Alok Goel	Director

MAX I. LIMITED

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

MAX INDIA FOUNDATION

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



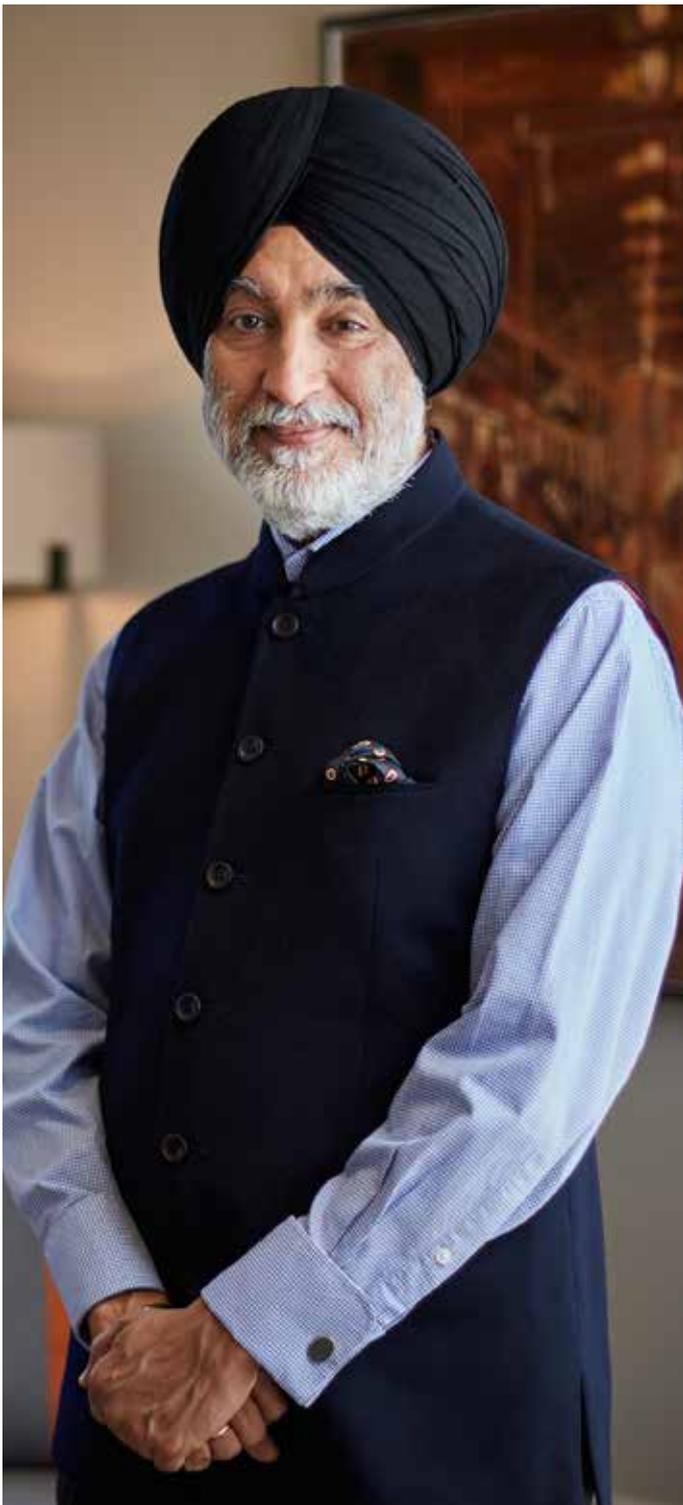
STRATEGIC REVIEW

CHAIRMAN'S LETTER

MANAGING DIRECTOR'S LETTER

BUSINESS REVIEW

CHAIRMAN'S LETTER



Dear Shareholders,

It is a cliché worth repeating that well begun is half done. Three years ago, when the idea of MaxVIL was conceived, no one thought that within the first year of its operations, this entity would register such an impressive performance.

The numbers speak of achievement. In less than a year since MaxVIL's stock commenced trading on the bourses, the share price has more than doubled and boasts of a 30x improvement in its treasury corpus compared to when it was demerged from Max India in January 2016. Needless to say that such a performance at the markets would not have been possible without the unflinching support of our esteemed investors.

While the Annual Report shall detail the major developments in each of the business verticals, for me, there were two remarkable developments which will have a significant impact in the long-term journey of this young Company. Namely, the New York Life investment and the Joint Venture with Toppan Printing.

In January 2017, we brought on board New York Life (NYL) Insurance Company, as a key strategic shareholder with an investment of ₹ 121 crore for a 22.51% stake in MaxVIL. Max has a long-standing relationship with NYL. The Company was our first major partner when Max was reinvented as a service-oriented company in 2001. Therefore, it is very special to have them with us at the take-off stage of MaxVIL. This investment will be utilised towards MaxVIL's focus areas including manufacturing, real estate and education.

The second major development was the Joint Venture between MaxVIL and Toppan Printing Co., Limited from Japan. If NYL, was the first partner for Max post its reinvention in FY 2001, then in the same vein, association with Toppan is also rather special, considering that the first ever joint venture for the Max Group in 1985 was Toyo Jozo, also a Japanese firm. Post the Joint Venture, His Excellency Mr. Kenji Hiramatsu, Honourable Ambassador of Japan to India, visited the Max Speciality Films' manufacturing facility at Railmajra near Chandigarh.

Toppan will serve as a strategic partner in MSF and share their expertise to manage a global speciality films business, as well as, leverage their global sales network. Under this partnership, Toppan, which is a large global buyer of BOPP products (MSF's key offering), will also serve as a customer of MSF. A substantial portion of the proceeds from this transaction will be utilised for MSF's ongoing capacity expansion.

Toppan's industrial experience of over 100 years, their expansive global sales network and cutting-edge technological capabilities makes them an ideal partner for us at this juncture in MSF's journey. I am confident that the partnership will provide us the necessary global market access and technological support to drive long-term growth in the new and existing markets.

In less than a year since MaxVIL's stock commenced trading on the bourses, the share price has more than doubled and boasts of a 30x improvement in its treasury corpus compared to when it was demerged from Max India in January 2016.

At a macro level, the forecast for the Indian economy looks bullish in the short, medium and long term. With an expected GDP growth rate of 7% for the next five years (as per World Bank estimate), India would remain a fast, if not the fastest growing major economy in the world.

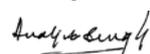
Apprehensions of demonetisation slowing down the economy have thankfully not come true.

The success of the BJP in some of the crucial provincial elections has further strengthened Shri Narendra Modi's position as the undisputed political leader in India. This political strength gives the ruling party a solid handle on the economic reform process. Significant reforms, recapitalisation in financial sector and consolidation in other sectors are expected. The implementation of GST that dismantles interstate barriers to trade in goods services, by collapsing 17 central, state and local body taxes in a single levy is a major reform. The long-term prospects of the Indian economy look upbeat with stock market indexes up 20% this year, making Indian markets amongst the world's best performing capital markets. Appreciation in rupee and buoyancy in bond markets, point to investors' long-term confidence in India.

Last year, in this letter, I cautiously spoke of a positive start to MaxVIL's journey. This year, I feel a far superior sense of achievement and pride in the Company we have created and I'm positive that with your continued faith in our collective vision, MaxVIL will go on to scale far greater heights.

I have complete faith in the able leadership of Sahil Vachani and his passionate team who will help MaxVIL grow manifold in the coming years, while adhering to the highest standards of corporate governance and business ethics.

With good wishes,



Analjit Singh

Chairman, Max Ventures and Industries Limited

MANAGING DIRECTOR'S LETTER



Dear Shareholders,

It is an honour and a privilege to present this year's Annual Report, which is the first since your Company's stock commenced trading in June 2016.

During this time, the stock has outperformed the NIFTY and has also fared significantly better than its peers. The stock's rapid growth during these past 14 months stands as a proud testimony of the investors' unceasing faith in the Company's vision and long-term potential.

Conversely, it is also an important reminder of the high expectations our shareholders have placed on us, maintains our motivation to keep working towards maximising value for our stakeholders.

We can now confidently say that the vision with which MaxVIL was conceived is well on its way to being realised with an able leadership team in place as well as key strategic partners such as New York Life and Japan's Toppan Group.

Before I discuss the performance of your Company this past year, allow me to recount MaxVIL's raison d'être, and why we do what we do. MaxVIL now actively manages holdings in four operating business verticals, the first being its legacy manufacturing business Max Speciality Films Limited (MSFL). At the time of MaxVIL's inception, it was part of our mandate to rejuvenate the manufacturing business and help differentiate it through strategic innovation and strong execution in an increasingly crowded and competitive market.

Our second operating business is Max Estates Limited. The inspiration driving the creation of this business was the significant trust deficit in the Indian property market due to poor planning, lack of attention to detail and a lamentable lack of service excellence. Our aim is to remedy this situation by putting before discerning Indians a unique real estate offering that meets the high and meticulous standards that they have come to expect from the Max brand.

The third operating business under MaxVIL is Max Learning Limited. As in real estate, there are similarly significant gaps in the global education system, both in pedagogy and in the curriculum. We see a genuine and substantial opportunity to impart an education that inculcates critical thinking, responsible citizenry, creative flair, sensitivity to the environment and a cosmopolitan outlook, all combined with an ethos and international standards of excellence.

Our fourth vertical is Max I. Limited. We strongly feel that the current government's various initiatives have created a constructive and conducive business environment. We plan to strategically choose 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.

I must point out that this structure of MaxVIL is starkly reminiscent of the old Max India in its early days with a similar entrepreneurial spirit, hunger for growth and potential for long-term value



₹43 Cr.
EBITDA IN FY 2017

creation. As we grow, our focus will be on building outstanding management expertise and governing mechanisms to enable us to increase our performance outputs while exercising the highest level of professionalism and integrity.

FINANCIAL PERFORMANCE

In FY 2017, MaxVIL reported consolidated operating revenues of ₹ 656 crore, primarily through our Speciality Films business. We reported an EBITDA of ₹ 43 crore during the year; a slight dip compared to the previous year on account of multiple external factors that impacted our Films business. These factors included the Government's 'demonetisation' move last November, which created critical liquidity constraints for MSFL's customers as well as vendors and disrupted cash cycles across the value chain. The other significant reasons included Brexit, or Britain's decision to leave the European Union, which caused a rapid devaluation of the British Pound and hurt MSFL's export earnings, and finally, overcapacity in the domestic speciality films market.

With our other three verticals in the incubation stage, MSFL is, for the moment, the primary source of revenue for the Company. At a consolidated level, we will continue to face pressure in our topline as well as on bottom line. Moreover, our numbers will likely remain under pressure for the next two-to-three years as we continue to invest in these new verticals, the revenues for which will accrue only later due to their longer gestation periods.

OUR LEVERS OF GROWTH

At MaxVIL, it has been our ambition and responsibility to lead the Max Group into the "wider world of business" to sectors where we do not currently have a presence but are strategically aligned with the Group's larger interests. In addition to identifying our new business verticals, we have also made tangible progress in our businesses as per concrete business plans, which have been outlined below. One of the most significant developments this year was the induction of Japan's Toppan Group as a partner and strategic investor in MSFL. As the Chairman has rightly pointed out in his letter, this relationship is critical both for MaxVIL as well as MSFL. The capital infusion from Toppan for their 49%

Our preliminary synergy discussions with Toppan both in India and Japan have gone well and we will continue to actively engage with them to further grow the business. The capacity expansion efforts for our new production line are also underway as per plan.

stake in MSFL has significantly augmented our coffers by ₹ 199 crore. Importantly, for MSFL, Toppan will serve as a strategic partner, providing expertise in managing a global specialty films business, offering technology transfer and leveraging their global sales network to grow our international business.

Our preliminary synergy discussions with Toppan both in India and Japan have gone well and we will continue to actively engage with them to further grow the business. The capacity expansion efforts for our new production line are also underway as per plan. The new line is likely to commence operation by the first quarter of the next financial year.

Finally, we welcomed Ramneek Jain as the new CEO of MSFL this July. Ramneek comes with a rich experience in Indo-Japanese joint ventures in the manufacturing space and we are excited about leveraging his capabilities to re-invigorating and re-energising the films business.

The second vertical, Max Estates, is currently developing close to one million square feet of commercial and residential space across Delhi/National Capital Region (NCR) and Dehradun, with a special focus on commercial and office spaces. Our first project, located in Dehradun, has begun construction and site development activities and has already sold nearly a fifth of its inventory. The project represents around 1,50,000 square feet of residential developable space. Phase I of the project is expected to be completed by March 2018.

Our other two key projects, namely Delhi One Max Tower in Delhi/NCR and Max House Redevelopment Project in Okhla, New Delhi, also are on track.

Max Tower, a prime commercial tower of around 6,00,000 square feet is located within the 12.5-acre Delhi One site on the Delhi-Noida border. Max Estates has already started to finance and oversee the project management of Max Towers. The funding plan for the project has been secured, with a partial investment of ₹ 90 crore coming from MaxVIL.

The second project involves redevelopment of Max House in Okhla, New Delhi. This project will accommodate the offices of the Max Group and other third-party tenants, utilising a potential built-up area of around 2,00,000 square feet. The definitive agreement with Pharmax was recently signed and approved by Max Estates Board.

Our other key developments during the year were under Max I. Limited, a wholly-owned subsidiary which facilitates the provision of intellectual and financial capital to promising and proven early-stage organisations across identified sunrise sectors.

The vertical made its first two investments in FY 2017 – ₹ 33.5 crore in Azure Hospitality Pvt. Ltd., which owns and operates successful F&B brands such as Mamagoto and Dhaba, and a 2% stake for ₹ 17.55 crore in FSN E-Commerce Ventures Pvt. Ltd, which owns and operates the leading online beauty destination Nykaa.com.

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. Recently, it also added the Dhaba by Claridges chain of restaurants to its portfolio.

Founded in FY 2013, Nykaa.com is led by Falguni Nayar, a former managing director of Kotak Mahindra Capital Investment Banking. With a topline of ₹ 250 crore in FY 2016, Nykaa has been growing rapidly and has expanded its portfolio to include physical stores as well.

In FY 2017, we also hired a Head of Investments for Max I., which will help us streamline processes and generate a steady deal flow over the coming year, while nurturing our existing portfolio companies through strategic interventions and quarterly reviews.

Finally, for our Education Vertical Max Learning, we see a huge opportunity at a global stage. There are genuine and substantial opportunities to impart an education that inculcate academic rigour along with critical thinking, responsible citizenry, resilience and strong ethical principles, creative imagination and innovation, environmental sensitivity and a cosmopolitan outlook.

K-12 schools, therefore, present a strong business opportunity in sync with the Max philosophy, especially in view of the Sponsor's distinguished and well-acknowledged contributions to marquee educational institutions such as The Doon School, IIT Roorkee, ISB and Boston University.

Currently, we are developing a strategic business plan for Max Learning, elaborating its organisational design principles and are in the process of identifying the key capabilities required.

OUTLOOK

MaxVIL represents a new horizon in the Max Group's journey and will serve as a fertile, innovative platform for new ideas, new projects and investments. In the coming months, MaxVIL will continue to evaluate fresh ideas in the 'wider world of business', while accelerating the progress of each of its four verticals.

While we do face our share of regulatory hurdles, our confidence in the current government at the Centre remains strong. One of the elements underpinning our optimism is the Real Estate (Regulation

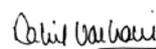
and Development) Act, 2016 (RERA), which is a welcome development. We strongly believe that it will set the path for far greater transparency in the sector and will help build buyer trust which has been eroded significantly over the past several decades. We are also proud to note that Max Estates is in compliance with RERA, which puts us on a much stronger footing compared to most other existing players in the sector.

We are also excited about the launch of the 222 Rajpur Road project in Dehradun and the leasing of Delhi One, while we continue to explore new opportunities. This year, we will stay focussed on completing these projects as per timelines.

I am pleased to share that we have rapidly progressed in building a management team across our operating companies and at the holding company level and are building bandwidth to deliver growth to our stakeholders.

I thank you for your ongoing trust in our Company and I sincerely hope you will accompany us through our journey of building an enterprise that does India proud.

Warm regards,



Sahil Vachani

Managing Director and CEO,
Max Ventures and Industries Limited

BUSINESS REVIEW



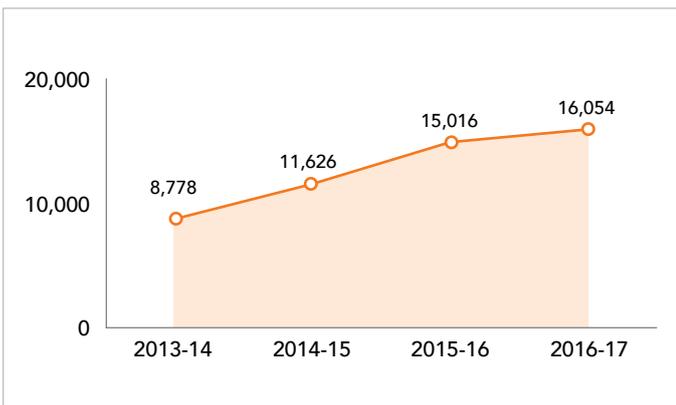
Toppán Printing Co., Ltd. inducted as strategic partner

with **49%** stake

Profit After Tax of ₹ **4.99 Cr.**

Speciality Products

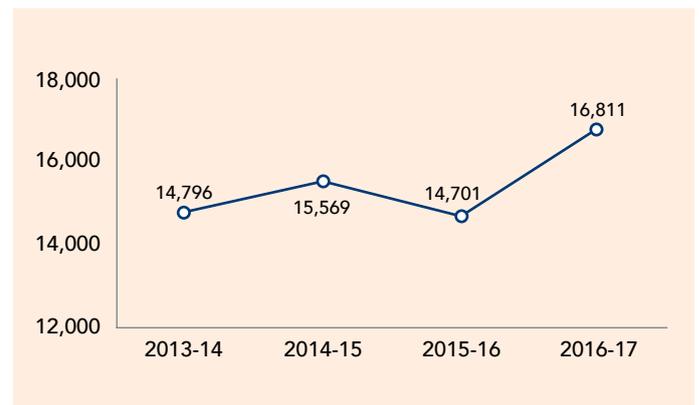
(Qty in Tons)



Consistent shift towards high value products.

Value Added Products

(Qty in Tons)



Rising consumer spends and acceleration in demand for convenience and quality products driving rapid growth in the packaging business.

Revenues of ₹ **666 Cr.**

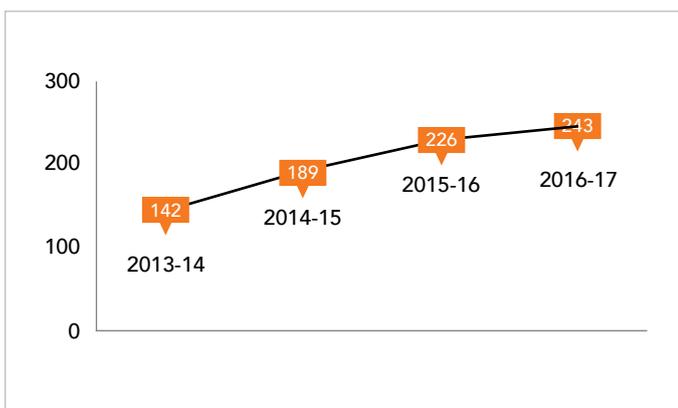
30% market share in speciality films segment

₹ 24.31 Cr. in net foreign exchange earnings

New BOPP line expected to commence production by Q1 FY 2019

Speciality Products

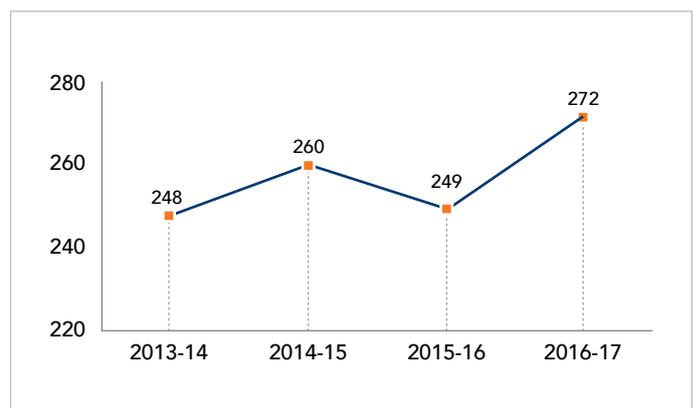
(₹ in Cr.)



Growing focus on product customisation and innovation.

Value Added Products

(₹ in Cr.)



MSFL's domestic revenue continues to flow in largely from customers who have been associated with MSFL for more than a decade.

470 Committed employees

29 years of successful operations



MANAGEMENT DISCUSSION AND ANALYSIS

MAX VENTURES AND INDUSTRIES

MAX SPECIALITY FILMS

BUSINESS RESPONSIBILITY REVIEW



MR. SAHIL VACHANI
Managing Director & CEO



MR. ALOK GOEL
Company Secretary



MR. ARJUNJIT SINGH
Chief Operating Officer - Max Estates Ltd.



MR. DINKER VASHISHT
General Manager – Business Development



MR. NITIN KANSAL
Chief Financial Officer



MR. PETER MCLOUGHLIN
Chief Executive Officer – Max Learning Limited



MS. RACHNA MOHAN
Senior Manager – Human Capital –
Max Estates Limited



MR. ROHIT RAJPUT
Head – Human Capital & Business Strategy



MR. ASHISH SINGLA
Vice President – Investments – Max I. Limited



MR. PRASHANT SADASIVAN
Advisor – Human Capital & Business Strategy

➔ 3D rendering of the interiors of Max Towers on the Delhi-Noida border



Max Ventures & Industries Limited ('MaxVIL' or 'the Company') one of the three listed entities in 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.

With this vision, MaxVIL incorporated three new subsidiaries in FY 2017 – Max Estates Limited, the real estate arm of the Max Group with a vision to bring the Group's values of Sevabhav, Excellence and Credibility to the Indian real estate sector, Max I. Limited, a fully-owned special purpose vehicle, which facilitates Intellectual and Financial Capital to promising and proven early-stage organisations across identified sunrise sectors and Max Learning Limited, which is focussed on the education sector.

All the three businesses are wholly-owned subsidiaries of MaxVIL, while Max Speciality Films is a 51:49 partnership with Japan-based Toppa Printing Co. Ltd.

In FY 2017, the Company reported Consolidated Revenues of ₹ 668.18 crore, and a Loss of ₹ 7.32 crore. The Company's flagship business Max Speciality Films (MSFL) accounted for ₹ 666 crore in revenues.

CORPORATE DEVELOPMENTS

The Company has made significant strides in FY 2017, in growing and/or advancing the business verticals listed above. The year was also notable because of two seminal transactions, which will have an enduring impact on the Company's growth journey over the next few years.

The first of these was the sale of a 22.51% stake in MaxVIL to a subsidiary of New York Life Insurance Company (NYL) in January 2017. New York Life is the largest mutual life insurance company in the United States and one of the largest life insurers in the world, with more than US\$ 500 billion under management. The investment marks the re-entry of New York Life in the Max Group after it sold its 26% stake in Max New York Life Insurance in FY 2012, and serves as an important stamp of approval for MaxVIL. The NYL subsidiary acquired the equity stake at an offer price of ₹ 78 per share aggregating to ₹ 121 crore on a diluted basis.



CONSOLIDATED REVENUES

₹ 668.18 Cr.

The second transaction was the induction of Toppan Printing Co. Ltd, Japan (Toppan) as a strategic partner with a 49% stake in MSFL in February.

Established in 1900, Toppan (Market Cap of US\$ 6.8 billion) will serve as a strategic partner in MSFL and share their expertise in managing a global speciality films business, as well as, leverage their global sales network. Under this partnership, Toppan, which is a large global buyer of BOPP products (MSFL's key offering), will also serve as a customer to MSFL. As part of the partnership, Toppan invested approximately ₹ 200 crore, through a combination of primary and secondary share issuance. The transaction was completed in April 2017.

Last year, the Board of MSFL had approved an investment of ₹ 250 crore to set up its 5th BOPP line. Line 5 will help augment production capacity from 45,000 tonnes per annum to 75,000 tonnes per annum and is expected to commence commercial production in the first quarter of FY 2019.

MSFL also witnessed a significant transition in leadership this past year with the exit of Jaideep Wadhwa as the CEO in February 2017, and the recent appointment of Ramneek Jain as the new CEO in July 2017. Mr. Jain is a seasoned business leader with over 23 years of rich experience across the manufacturing organisations in India and the US, and will bring in a clear vision, strategic thinking, dedicated execution and a sense of confidence to his new role.

The Real Estate subsidiary Max Estates progressed its construction and site development activities on its project in Dehradun, Uttarakhand. The project represents ~0.15 million sq.ft. of residential and ~0.01 million sq.ft. of commercial developable space. Phase I of the project, which includes 14 Townhouses, 5 Courtyard Villas and 3 Forest Villas, is on track and targeted to be completed by FY 2018. The project has obtained all the requisite regulatory approvals and initiated sales in FY 2017, with ~20% of the inventory already sold.

Max Estates is also involved in two large commercial/office space projects in Delhi and NCR. The first one, Max Towers, is a prime commercial tower of ~0.6 million sq.ft. located within the 12.5-acre Delhi One site on the Delhi-Noida border, while the other project involves redevelopment of office space in Okhla, New Delhi utilising a potential built-up area of ~1,40,000 sq.ft. The Okhla project is likely to commence during the next quarter of FY 2018 and will be completed in 36 months.

The investment vertical, Max I. Limited made its first two investments in FY 2017 – ₹ 33.5 crore in Azure Hospitality Pvt. Ltd., which owns and operates successful F&B brands such as Mamagoto and Dhaba, and ₹ 17.55 crore for a 2% stake in FSN E-Commerce Ventures Pvt. Ltd, which owns and operates the leading online beauty destination Nykaa.com. MaxVIL has recently invested an additional ₹ 37 crore as a part of the second round of fundraising by Azure for its expansion in domestic and international markets.

EMPLOYEES

As of March 31, 2017, the Company had 08 employees on its rolls.

OUTLOOK

Over the next few years and beyond, MaxVIL's business plans will continue to evolve and the subsidiaries will take a more concrete shape. MSFL's focus going forward will be on nurturing the new relationship with Toppan and identifying strategic areas of synergy and successful implementation of the new BOPP line.

In addition to the successful and timely execution of its three ongoing projects in Dehradun and Delhi/NCR, Max Estates will also explore further opportunities in asset-light residential and high-end commercial real estate across North India.

Through Max I., 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. This focus will also be on fine-tuning the investment model as a hybrid of accelerators and venture funding, while providing both mentoring and growth capital for the investee organisations.

MaxVIL will also finalise its plans under the Education vertical in FY 2018. Max Learning is an extension of the Promoters' long-standing association with the cause of quality education and Max's enduring focus on the businesses of social good. With limited high-quality resources and poor infrastructure, there is a significant gap in the demand and supply of quality education in the Indian market. MaxVIL seeks to use this opportunity not only in terms of business but also in terms of making a significant positive social impact.

Relentless focus on execution of the Company's stated strategy, while adhering to the Group's core values of Sevabhav, Excellence and Credibility, will be the unwavering focus of MaxVIL's management in the coming years. There is an undeniable growth potential in all of MaxVIL's business verticals and the Company will work with resolute determination to ensure a positive outlook for all its stakeholders, including investors, customers, partners, employees and the society at large.



➔ 3D rendering of 222, Rajpur Road in Dehradun



MR. RAMNEEK JAIN
Chief Executive Officer



MR. AMIT JAIN
Chief Financial Officer



MR. ANIL KANT YADAV
Head - National Sales



MR. ANIL KUMAR BAMBY
Sr. Manager - Quality Assurance



MR. AVINASH KUMAR SINGH
Head - Strategy & Business Incubation



MR. K MANOHAR
Vice President - Operations



MR. RISHABH TAKALI
Head - Human Resources & IR



MR. SANJEEV YADAV
Head - Product, Application & Business Development

OVERVIEW

A pioneer of BOPP films in India, Max Speciality Films Limited (MSFL) continues to strive towards its goal of being a niche player with a continued focus on speciality films.

Polymer-based BOPP films play a critical role in the 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. MSFL with an eye on the future plans to commission a new BOPP line in FY 2018 with an investment of ₹ 250 crore, having a capacity of 32,000 tonnes speciality line which will enable MSFL to become a speciality player.

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 innovation, quality of output and customer service, the Company has a growing roster of both Indian and International clients served from its state-of-the-art facility in Railmajra, near Chandigarh. The facility has three BOPP lines (one on order), three extrusion-coated lines, three chemical-coated lines and three metallisers.

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 this industry in India to have won the coveted NABL accreditation.

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

INDUSTRY STRUCTURE AND DEVELOPMENT

The global market for BOPP films is 7800 KTA and that of India is 330 KTA. The BOPP industry continues to grow at 5% globally, while its growth fell from 10% to 8% in India mostly due to the Government's demonetisation drive in November 2016. With a penetration of just 0.32 kg per capita in India, compared to the global average of 1.15 kg, the scope for growth in the polymer films market is immense in India. Consequently, there is rapid capacity expansion taking place in the industry at the moment with 80 KTA added in FY 2017 alone to reach 580 KTA.

MSFL is recognised as a producer of quality speciality packaging films and for partnering with convertors and brands to develop unique packaging, labelling and graphic lamination solutions.

Food companies have come to realise the value of flexible packaging as it plays a critical role in post-harvest conservation, nutrient preservation, and damage-free distribution. Packaging is now seen as a vital technology as well as a communication link in the value chain. MSFL supplies films to convertors 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. Demographic and lifestyle changes, increasing share of women in the workforce, etc. are driving the needs as well as the growth of flexible packaging. 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. At a 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 with an overall economic recovery. Global demand for BOPP is expected to grow at a steady 5%.

MARKET POSITION

The Company's strategy is to focus on innovation, building long-term customer relationships, ensuring excellence in operations as well as service delivery and talent development. The Company's customer-centric focus has yielded long-term dividends. Customers consistently rate MSFL very high on customer satisfaction surveys and a major portion of the Company's domestic revenue continue to flow in from customers who have been associated with MSFL for more than a decade. The Company continues to develop and reach out to new customers to widen its spread.

MSFL exports approximately 26% of its output and while Europe continues to be the largest overseas market, the Company has a growing presence in demanding markets such as Japan and the Americas. Sales to the fast growing food industry alone account for 66% of the MSFL output.

Though MSFL has only 8% share of the country's installed capacity, its market share in the speciality films segment is an impressive 30%.



➔ Though MSFL has only 8% share of India's installed capacity, its market share in the speciality films segment is an impressive 30%

To sustain its strong market position, the Company strives to meet the customer requirements through innovative and customised solutions.

The recent investment by Toppan, a market leader in the industry with worldwide presence in the Company stands testament to the confidence and the high regard that the Company enjoys internationally. We expect that this strategic partnership augurs well and will give a fillip to the growth plans both in terms of scale and technical expertise.

PERFORMANCE HIGHLIGHTS

The total revenue earned by the Company during the year was ₹ 665.99 crore, with profit before tax being ₹ 2.78 crore. The Company earned a profit after tax of ₹ 4.99 crore.

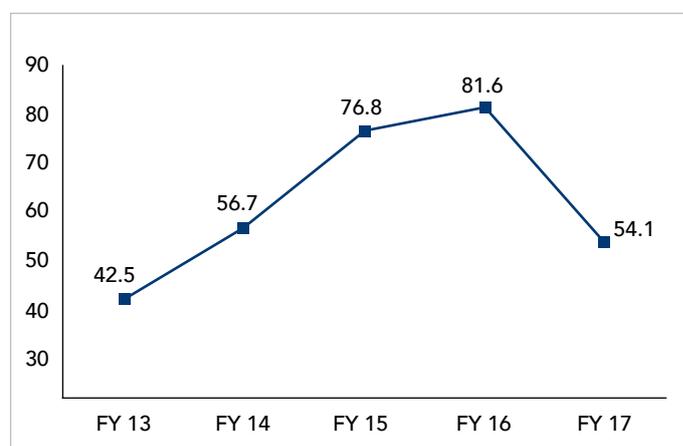
While the overall industry outlook remains positive in the long run, it was a challenging year for the Company due to a variety of reasons:

- i) Demonetisation: Liquidity constraints disrupted end-use demand and cash cycle across the value chain. Demand growth dropped to 8% p.a. instead of historic & projected 10% p.a.
- ii) Brexit: Pound devalued by 15% in Q1 FY 2017, resulting in negative impact on exports.

- iii) Temporary oversupply in the market due to increased capacities.

Consequently, EBITDA fell 34% in FY 2017. But the Company's focus on manpower optimisation and finance costs has paid off with the reduction of 11% and 12.5% respectively from FY16 levels.

EBITDA (₹ in Cr.)



→ With a new production line commencing operations next year, MSF's capacity will increase to 75,000 TPA.



The Company remained a net exporter and delivered ₹ 24.31 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 to further strengthen customer engagement
- Investments in order & material tracking to improve customer service
- Review of all processes to improve customer-centricity and responsiveness
- Comprehensive complaint-handling process that expedites complaint resolution

HUMAN CAPITAL

As of 31st March, 2017, the Company had 423 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 and 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 the areas of Healthcare, Nutrition, Education, and Environment. The Company improved the sanitation and poor drainage system in the nearby Railmajra village.

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 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 safety record.

INTERNAL CONTROL SYSTEM AND ADEQUACY

MSFL has institutionalised robust internal control as well as management systems and processes through ERP as well as manual controls. 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.



➔ As a strategic partner, Toppan will share their expertise in managing a global speciality films business, and leverage their global sales network.

RISKS AND OUTLOOK

The Indian economy continues to grow from strength to strength, spurred on by widespread access to banking, technology adoption, structural reforms, key government initiatives such as “Make in India”.

Equally encouraging are the 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 growth at double the pace than the Indian economy.

The possible speed-breakers could be the expected increase in domestic capacity as well as the volatility of input costs and imports both of which could adversely impact margins.

Despite these concerns, MSFL remains on the solid ground supported by ongoing investments and on account of a sharper focus on cost optimisation, speciality portfolio, strong customer base and service ethos. The “Toppan Partnership” with the Company, wide access to international customers, technical knowhow and deeper market understanding, the Company will continue to drive efficiencies and benchmark its operations against the best in the world.

BUSINESS RESPONSIBILITY REVIEW



➔ Mohini Daljeet Singh, CEO, Max India Foundation

At merely 47 years of age, Yogesh Kumar, who works in a cardboard factory in Aligarh (Uttar Pradesh) to support his wife and 12 year old son, was diagnosed with lung cancer. Over the next several weeks, Yogesh shuttled between hospitals in Aligarh and Delhi, losing precious time and resources, while his health continued to deteriorate. Then, in early 2016, Yogesh came under the care of Dr. Pramod K. Julka at Max Institute of Cancer Care in New Delhi. Without delay, Dr. Julka commenced Yogesh's treatment and also educated him and his family about the disease. Though Yogesh's friends and relatives came forward with financial help, it was not sufficient to cover the entire cost of the treatment. It was then that Dr. Julka referred the case to Max India Foundation (MIF), where we contributed approximately ₹ 4 lakh to cover the balance cost of the treatment. Yogesh has faced immense pain and struggle over the past few months, but having gone through five cycles of chemotherapy and two weeks of radiation, he is now well on his way to recovery. Like thousands of patients living with cancer across India, Yogesh had almost lost all hope, but with excellent care from his doctor and the staff at Max Institute of Cancer Care, he is finally ready to start a new innings of his life.

Yogesh is one of the nearly 28 lakh lives that MIF has benefitted over the last 10 years of its operations across 730 locations in India. Focused on providing healthcare to the underprivileged, the Foundation has adopted a 360° solution framework to address this issue. The model comprises of four critical pillars and under each pillar various interventions have been created to combat the issue holistically.

- **Pillar 1:** Provide quality healthcare and screening to address immediate health requirements
- **Pillar 2:** Create awareness on health and hygiene issues to promote healthy practices
- **Pillar 3:** Promote a sustainable and eco-friendly environment for good health
- **Pillar 4:** Village Adoption Program for holistic development of villagers

PILLAR 1: PROVIDING QUALITY HEALTH CARE

MOBILE HEALTH VAN – A new addition to the Program

In February 2017, MIF's dream of having its own Mobile Health Van (MHV) was realised, which was custom fabricated as per our requirements. The MHV, called 'Care on Wheels', was inaugurated by Group President, Mr. Rahul Khosla. 'Care on Wheels' is being used for conducting health camps as well as immunisation camps in Delhi and NCR area. In addition, the MHV also supports services such as testing and screening for serious illness and diseases. Moreover, the MHV is also fitted with a TV/ LED which shows health awareness films to the beneficiaries while they wait for checkups. This educates the community on various health related topics such as hand-washing, cancer, oral health, etc. in an easy to understand visual form. The MHV has further enhanced the accessibility of healthcare services for the underprivileged, particularly women who get full privacy during checkups.

Health Camps

MIF organises health camps for the underprivileged with the objective of providing specialised health care. A team of qualified doctors and paramedical staff conducts either general health camps or multi-specialty camps. Poor patients are screened and given free medicines. In FY 2017, 2,08,071 patients were treated through 769 camps across India.

Health Centres

In pursuance of our mission of caring for life, MIF has set up health centres in areas where health facilities are non-existent

or inadequate. Some of them are operational in difficult hilly terrains of Rudraprayag and Mussoorie, remote rural areas like Railmajra in Ropar, Punjab and various slums in metropolitan cities. The health centres reach migrants, labourers, etc. with special focus on women, children and elderly. 19,907 patients benefitted through our chain of five health centres in FY 2017.

Surgeries and Treatment

MIF extends its best support to seriously ill people who are underprivileged and need high value surgeries and treatment. In FY 2017, MIF supported 1,588 high-end surgeries for patients from economically weak families. These surgeries include a large number of paediatric cardiac surgeries, reconstructive surgeries, neuro surgeries, orthopaedic surgeries, cataract surgeries, oncology care and renal transplant, which are expensive treatments. This intervention has been able to bring a ray of hope in the lives of the underprivileged in dire need of medical support and saves them from getting pushed into the vicious cycle of debt/poverty.

Immunisation

India accounts for the largest number of children (i.e. 7.4 million) who are not immunised. Concerned by this gap, MIF focuses on protecting underprivileged children in the age group of 0-12 years who are Not Immunised or Partially Immunised. Children are vaccinated against MMR, DPT, hepatitis B and typhoid as per the guidelines of WHO to “close the immunisation gap”. In FY 2017, 12,189 children were administered 19,849 shots through 150 camps across the country. The intervention has brought positive impact by reducing the dropout rate of school children and improving life expectancy.

Special Care and Support for Cancer Patients

The economic burden of cancer (including cost of illness, long-term costs and indirect costs) is huge and makes the underprivileged vulnerable in their fight against cancer. Therefore, MIF provides support for cancer surgeries. Specific details for FY 2017 are as follows:

- 22 oncology patients have been provided support through Max Healthcare
- 680 children have been supported with cancer treatment through our NGO partner – CanKids...Kidscan
- 111 cancer patients have been provided palliative support while 2,669 home visits were made by the CanSupport with support from MIF
- 196 cancer HPV DNA tests were carried out through the Indian Cancer Society, New Delhi
- 62 families were provided with boarding and lodging support through St. Jude India Child Care Centre, Noida



Artificial Limbs and Polio Calipers: MIF also provides artificial limbs and polio calipers camps to the physically challenged people to enhance their mobility and infuse them with renewed dignity and confidence to take charge of their lives.

186 specially-abled people benefitted in FY 2017 through this intervention – 180 patients were provided artificial limbs through Kiwanis Artificial Limb Centre whereas six motorised vehicles were given in partnership with Rajiv Gandhi Foundation.

PILLAR 2: CREATING AWARENESS ON HEALTH AND HYGIENE ISSUES

Based on the premise that preventive health care yields better outcomes in the long term, MIF focuses on health awareness to promote healthy behavioural practices

Health awareness is provided in infotainment mode through a host of approaches like group discussion/talks, films and counselling sessions. The focus issues include vector borne disease, cancer awareness, nutritious diet, sanitation, menstrual health, dengue, hand washing and others. Over 7.74 lakh individuals were reached through health and hygiene awareness initiatives in FY 2017.

Cancer Screening and Awareness Camps

In recent years, the incidence of cancer has significantly gone up. According to the National Cancer Institute, which is part of the US Department of Health and Human Services, every 13th new cancer patient in the world is an Indian (Indian Express, 12th May, 2016). In light of this, MIF has been focusing on conducting



➔ 'Care on Wheels.'
MIF's new mobile
health van

cancer screenings including free mammography and Pap smear tests, and awareness camps. The focus is on early detection as it ensures better outcomes at lower costs. MIF also produced a film on cancer awareness with oncologists and survivors telling their own stories, which is screened at these camps.

Celebrate ME – Annual Signature Campaign of MIF

Celebrate ME, Season 2 was held on 1st October, 2016 with the aim of raising funds and spreading awareness on cancer. Mrs. Maneka Gandhi, Union Minister for Women & Child Development, Government of India was the chief guest on the occasion. One of the highlights of the event was a panel discussion with top oncologists of Max Healthcare. 17 women and four young children who have defeated cancer walked the ramp in outfits designed by cancer survivors. An auction of paintings donated by well-wishers was also held on the occasion to raise funds, including a piece of tribal Gond artwork from Madhya Pradesh donated by Smt. Maneka Gandhi. Cricketer Yuvraj Singh, a cancer survivor himself donated his jersey and cap for the auction. Over 22 newspapers including online and print captured Celebrate ME event and emphasised upon awareness to beat cancer.

Walk for Life – Spreading Awareness Against Cancer

Since 2008, MIF has supported the cause of "spreading awareness on cancer and palliative care for cancer survivors" in association with CanSupport. The 10th Annual Walk for Life was held on 5th February, 2017 at Rajpath, Delhi. Bollywood star and cancer survivor, Manisha Koirala flagged off the event and led the lap of honour for cancer survivors. Dr. Harit Chaturvedi (Chairman – Oncology, Max Healthcare) together

with 305 enthusiastic employees of Max Group came on board to applaud, support and honour cancer patients.

Campaign Against the Use of Tobacco

Tobacco kills over one million people in India. In Delhi alone over 30.7 lakh people under the age of 15 use tobacco. Therefore, MIF launched a campaign against tobacco with emphasis on enforcement of COTPA (Cigarettes and Other Tobacco Products Act) so that smoking and sale of tobacco products in public places around schools, etc. is avoided within 500 meters. The campaign being implemented in partnership with Sambandh Health Foundation was launched on 28th May, 2016 in the presence of Special Commissioner (Law & Order) Delhi Police, Mr. P Kamaraj. The pledge supporting this initiative was also signed by Mr. Arvind Kejriwal, Chief Minister of Delhi.

So far, training and sensitisation program has been conducted in six districts of Delhi. The successful campaign saw high involvement of doctors from Max Oncology Centre led by Dr. Harit Chaturvedi (Chairman – Cancer Care, Director & Chief Consultant - Surgical Oncology, Max Healthcare). Other major outcomes are as follows:

- 1,200 police officers in six districts of Delhi have been trained on COTPA
- Over 165 articles were published in print media
- Over 800 people have been fined for smoking in public places / violation of COTPA
- The "No Smoking" signs are visible at most shops in Delhi

Anti Tobacco Flip book

In order to sensitise the population against the ill effects of tobacco and provide valuable information on quitting tobacco, MIF developed a flip book against tobacco use. An effective tool in preventing tobacco consumption, the flip book has pictures on one side and self explanatory information in simple Hindi on the other side.

PILLAR 3: CREATING A SUSTAINABLE & ECO-FRIENDLY ENVIRONMENT

MIF believes that good environment is a precursor to good health. Therefore, creating a sustainable and eco-friendly environment remains one of the core pillars for us. The focus is on environment awareness as well as making environment friendly choices in whatever work is being done. Key initiatives are as follows:

Tree Plantation Drives

MIF has been conducting regular tree plantation drives in Delhi, Haryana, Punjab and Dehradun. Further, we also promote tree plantation through our vast network of employees as well as NGO partners. MIF has planted fruit trees as well as trees with medicinal / herbal value for the betterment of future generations.

Environment Awareness Campaigns

MIF has been spearheading environment awareness campaigns on a structured manner through monthly campaigns focused on Max Group employees as well as its vast network of NGO partners on the ground. These well-researched and compelling environment awareness campaigns are also promoted across Max Hospitals and offices in Delhi and NCR.

PILLAR 4: VILLAGE ADOPTION PROGRAM FOR HOLISTIC DEVELOPMENT OF VILLAGERS

MIF adopted the villages of Dhakrani and Chandrothi Gram Sabha in the outskirts of Dehradun, the capital city of Uttarakhand in 2015. Various community interventions have been implemented across these villages especially in the area of health, education and environment to improve the quality of life of over 20,000 residents. Village specific initiatives are highlighted below:

Dhakrani Village

Sewage Treatment Plant: A sustainable underground sewerage system is being laid at Dhakrani. This was done as the village had no sewerage system in place and waste water spilled onto the streets as well as polluted the sources of drinking water supply. Accumulated waste water led to breeding of mosquitoes and flies and made villagers vulnerable to innumerable diseases. Under the project, all waste water and sewerage waste will be diverted through pipelines in a phased manner. So far, over 59,000 feet of pipeline has been laid and pilot testing is ongoing. Sand filters

and septic tanks have been built from which waste water will be treated and will be suitable for agricultural purpose.

Healthcare Services for the Villagers: Multi-Specialty health camps are held every month at Dhakrani in association with Max Super Speciality Hospital, Dehradun and employee volunteers from Max Life Insurance. These - include oral, gynaecological, paediatric, ophthalmology health camps among others where patients are given complete medical advice and free medication if needed. Till date 20 camps have been held with 5,447 beneficiaries. MIF also engaged with Bella Healthcare, a local NGO to conduct bi-weekly general health check-up camps in Dhakrani with special focus on women and children. In addition, Bella Healthcare is conducting immunisation camps for children in the age group of 0-12 years. 1,245 children have been immunised against MMR whereas 1,125 children have been immunised for typhoid.

Solid Waste Management: To keep the village clean, waste is being collected daily from households. Two different coloured dustbins have been distributed in 1,884 households for segregation of waste as organic and inorganic. Two tractor trolleys with cleaning teams have been deployed for the same. A machine has been procured for segregation of waste and the organic waste will be converted into compost. The intervention has made surroundings much cleaner, thus reducing the risk of diseases and thereby creating a healthier environment.

Sanitary Production Unit for Local Women: A sanitary napkin production unit has been facilitated in the village by donating relevant machinery to a women's group. The women from the village are making low cost sanitary napkins, which are being sold to the women in the village and neighbouring areas. By making available hygienic sanitary protection the health status of women and adolescent girls is expected to improve. 15,000 sanitary pads have been made till date.

Volunteering Initiatives: Employee/agent advisor volunteers from Max Life Insurance's Dehradun office have been actively engaged in making household visits. Promoting the philosophy of 'Swachh Raho, Swasth Raho', the volunteers speak about waste management, cleanliness, hygiene and also introduce the community to financial literacy.

Chandrothi Gram Sabha

- The streets in Chandrothi Gram Sabha did not have any lighting. Keeping the environment in mind, 310 high quality solar street lights have been installed on the road stretch of over 8 kms. The initiative has been highly applauded by villagers particularly ladies for making night travel safer.
- Further, there was no street cleaning happening in the village, therefore a cleaning vehicle has been commissioned in the village along with cleaning staff who keep the streets and area clean. The initiative is a small contribution towards furthering Swachh Bharat Mission.

➔ The Max India Foundation Team at a Health Camp



- MIF has set up a Health Centre for the benefit of villagers. The Centre is being operationalised by a team comprising doctor, nurse and pharmacist. Free medicine is given to the patients.
- The senior secondary government school in the village had major infrastructural issues – unpainted school walls, inadequate toilet facilities, lack of provision of safe drinking water, and non-functional computers being some of the serious concerns. . MIF stepped in and major upgradation has been made in the sanitation, sports and educational facilities of the school for the health, well-being and all-round development of children, as per following details:
 - An Audio Visual hall at the school has been upgraded with installation of projector, TV, library kits, etc. for the students
 - Four toilets have been constructed for girl students
 - An RO water system has been installed to provide safe drinking water for the students
 - Five computers have been donated to the school to provide computer enabled learning opportunities
 - A cleaner has been engaged for cleaning the toilets and classrooms to ensure better health and hygiene of the children
 - A badminton court has been constructed to encourage physical fitness in children
 - The school exterior walls and some classrooms have been painted

OTHER CSR INITIATIVES

Life Line Express – Health on Wheels

The Life Line Express, the world's first hospital on a train is a flagship initiative of Impact India Foundation to serve the underprivileged in partnership with the Indian Railways. Doctors from Max Hospital Patparganj and Saket served at the Life Line Express camp in Shivpuri, Madhya Pradesh from 2nd – 22nd April, 2016. 21,174 OPDs (outpatient department) and 614 operations were conducted. 6,700 spectacles and 575 hearing aids were also distributed.

Multi Speciality Camp at Bodh Gaya

MIF in association with His Holiness Karmapa's Kagyupa International Monlam Trust organised a Multi Speciality health camp benefitting 4,145 people from 14th-18th February, 2017 at Bodh Gaya. 4 doctors from Max Healthcare, 3 Tibetan lady doctors, 8 Tibetan nurses from Delhi and Sikkim, 2 doctors from Gaya Medical College along with volunteers from Max Life Insurance (Team Gaya) and the Trust helped in conducting the camp. Awareness films on dangers of smoking, importance of hand-washing, breast cancer, TB awareness and prevention of malaria, hepatitis, and typhoid were also screened.

Capacity Building of Health Workers

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 by NGO partner Seva Mandir, Udaipur that works towards improving maternal health in the tribal population of southern Rajasthan. The maternal mortality rate and infant mortality rate has been significantly reduced due to these specialised trainings. With

support from MIF, the organisation has benefitted 19,000 people since January 2013.

AWARDS AND RECOGNITION

Over the years, the Foundation has created a niche for its work under the ambit of Corporate Social Responsibility. The recent awards and recognition as listed below are testimony to the fact that MIF's sincere work has been appreciated by well respected agencies/groups.

- Conferred CSR Leadership Award by ABP News on 17th February, 2017
- Mohini Daljeet Singh, CEO of MIF conferred with Hari Chand Award for Corporate Citizen 2015 .
- Mohini Daljeet Singh, CEO MIF received the 'Best Women Leadership Excellence award in CSR' at The South Asian Partnership Summit & Business Awards held in Colombo on 13th October, 2016; the event was hosted by World HRD Congress and endorsed by Asian Confederation of Businesses
- Conferred with the Indyywood CSR Excellence Award in Hyderabad on 26th September, 2016, which was organised by Indyywood & Government of Telangana State
- CSR Award for Immunisation project by India CSR Awards Community Initiative Awards 2016

- Golden Peacock Award for Corporate Social Responsibility 2015 – awarded in February 2016
- "Excellence Social Accomplishments" Award by "Samast Bharat" was given away by His Holiness Dalai Lama at Dharamsala on 20th May, 2016 to Mohini Daljeet Singh, CEO, MIF

IMPACT

MIF health initiatives have helped free the underprivileged from being at the mercy of quacks, who in many cases, exploit them and may even jeopardise their health. All these quality services reach the underprivileged free of cost since at MIF we believe that good health is the right of every Indian. In the process, we have helped enhance the productivity of the individuals reached, improved their life expectancy levels as well as their overall quality of life. Timely support from MIF has also prevented families from getting trapped in the vicious cycle of debt and poverty.

In its 10 years of existence, MIF has been able to render health care to over 27.79 lakh underprivileged across 730 locations with dignity and care. However, 'Seva' is not a matter of numbers, it is a calling. At MIF, we are unwavering in our commitment to providing quality healthcare to those who need it the most but are unable to afford it, and we will continue to fight for the cause for the next several decades.



➔ In a span of 10 years, MIF has benefitted nearly 28 lakh lives



CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE REPORT

OUR CORPORATE GOVERNANCE PHILOSOPHY

Max Ventures and Industries Limited ('MaxVIL') is one of the demerged entity of Max Financial Services Limited pursuant to the Composite Scheme of Arrangement between Max Financial Services Limited (formerly known as 'Max India Limited'), Max India Limited (formerly known as 'Taurus Ventures Limited') and Max Ventures and Industries Limited (formerly known as 'Capricorn Ventures Limited') and their respective Shareholders and Creditors, as sanctioned by the Hon'ble High Court of Punjab & Haryana vide order dated 14th December, 2015 ("Composite Scheme of Arrangement").

MaxVIL is committed towards maintaining the highest standards of Corporate Governance and recognizes that in today's environment, it is a critical driver for achieving excellence, attracting high-quality talent and optimising capital allocation across all business verticals. The Company believes that appropriate disclosure procedures, transparent accounting policies, strong and independent Board practices and highest levels of ethical standards are critical to enhance and retain all stakeholders trust and generate sustainable corporate growth. It is the conviction with that MaxVIL has set in place systems, procedures and standards that are promoting good corporate governance standards within the Company.

To ensure strong discipline in capital management, robust performance management of the businesses and sustained value creation across all stakeholders, MaxVIL is committed to implement a comprehensive governance framework including its subsidiaries. The framework entailed implementation of various transformational initiatives across three key facets of governance.

The Securities and Exchange Board of India (SEBI) regulates corporate governance practices of companies listed on the Indian Stock Exchanges. These regulations are notified under Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'). This Listing Regulations specifies the standards that Indian companies have to meet and the disclosures that they have to make, with regard to corporate governance:

- **Board Architecture**

Boards in each of the operating companies stand re-configured to create the right composition with an ideal number of independent directors, ensuring board diversity with respect to functional and industry expertise, having

an active and engaged lead directors on each Board and separating the role of the CEO and the Chairman. In addition, a clear role for the Board has been articulated on areas like strategy formulation, monitoring financial health, leadership development, risk management and succession planning.

- **Board Processes**

Various people processes of the Board have been optimized (viz. on-boarding of directors, Board education and business engagement, enabling independence, adherence to code of conduct etc.). Key operational aspects such as ensuring a comprehensive and well-balanced meeting agenda, timely and adequate information flow to the Board, inviting external participants to take Board sessions are in place to ensure that the Board time is spent optimally on all critical areas of the business.

All material matters to be considered by each Board are reviewed in specific sub-committees of the Board that are composed of the right balance between executive, non-executive and independent Directors who add value to and are specifically qualified for the particular sub-committee. Detailed charters are published for every subcommittee of every Board.

- **Board Effectiveness**

To enhance 'Board Effectiveness' and assess the Board's performance, an annual evaluation of Board Members is conducted and inter-company Board movements to be effected to ensure that each Board is well-equipped and engaged to take the right decisions for the business. In addition, various mechanisms have been implemented to improve the performance of the Board, which involves establishing clear standards of conduct & behaviour, setting a calendar of key governance interventions like strategy setting sessions, risk management sessions, consequence management etc.

BOARD OF DIRECTORS

As on 31st March, 2017, your Board of Directors comprises of nine members with one Executive Director and eight Non-Executive Directors of which four are independent. Mr. Analjit Singh, Chairman of the Company is a Non- Executive Director. None of the Director is a member in more than ten committees, or the Chairman of more than five committees, across all public limited companies in which he/she is a Director. Mr. Sahil Vachani is a relative to Mr. Analjit Singh. Further, none of the other directors are related inter-se.

The composition of Directors and their attendance at the Board meeting held during FY 2017 and at the last annual general meeting, including the details of their other Directorships and Committee Memberships as on 31st March, 2017 are given below:

Name of Director	Number of Board meetings during the financial year 2016-17		Attendance at last AGM held on 27th September, 2016	Number of Directorships in other Companies as on 31st March, 2017*	Number of committee positions held in public companies as on 31st March, 2017**	
	Held during tenure	Attended			Chairman	Member
Mr. Analjit Singh [Promoter, Non-Executive Director & Chairman]	08	06	No	13	-	-
Mr. Mohit Talwar [Non-Executive Director & Vice Chairman]	08	06	Yes	07	01	05
Mr. N.C. Singhal [^] [Independent Director]	02	02	NA	NA	NA	NA
Mr. Sanjeev Mehra [Non-Executive Director] ^{^^}	03	-	No	NA	NA	NA
Ms. Lavanya Ashok [Alternate Director to Mr. Sanjeev Mehra] ^{^^^}	03	-	No	NA	NA	NA
Mr. Dinesh Kumar Mittal [Independent Director]	08	07	Yes	12	02	07
Mr. K. Narasimha Murthy [Independent Director]	08	07	No	08	03	02
Mr. Ashok Brijmohan Kacker [Independent Director]	08	08	Yes	09	02	02
Dr. Subash Khanchand Bijlani [@] [Independent Director]	07	03	No	NA	NA	NA
Mrs. Sujatha Ratnam [#] [Non-Executive Director]	03	03	Yes	04	-	01
Mr. Sahil Vachani [Managing Director and CEO]	08	07	Yes	18	-	01
Mrs. Sujatha Ratnam ^{\$} [Non-Executive Director]	05	04	Yes	04	-	01
Mr. Arthur Seter Harutyun ^{##} [Non-Executive Director]	02	01	NA	01	-	-
Mrs. Sujata Keshavan Guha ^{###} [Independent Director]	01	01	NA	01	-	-

* Excluding Foreign Companies and Companies formed under Section 8 of Companies Act, 2013.

** Represents Memberships/Chairmanships of Audit Committee & Stakeholders Relationship Committee of Indian Public Limited Companies other than companies formed under Section 8 of Companies Act, 2013.

[^] Retired from the position of Director w.e.f. 10th August, 2016 pursuant to the provisions of the Articles of Association of the Company upon completion of age of 80 years.

^{^^} Resigned from the position of Director on 8th December, 2016.

^{^^^} Appointed as an alternate Director to Mr. Sanjeev Mehra on 10th May, 2016 and Vacation of office of alternate Director w.e.f. 8th December, 2016 simultaneous upon cessation of directorship by original director.

[#] Resigned from the position of Director on 14th November, 2016.

^{\$} Appointed as an additional director w.e.f. 9th January, 2017.

^{##} Appointed as an additional director w.e.f. 17th February, 2017.

^{###} Appointed as an additional director w.e.f. 17th March, 2017.

[@] Resigned from the position of Director on 8th March, 2017.

DETAILS OF BOARD MEETINGS HELD DURING THE YEAR ENDED 31ST MARCH, 2017:

Date	Board Strength	No. of Directors present
10th May, 2016	10	08
9th August, 2016*	10	08
14th November, 2016	09	08
9th January, 2017	08	07
6th February, 2017	08	08
10th February, 2017	08	05
17th February, 2017	09	04
17th March, 2017	09	08

* The no. of directors present at the adjourned board meeting was 07.

How do we make sure our board is effective?

The calendar for the Board and Committee meetings are fixed in advance for the whole year, along with significant agenda items. At least one Board meeting is held within 45 days from the close of each quarter to review financial results and business performance and the gap between two consecutive Board meetings does not exceed one hundred and twenty days, as required by law. Apart from the aforesaid four meetings, additional Board meetings are also convened to meet business exigencies. Matters of exigency are also approved by the Directors by resolutions passed by circulation as permissible under the provisions of the Companies Act, 2013 and Secretarial Standard on meetings of the Board of Directors (SS 1) and the same were presented in the next meeting for its noting.

Meetings of Committees of Board are held prior to the Board meeting. The Chairpersons of the respective Committees briefs the Board about the proceedings of the Committee meetings and its recommendations on matters that the Board needs to consider and approve.

All Agenda items are accompanied by comprehensive notes on the related subject and in certain areas such as business plans/business reviews and financial results, detailed presentations are made to the Board members. The materials for the Board and committee meetings are generally published seven days in advance through e-mail and/or electronically in a secure dedicated portals. The Board is regularly updated on the key risks and the steps and process initiated for reducing and, if feasible eliminating various risks. Business risk evaluation and management is an ongoing process with the company.

To enable the Board to discharge its responsibilities effectively, members of the Board are apprised on the overall performance of the Company and its subsidiaries at every Board meeting. The Board has complete access to all the relevant information within the Company and all its employees. Senior Management is invited to attend the Board meetings to provide detailed insight into the items being discussed.

Code of Governance

In compliance with Regulation 26(3) of Listing Regulations, the Company had adopted a Code of Conduct for the Directors and Senior Management of the Company ('the Code'), a copy of which is available on the Company's website <https://maxvil.com/shareholder-information/>. All the members of the Board of Directors and senior management personnel had affirmed compliance with above mentioned Regulation including Code for the financial year ended 31st March, 2017 and declaration to this effect signed by the Managing Director and CEO forms a part of this report as Annexure-I.

Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has also adopted a Code of Conduct to Regulate, Monitor and Report trading by insiders for prevention of insider trading, which is applicable to all the Directors and Connected Persons of the Company.

COMMITTEES OF THE BOARD:

Audit Committee:

As on 31st March, 2017 this Committee comprised of Mr. Ashok Kacker (Chairman), Mr. D.K. Mittal and Mr. Mohit Talwar. All members of the Committee, except Mr. Mohit Talwar are Independent Directors. Mr. Sahil Vachani, Managing Director and CEO is a permanent invitee to the Committee meetings. The Company Secretary of the Company acts as the Secretary to this Committee.

The scope of the Audit Committee has been defined by the Board of Directors in accordance with Regulation 18 and Part C of Schedule II of the Listing Regulations and applicable provisions of the Companies Act, 2013. This Committee, inter-alia, recommends appointment and remuneration of statutory auditors, secretarial auditors, internal auditors, reviews Company's financial reporting processes & systems and internal financial controls, financial and risk management policies, related party transactions, significant transactions and arrangements entered into by unlisted subsidiaries, review of inter-corporate loans and investments, review the statement of uses / application of funds raised through preferential issue, Company's financial statements, including annual and quarterly financial results and financial accounting practices & policies and reviews the functioning of the whistle blower mechanism.

The representatives of Internal Auditors and Statutory Auditors are invited to the meetings of the Committee, as required. Mr. Ashok Kacker, Chairman of the Audit Committee was present at the last Annual General Meeting.

MEETINGS & ATTENDANCE DURING THE YEAR ENDED 31ST MARCH, 2017:

Name of Director	Number of meetings held	Number of meetings attended
Mr. Ashok Brijmohan Kacker	07	07
Mr. D.K. Mittal	07	06
Mr. Mohit Talwar	07	06

Nomination and Remuneration Committee:

As on 31st March, 2017, the Committee comprised of Mr. K. Narasimha Murthy (Chairman), Mr. D. K. Mittal, Mr. Ashok Brijmohan Kacker and Mr. Mohit Talwar as its other members. All the members are Independent Directors, except Mr. Mohit Talwar who is a Non-executive non-independent Director.

The scope of the Nomination and Remuneration Committee has been defined by the Board of Directors in accordance with Regulation 19 and Part D of Schedule II to the Listing Regulations and applicable provisions of the Companies Act, 2013. This Committee, inter-alia, evaluates the compensation and benefits for Executive Directors and Senior Executives at one level below the Board, recruitment of key managerial personnel and finalisation of their compensation, induction of Executive and Non-Executive Directors and fixing the method, criteria and quantum of compensation to be paid to the Non-Executive Directors and formulate the criteria for evaluation of independent directors and the Board. The Performance evaluation criteria of the Board, the Committees of the Board and the Individual Directors including Chairman are disclosed and forms part of the Directors Report. It also administers the (a) ESOP Scheme(s) of the Company including allotment of equity shares arising from exercise of stock options; and (b) Phantom Stock Scheme including issuance of phantom stock options and matters related/incidental thereto. The remuneration policy of

the Company is aimed at attracting and retaining the best talent to leverage performance in a significant manner. The strategy takes into account, the remuneration trends, talent market and competitive requirements.

MEETINGS & ATTENDANCE DURING THE YEAR ENDED 31ST MARCH, 2017:

Name of Director	Number of meetings held	Number of meetings attended
Mr. K. Narasimha Murthy	07	06
Mr. D. K. Mittal	07	05
Mr. Ashok Kacker	07	07
Mr. Mohit Talwar	07	05

Remuneration paid to Directors during FY 2017:

During FY 2017, the Company paid sitting fees of ₹ 1,00,000/- per meeting to its Non-Executive/ Independent Directors for attending the meetings of Board and Committees of the Board and separate meetings of Independent Directors. The Company has not paid any remuneration to its Non-Executive/ Independent Directors, except the sitting fees. Details of the sitting fees paid to Non-Executive/ Independent Directors of the Company during FY 2017 are as under:

S. No.	Name of the Director	Sitting Fee paid (in ₹)
1	Mr. Anajit Singh	6,00,000
2	Mr. Mohit Talwar	25,00,000
3	Ms. Sujatha Ratnam	7,00,000
4	Mr. Sanjeev K. Mehra	-
5	Mr. N. C. Singhal	4,00,000
6	Mr. K. Narasimha Murthy	19,00,000
7	Mr. D. K. Mittal	24,00,000
8	Dr. S. K. Bijlani	3,00,000
9	Mr. Ashok Kacker	26,00,000
10	Mr. Arthur Seter	-
11	Mrs. Sujata Keshavan Guha	1,00,000

The remuneration payable to Executive Directors of the Company including performance incentives were determined from time to time by the Nomination and Remuneration Committee in terms of applicable provisions of Companies Act, 2013 read with

Company's remuneration policy. The details of the remuneration policy are part of the Directors' Report.

Details of the remuneration charged to profit and loss account in respect of Mr. Sahil Vachani as Managing Director and CEO for the period from 1st April, 2016 to 31st March, 2017 is as under:

(Amount in ₹)

Description	Mr. Sahil Vachani
Salary	82,50,780
Benefits (Perquisites)	9,88,018
Performance Incentive/special payments	1,32,06,250
Retirals	5,52,000
Service contract#	5 years
Notice period	3 months
Stock options granted (in numbers)	NA

The shareholders of the Company at the First Annual General Meeting held on 27th September, 2016 approved the appointment of Mr. Sahil Vachani as Managing Director and CEO for a period of 05 years effective 15th January, 2016 up to 14th January, 2021 and also approved the remuneration for the initial period of three years, i.e., from 15th January, 2016 until 14th January, 2019.

During FY 2017, stock options were granted to following Director(s) of the Company:

Pursuant to Clause 6.1.6 of the Composite Scheme of Arrangement amongst Max Financial Services Limited ('MFSL'), Max India Limited and Max Ventures and Industries Limited ("the Company") and their respective Shareholders and Creditors, as sanctioned by the Hon'ble High Court of Punjab & Haryana vide

order dated 14th December, 2015 ("Scheme of Arrangement"), the stock options granted by MFSL to its employees under its existing Stock Option Plan (irrespective of whether they continue to be employees of the MFSL or become the employees of the Company pursuant to the Scheme of Arrangement and upon the said Scheme being effective, the said employees shall be issued one Stock Option by the Company under its new ESOP Plan, entitling one equity share of ₹ 10/- each of the Company for every five Stock Option held in MFSL, whether the same are vested or not, on the terms and conditions similar to the relevant existing Stock Option Scheme of MFSL.

The shareholders of the Company at the First Annual General Meeting held on 27th September, 2016 accorded their approval to the implementation of the Stock Option Scheme of the Company in the name and style of "MAX VENTURES AND INDUSTRIES EMPLOYEE STOCK PLAN – 2016" and authorized the Board and/or Committee to create, issue, offer and allot to or to the benefit of such person(s) (i) who are permanent officer or employee or Director of the Company (whether whole-time or not), but excluding a Promoter or a person who belongs to a Promoter Group of the Company, Independent Director or a Director who either by himself or through his relative or through any Body Corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company as may be decided under the ESOP Plan and (ii) who are eligible for grant of stock options of the Company pursuant to the Scheme of Arrangement; options exercisable upto an aggregate of not more than 5% of the issued Equity Shares of ₹ 10/- each of the Company at any point of time, in one or more tranches, under the ESOP Plan.

The Details of stock options granted to following Director(s) of the Company is as follows:

Name of the Director	Date of grant by MFSL	No. of Options in the Company	Exercise price per option for per equity share of ₹ 10/- each	Original Vesting Schedule	Outstanding Grants
Mr. Mohit Talwar	18th August, 2012	2,286	₹ 10/-	2,286 Options on 18th August, 2016	Nil
	1st April, 2013	3,800	₹ 10/-	1,900 Options on 1st April, 2016 1,900 Options on 1st April, 2017	1,900 shares due on April 1, 2017
	1st April, 2014	5,250	₹ 10/-	1,750 Options on 1st April, 2016 1,750 Options on 1st April, 2017 1,750 Options 1st April, 2018	1,750 shares due on April 1, 2017 1,750 shares due on April 1, 2018
	12th December, 2014	88,600	₹ 25/-	Bullet vesting on March 31, 2020	Bullet vesting on March 31, 2020
	27th March, 2015	4,520	₹ 10/-	1,130 Options on 27th March, 2016 1,130 Options on 27th March, 2017 1,130 Options on 27th March, 2018 1,130 Options on 27th March, 2019	1,130 shares due on March 27, 2017 1,130 shares due on March 27, 2018 1,130 shares due on March 27, 2019

- During the FY 2017, 7,066 Options were exercised by Mr. Mohit Talwar under 'Max Ventures and Industries Employee Stock Plan – 2016' of the Company which entitled him 7,066 equity shares of ₹ 10/- at an exercise price of ₹ 10/- per equity share.

None of the other Director was granted any stock options during FY 2017.

Details of equity shares held by Directors of the Company as on 31st March, 2017 are:

S. No.	Name of the Director	No. of equity shares of ₹ 10/- each
1	Mr. Analjit Singh	11,75,357
2	Mr. Mohit Talwar	7,087
3	Ms. Sujatha Ratnam	7,000
4	Mr. K. Narasimha Murthy	1,000
5	Mr. Dinesh Kumar Mittal	Nil
6	Mr. Ashok Brijmohan Kacker	Nil
7	Mr. Arthur Seter Harutyun	Nil
8	Mrs. Sujata Keshavan Guha	Nil
9	Mr. Sahil Vachani	Nil
10	Mr. N.C. Singhal#	10,700
11	Mr. Sanjeev Mehra*	Nil
12	Mr. Subash Bijlani^	4,400

Retired from the position of Director w.e.f. 10th August, 2016 pursuant to the provisions of the Articles of Association of the Company upon completion of age of 80 years.

* Resigned from the position of Director on 8th December, 2016.

^ Resigned from the position of Director on 8th March, 2017.

Stakeholders Relationship Committee:

As on 31st March, 2017, the Committee comprised of Mr. Mohit Talwar (Non Executive Director and Chairman), Mr. Ashok Kacker and Mr. Sahil Vachani. Key responsibilities of this Committee are formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time, redressal of shareholders and investor complaints/grievances. The scope of the Stakeholders Relationship Committee has been defined by the Board of Directors in accordance with the provisions of the Regulation 20 read with Part D of Schedule II to the Listing Regulations. The Committee also approves the transfer and transmission of securities; issuance of duplicate certificates etc.

MEETINGS & ATTENDANCE DURING THE YEAR ENDED 31ST MARCH, 2017:

Director	Number of meetings held	Number of meetings attended
Mr. Mohit Talwar	03	03
Mr. Ashok Kacker	03	03
Mr. Sahil Vachani	03	03

The Committee has delegated the authority to effect transfer of shares up to 1000 per folio to the Company Secretary / Compliance Officer, and such transfers are subsequently ratified in next meeting of the Committee. The Company has normally

attended to the Shareholders / Investors complaints within a period of 7 working days except in cases which were under legal proceedings/disputes. During the financial year ended 31st March, 2017, 12 complaints/ queries were received by the Company, which were general in nature viz. issues relating to annual reports, share certificates etc., all of those were resolved to the satisfaction of the respective shareholders. Further, there are no pending investor's complaints.

Mr. Alok Goel is the Company Secretary and Compliance Officer of the company.

Investment & Finance Committee:

As of 31st March, 2017, this Committee comprised of Mr. D. K. Mittal, Mr. K. Narasimha Murthy, Mr. Mohit Talwar and Mr. Sahil Vachani. The chairman of the committee is elected by the members at the meeting. The responsibilities of this Committee are to review financial performance of businesses carried on by the Company and its subsidiaries, review and recommend revenue and capital budgets of the Company and its subsidiaries, review and recommend various fund raising options and financial resources allocation to Company's subsidiaries and to review proposals on business restructuring, mergers, consolidations acquisitions, investments, establishment of joint ventures and divestments of any businesses, etc.

MEETINGS & ATTENDANCE DURING THE YEAR ENDED 31ST MARCH, 2017:

Name of Director	Number of meetings held	Number of meetings attended
Mr. N.C. Singhal*	01	01
Mr. Mohit Talwar	06	05
Mr. K. Narasimha Murthy	06	05
Mr. Sanjeev Mehra**	02	-
Mr. D.K. Mittal	06	05
Mr. Sahil Vachani	06	05
Ms. Lavanya Ashok@	02	-

* ceased to be member of the Committee effective 10th August, 2016.

** ceased to be member of the Committee effective 8th December, 2016.

@ Mr. Lavanya Ashok was an Alternate Director to Mr. Sanjeev Mehra till 8th December, 2016.

Separate meeting of Independent Directors

The Independent directors had a separate meeting on 9th August, 2016 during the financial year 2016-17. Further, the Independent Directors had a separate meeting on 20th July, 2017 where the following agenda items were considered, in terms of Schedule IV of the Companies Act, 2013 and provisions of the Listing Regulations:

- Evaluation of the performance of Non-Independent Directors and the Board as a whole;
- Evaluation of the performance of Chairperson of the Company; and

(c) Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board.

Further, the Company has made familiarization programmes to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The detail of such familiarization programme is available at the following link of website of the Company <https://maxvil.com/stock-exchange-disclosure/>.

GENERAL MEETINGS

The details of general meetings held in FY 2017 and Special Resolutions passed by the shareholders at the said meetings are as under:

Date and details of General Meeting	Resolution No.	Special Resolutions passed by the shareholders at the General Meeting
27th September, 2016 (The First Annual General Meeting of the Company was held at the Registered Office of the Company at Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144533 at 1230 hrs)	12	Approval for appointment of Mr. Sahil Vachani as the Managing Director and Chief Executive Officer (CEO) of the Company for a period of five years effective 15th January, 2016 up to 14th January, 2021 and approval of remuneration payable for the initial period of three years, i.e., effective 15th January, 2016 until 14th January, 2019.
	13	Approval of Max Ventures and Industries Employee Stock Plan – 2016.
	14	Approval for authorisation to the Board of Directors for borrowing upto an amount not exceeding ₹ 3,00,00,00,000/- (Rupees Three Hundred Crores Only) under Section 180(1)(c) of the Companies Act, 2013.
	15	Approval for authorisation to the Board of Directors to create mortgage / charge over the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 upto the limits approved under Section 180(1)(c) of the Companies Act, 2013.
7th February, 2017 (Extra-Ordinary General Meeting of the company was held at the Registered Office of the Company at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr, Punjab - 144 533 at 1130 hours)	2	Issue and allotment of 1,55,23,870 (One Crore Fifty Five Lacs Twenty Three Thousand Eight Hundred Seventy) equity shares of face value of ₹10/- (Rupees Ten Only) each at a price of ₹ 78/- (Rupees Seventy Eight only) equity shares of the Company on a preferential basis to New York Life International Holdings Ltd, Mauritius.
	3	Issue and allotment of 34,48,894 (Thirty Four Lakhs Forty Eight Thousand Eight Hundred and Ninety Four) warrants of the Company on preferential basis to Siva Enterprises Private Limited (being a company forming part of the Promoter Group) with a right to apply for and get allotted one equity share of face value of ₹ 10/- (Rupees Ten Only) each for each Warrant, within a period of 18 months from the date of allotment of Warrants, at a price of ₹ 78/- (Rupees Seventy Eight only) each.

POSTAL BALLOT AND POSTAL BALLOT PROCESS

During FY 2017, the Company has passed following resolutions through postal ballot process.

Date of declaration of Postal Ballot Result	Resolution No.	Subject matter of the special resolution(s)	Votes in favour of the resolution		Votes against the resolution	
			No. of votes	% of total votes	No. of votes	% of total votes
29th March, 2017	1	Approval under Section 180(1)(a) of the Companies Act, 2013 and Regulation 25(2) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011, for sale / disposal / alienation or otherwise transfer of equity shares of Max Speciality Films Limited	2,72,82,029	99.9095	24,719	0.0905
	2	Approval of increase of limits for making investment / providing loans / security / guarantee upto an amount not exceeding ₹ 1,80,00,00,000/- (Rupees One Hundred and Eighty Crores Only) under Section 186 of the Companies Act, 2013	2,68,00,194	98.1463	5,06,173	1.8537
	3	Approval for alteration of articles of association of the company under Section 5 and 14 of the Companies Act, 2013	2,72,82,729	99.9128	23,805	0.0872

During the conduct of the Postal Ballot, the Company had in terms of Regulation 44 of the Listing Regulations provided e-voting facility to its shareholders to cast their votes electronically through the National Securities Depository Limited e-voting platform. Postal ballot forms and business reply envelopes were sent to shareholders to enable them to cast their vote in writing on the postal ballot. The Company also published a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Companies Act, 2013 and applicable Rules.

The Company had appointed Mr. Sanjay Grover, Managing Partner, M/s Sanjay Grover & Associates, Company Secretaries as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner. The scrutinizer submitted his report to the Chairman, after completion of the scrutiny and the results of voting by postal ballot were then announced by the Chairman/ Authorised officer. The voting results were sent to the Stock Exchanges and displayed on the Company's website.

Further, none of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of resolution through postal ballot.

No special resolution requiring approval of the shareholders through postal ballot is being proposed at the ensuing annual general meeting.

MEANS OF COMMUNICATION

Timely disclosure of reliable information and corporate financial performance is at the core of good Corporate Governance. Towards this direction, the quarterly / annual results of the Company were announced within the prescribed period and published in The Financial Express, Business Standard and Desh Sewak. The results can also be accessed on the Company's website www.maxvil.com. The official news releases and the presentations made to the investors / analysts (if any) are also displayed on the Company's website.

DISCLOSURES

(a) Related party transactions

There are no materially significant related party transactions with its promoters, the Directors or the management, their subsidiaries or relatives, etc., that may have potential conflict with the interests of the Company at large.

The Company has formulated a policy for transacting with related parties, which is available at the following link on the website of the Company <https://maxvil.com/shareholder-information/> under Policy Disclosures. Transactions entered with the related parties are disclosed in Notes to the financial statements in the Annual Report.

(b) Compliance by the Company

The Company has duly complied with all the mandatory requirements of Listing Regulations including other

Regulations and Guidelines issued by SEBI from time to time on all matters relating to capital markets from 22nd June, 2016 (i.e. Date of Listing of the Company's equity shares post the demerger in accordance with the Composite Scheme of Arrangement). No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI, or any other statutory authorities on any matter relating to capital markets from 22nd June, 2016 (i.e. Date of Listing of the Company).

(c) Whistle Blower Policy

The Company has a vigil mechanism pursuant to which a Whistle Blower Policy has been adopted and is in place. The Company has established the necessary mechanism for employees to report concerns about unethical behavior. It is hereby affirmed that no person has been denied access to the Chairman of the Audit Committee on matters relating to Whistle Blower Policy of the Company.

(d) Material Subsidiary Companies

The Company has one material unlisted subsidiary Company viz., Max Speciality Films Limited (MSFL) during the FY 2017. Mr. K. Narasimha Murthy and Mr. Ashok Kacker are the common Independent Directors for the Company and MSFL as on 31st March, 2017. Further, the Company has formulated a policy for determining 'material subsidiaries' which is disclosed at the following link on the website of the Company <https://maxvil.com/shareholder-information/> under Policy Disclosures.

(e) Commodity price risks and commodity hedging activities

The Company does not deal in commodity activities. The Commodity price risks and commodity hedging activities are not applicable to the Company.

GENERAL SHAREHOLDER INFORMATION

A section on the 'Shareholder Information' is annexed, and forms part of this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS

A section on the 'Management Discussion & Analysis' is annexed, and forms part of this Annual Report.

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

The certification by the Managing Director and Chief Financial Officer of the Company, in compliance of Regulation 17(8) read

with Part B, Schedule II of the Listing Regulations, is enclosed as Annexure II.

M/s. Sanjay Grover & Associates, Practicing Company Secretaries have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V of the Listing Regulations and the said certificate is annexed to the Report as Annexure-III.

DISCLOSURE ON NON-MANDATORY REQUIREMENTS

The Company has duly complied with all the mandatory requirements under Listing Regulations and the status of compliance with the non-mandatory recommendations under Part E of Schedule II of the Listing Regulations is given below:

Shareholders' Rights:

The quarterly, half-yearly and annual financial results of the Company are published in newspapers and also posted on the Company's website.

Audit Qualification:

It has always been the Company's endeavor to present unqualified financial statements. There is no audit qualification in respect of financial statements of the Company for FY 2017.

Separate posts of Chairman and CEO:

The Company has separate persons to the post of Chairman and Managing Director. Mr. Analjit Singh, Non Executive Director is the Chairman and Mr. Sahil Vachani is the Managing Director and CEO of the Company effective 15th January, 2016.

Reporting of Internal Auditor:

The Internal Auditor reports directly to the Audit Committee, which defines the scope of Internal Audit.

Details of Compliance with the Corporate Governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of sub – regulation (2) of Regulation 46 of Listing Regulations:

The Company is in compliance with the corporate governance requirements specified in Regulations 17 to 27 and clause (b) to (i) of Regulation 46(2) of Listing Regulations.

Equity Shares in Unclaimed Suspense Account

Pursuant to the provisions of Regulation 39 of the Listing Regulations the company has transferred the unclaimed equity

shares on 18th July, 2017 in the Demat Account titled as 'MAX VENTURES AND INDUSTRIES LIMITED– UNCLAIMED SUSPENSE ACCOUNT'. The Equity Shares transferred to said Unclaimed Suspense Account belong to the members who are still holding the old Share Certificates pertaining to the Equity Shares of the Face Value of ₹ 10/- each.

The details of Equity Shares held in the Unclaimed Suspense Account are as follows:

S. No.	Particulars	No. of Shareholders	Number of Equity Shares
1.	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the time of dematerialization.	2,317	1,17,159
2.	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account after dematerialization of unclaimed shares.	NA	NA
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account after dematerialization of unclaimed shares.	NA	NA
4.	Aggregate number of shareholders and the outstanding shares in the Suspense Account as on date.	2,317	1,17,159

For Max Ventures and Industries Limited

Analjit Singh
Chairman

Place: New Delhi
Date : 21st July, 2017

ANNEXURE- I

Declaration signed by the Managing Director and Chief Executive Officer on Code of Conduct pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is to declare and confirm that the Company has received affirmations of compliance with the provisions of Company's Code of Conduct for the financial year ended 31st March, 2017 from all Directors and Senior Management personnel of the Company.

For Max Ventures and Industries Limited

Sahil Vachani
Managing Director & CEO

Place: New Delhi
Date : 21st July, 2017

ANNEXURE- I I

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To
The Board of Directors,
Max Ventures and Industries Limited,
(Formerly Capricorn Ventures Limited)

We, Sahil Vachani, Managing Director & CEO and Nitin Kumar Kansal, Chief Financial Officer of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited) ("the Company") certify that:

- A. We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended 31st March, 2017 and that to the best of our knowledge and belief:
- (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading; and
 - (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware of, and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee, wherever applicable:
- (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Max Ventures and Industries Limited

Place: New Delhi
Date : 21st July, 2017

Sahil Vachani
Managing Director & CEO

Nitin Kumar Kansal
Chief Financial Officer

ANNEXURE- III

CORPORATE GOVERNANCE CERTIFICATE

To
The Members
Max Ventures and Industries Limited

We have examined the compliance of conditions of Corporate Governance by Max Ventures and Industries Limited ("the Company"), for the financial year ended March 31, 2017 as stipulated under the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Sanjay Grover
Managing Partner
CP No.: 3850

Place: New Delhi
Date : July 21, 2017



GENERAL SHAREHOLDERS INFORMATION

GENERAL SHAREHOLDER INFORMATION

REGISTERED OFFICE:

419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr, Punjab – 144 533

REGISTRAR AND SHARE TRANSFER AGENT:

Mas Services Limited, T-34, 2nd Floor,
Okhla Industrial Area, Phase - II
New Delhi-110 020, Tel-011 26387281/82/83
Fax-011 26387384
e-mail : info@masserv.com

INVESTOR HELPLINE:

Tel. No.: 01881-462000, 462001
Fax: 01881- 273607
Email: investorhelpline@maxvil.com

ANNUAL GENERAL MEETING:

Date and Time: Tuesday, 26th September, 2017 at 1230 hrs.

Venue: Registered Office of the Company at 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab - 144 533

Book Closure: The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 20th September, 2017 to Tuesday, 26th September, 2017 (both days inclusive).

Financial Year: The financial year of the Company starts from 1st April of a year and ends on 31st March of the following year.

FINANCIAL CALENDAR – 2016-17:

1	First quarter results	By 14th August, 2016
2	Second quarter & half yearly results	By 14th November, 2016
3	Third quarter results	By 14th February, 2017
4	Annual results	By 30th May, 2017

LISTING ON STOCK EXCHANGES:

The Equity Shares of the Company are listed on the BSE Limited ('BSE'), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 021 and the National Stock Exchange of India Limited ('NSE') Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai – 400051. The Company confirms that it has paid annual listing fees due to BSE and NSE for FY 2018.

CONNECTIVITY WITH DEPOSITORIES:

The Company's shares are in dematerialized mode through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

STOCK CODE:

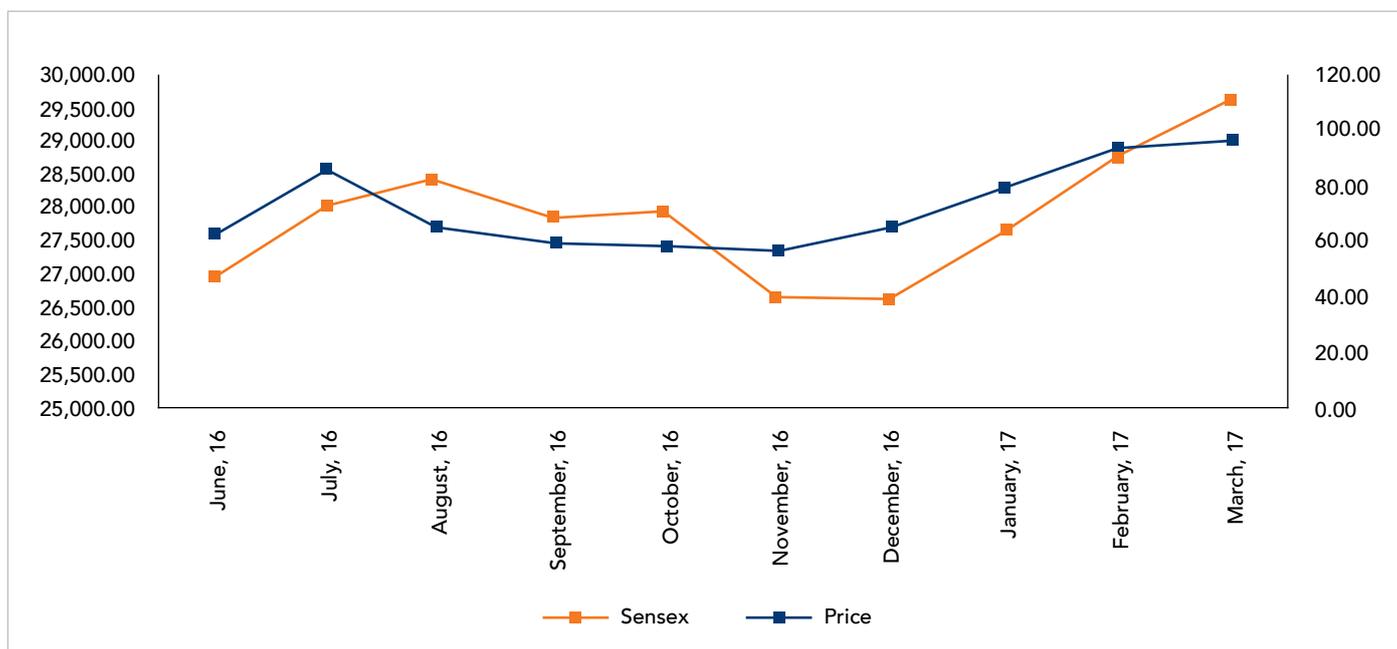
BSE	539940
NSE	MAXVIL
Demat ISIN No. for NSDL and CDSL	INE154U01015

MONTHLY HIGH AND LOW QUOTATION ON BSE LIMITED (BSE) AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)

Month	NSE		BSE	
	High (INR)	Low (INR)	High (INR)	Low (INR)
April, 2016*	-	-	-	-
May, 2016*	-	-	-	-
June, 2016	63.20	42.75	63.20	44.80
July, 2016	87.05	61.6	85.80	62.00
August, 2016	64.70	55.65	64.80	55.70
September, 2016	59.50	47.95	59.55	47.90
October, 2016	58.00	49.00	58.10	49.00
November, 2016	57.50	42.55	57.25	43.30
December, 2016	65.55	52.85	65.45	53.05
January, 2017	79.40	61.90	79.15	62.00
February, 2017	93.40	65.55	93.25	65.50
March, 2017	96.00	79.00	96.15	79.05

The Company was listed on BSE and NSE w.e.f 22nd June, 2016.

Sensex Vs. Share Price



EQUITY SHAREHOLDING PATTERN AS ON 31ST MARCH, 2017:

Category	No. of shares held %	% of shareholding
Promoters	2,42,26,615	35.12
Mutual Funds and UTI	15,47,270	2.24
Banks, Financial Institutions	1,68,721	0.25
Insurance Companies	9,150	0.01
Foreign Institutional Investors	2,10,937	0.31
Foreign Portfolio Investors	26,37,029	3.82
Foreign Direct Investment	1,55,23,870	22.51
Bodies Corporate	33,30,043	4.83
Non-resident Indians	14,72,657	2.13
Clearing Members	5,93,653	0.86
Resident Individuals	1,92,57,933	27.92
Total	6,89,77,878	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2017:

No. of Shareholders	Percentage to Total	Shareholdings	No. of shares	Percentage to
36,850	89.51	1 to 5,000	29,77,341	4.32
1,799	4.37	5,001 to 10,000	14,86,297	2.15
1,034	2.51	10,001 to 20,000	16,17,433	2.34
436	1.06	20,001 to 30,000	11,27,068	1.63
188	0.46	30,001 to 40,000	6,77,707	0.98
196	0.48	40,001 to 50,000	9,42,207	1.37
282	0.68	50,001 to 1,00,000	21,84,477	3.17
384	0.93	1,00,001 and above	5,79,65,348	84.04
41,169	100.00	Total	6,89,77,878	100.00

DEMATERIALISATION STATUS AS ON 31ST MARCH, 2017:

- (i) Shareholding in dematerialised mode 99.34%
- (ii) Shareholding in physical mode 0.66%

RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by the Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, a practicing Company Secretary carries out the Reconciliation of Share Capital Audit, on a quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total listed and paid-up capital. The audit report, inter alia, confirms that the total listed and paid up share capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALIZED MODE

Shareholders holding shares in dematerialised mode are requested to intimate all changes with respect to bank details, mandate, nomination, power of attorney, change of address, change of name etc. to their depository participant (DP). These changes will be reflected in the Company's records on the downloading of information from Depositories, which will help the Company to provide better service to its shareholders.

SHARE TRANSFER SYSTEM

In respect of shares upto 1000 per folio, transfers are effected on a weekly basis. For others, the transfers are effected within limits prescribed by law. The average turnaround time for processing registration of transfers is 15 days from the date of receipt of requests. The processing activities with respect to requests received for dematerialisation are completed within 7 -10 days.

DIVIDEND

The year under review was the second financial year of the Company's operations. Therefore, considering the losses for FY ended 31st March, 2017 and/or the future business plans of the Company, the Board of Directors did not recommend any dividend for the year ended 31st March, 2017, on the Equity Share Capital of the Company.

OUTSTANDING GDRS/ADRS/ WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

The Company has allotted 34,48,894 (Thirty Four Lakh Forty Eight Thousand Eight Hundred Ninety Four) equity shares of ₹ 10/- (Rupees Ten) each to Siva Enterprises Private Limited, a promoter group entity, consequent upon conversion of warrants allotted on preferential basis on 25th May, 2017. Further, as on date the Company does not have any outstanding GDRS/ADRS/ Warrants or any convertible instruments.

COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

The Company does not deal in commodity activities. The Commodity price risks and commodity hedging activities are not applicable to the Company.

PLANT LOCATIONS

Not Applicable

COMMUNICATION OF FINANCIAL RESULTS

The unaudited quarterly financial results and the audited annual accounts are normally published in the The Financial Express, Business Standard and Desh Sewak. The financial results, press releases and presentations (if any) are regularly displayed on the company's website- www.maxvil.com.

ADDRESS FOR CORRESPONDENCE WITH THE COMPANY

Investors and shareholders can correspond with the office of the Registrar and Share Transfer Agent of the Company or the Corporate Office of the Company at the following addresses:

Mas Services Limited (Registrar & Share Transfer Agent)

T-34, 2nd Floor
Okhla Industrial Area, Phase – II
New Delhi – 110 020

Contact Persons

Mr. Sharwan Mangla
Tel No.:-011-26387281/82/83
Fax No.:- 011 – 26387384
e-mail : info@masserv.com

Max Ventures and Industries Limited (Corporate Office)

Secretarial Department
Max House, A-81, Sector 2,
Noida, Uttar Pradesh-201301.

Company Secretary and Compliance Officer

Mr. Alok Goel
Tel. No.: 01881-462000, 462001
Fax: 01881- 273607
E-mail:- alok.goel@maxvil.com

Please visit us at www.maxvil.com for financial and other information about your company.

For Max Ventures and Industries Limited

Place: New Delhi
Date: 21st July, 2017

Sahil Vachani
Managing Director and CEO



FINANCIAL REVIEW

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting their 2nd (second) Boards' Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2017.

Standalone Financial Results

The Standalone financial performance of your Company for the second financial year ended March 31, 2017 is summarized below:

Particulars	(Rs. in Lacs)	
	From April 01, 2016 to March 31, 2017	Period from January 20, 2015 to March 31, 2016
Income		
Revenue from Operations	1200.84	980.43
Other Income	-	-
Total Revenues (I)	1200.84	980.43
Expenditure		
Employee Benefits Expense	620.14	192.61
Depreciation & Amortisation	5.22	7.34
Other Expenses	989.75	459.05
Finance Cost	208.61	-
Total Expenses (II)	1823.72	659.00
Profit/(Loss) before Tax	(622.88)	321.43
Tax expense	2.43	33.71
Profit/(Loss) after Tax	(625.31)	287.72

Consolidated Financial Results

The Consolidated financial performance of your Company and its subsidiaries for the second financial year ended March 31, 2017 is summarized below:

Particulars	(Rs. in Lacs)	
	From April 01, 2016 to March 31, 2017	Period from January 20, 2015 to March 31, 2016*
Income		
Revenue from Operations	65,638.43	70,257.54
Other Income	1,179.39	816.00
Total Revenues (I)	66,817.82	71,073.54
Expenditure		
Cost of Materials consumed	47,150.17	45,361.43
(Increase)/decrease in inventories of finished goods and work-in-progress	(3,532.82)	22.82
Employee Benefits Expense	4,180.40	3,976.40
Depreciation & Amortisation Expense	2,070.83	1,920.00
Other Expenses	14,703.52	13,628.98
Finance Expenses	3,200.96	3,438.78
Total Expenses (II)	67,773.06	68,348.41
Profit/(Loss) before Tax	(955.24)	2,725.13
Tax expense	(222.87)	786.45
Profit/(Loss) after Tax	(732.37)	1,938.68
Minority interest	4.99	19.85
(Loss)/profit for the year	(737.36)	1,918.83

* 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.

Company's Performance / Operations

In Financial Year 2016-17 the Company reported Consolidated Revenues of Rs. 668.18 Crores and a Loss of Rs. 7.32 Crores. The Company's flagship business Max Speciality Films Limited accounted for Rs. 666 Crores in revenues.

Dividend

Due to losses, the Board of Directors of the Company do not recommend dividend for the year ended March 31, 2017.

Transfer to Reserves

Consequent to the Preferential issue of equity shares and on account of issuance of Employee Stock Option an amount of Rs. 10556.24 Lacs and Rs. 6.67 Lacs, respectively have been transferred to the Share Premium Account of the Company.

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

Listing of Equity Shares

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.

Share Capital and allotment of shares

During the year under review, the members in its Extra-ordinary General Meeting held on February 07, 2017 had approved increase in the authorized share capital of the Company from Rs. 60,00,00,000/- (Rupees Sixty Crores only) comprising of 6,00,00,000 (Six Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 1,10,00,00,000 (Rupees One Hundred and Ten Crores Only) divided into 11,00,00,000 (Eleven Crores) equity shares of Rs. 10/- (Rupees ten only) each.

Further, 57,208 (Fifty Seven Thousand Two Hundred and Eight) equity shares of Rs. 10/- (Rupees ten only) each of the Company were allotted on December 13, 2016 for cash at par arising from the exercise of Stock Options granted to Stock Option holders under "Max Ventures and Industries Employee Stock Plan – 2016".

The Company has issued and allotted 1,55,23,870 (One Crore Fifty Five Lacs Twenty Three Thousand Eight hundred Seventy) equity shares of face value of Rs. 10/- (Rupees Ten Only) each at a price of Rs. 78/- (Rupees Seventy Eight only) each on February 17, 2017 on a preferential basis to New York Life International Holdings Ltd, Mauritius. The Company has also issued and allotted 34,48,894 (Thirty Four Lacs Forty Eight Thousand Eight Hundred and Ninety Four) warrants on a preferential basis to Siva Enterprises Private Limited/a promoter group entity with a right to apply for and get allotted one equity share of face value of Rs. 10/- (Rupees Ten Only) each for each Warrant, at a price of Rs. 78/- each (Rupees Seventy Eight Only) each.

The Paid up Equity Share Capital of the Company as on March 31, 2017 is Rs. 68,97,78,780 (Rupees Sixty Eight Crores Ninety Seven Lakhs Seventy Eight Thousand Seven Hundred and Eighty only) comprising of 6,89,77,878 (Six Crores Eighty Nine Lakhs Seventy Seven Thousand Eight Hundred and Seventy Eight) equity shares of Rs. 10/- (Rupees Ten only) each.

Further, the shares allotted by the Company after the previous

Financial Year ended on March 31, 2017 and the date of this Report are as under:

- (i) 6,780 (Six Thousand Seven Hundred and Eighty) equity shares of Rs. 10/- (Rupees Ten only) each of the Company were allotted on April 20, 2017 for cash at par arising from the exercise of Stock Options granted to Stock Option holders under Max Ventures and Industries Employee Stock Plan – 2016.
- (ii) 34,48,894 (Thirty Four Lakhs Forty Eight Thousand Eight Hundred and Ninety Four) equity shares of Rs. 10/- each (Rupees Ten only) were allotted on May 25, 2017 to Siva Enterprises Private Limited / a promoter group entity, consequent upon conversion of warrants allotted on preferential basis at price of Rs. 78/- each (Rupees Seventy Eight only).

Consequently the Paid- up Equity Share Capital of the Company as on the date of this report is Rs. 72,43,35,520 (Rupees Seventy Two Crores Forty Three Lakhs Thirty Five Thousand Five Hundred and Twenty only) comprising of 7,24,33,552 (Seven Crores Twenty Four Lakhs Thirty Three Thousand Five hundred and Fifty Two) equity shares of Rs. 10/- (Rupees Ten only) each.

Change of Name and Object Clause

During the year under review, there is no change in the name and the object clause of Memorandum of Association of the Company.

The members had approved alteration of Articles of Association of the Company through postal ballot process, the results declared on March 29, 2017.

Extracts of Annual Return

An extract of the Annual Return as at March 31, 2017 in prescribed Form MGT-9 forms part of this report as 'Annexure – 1'.

Employee Stock Option Plan

The Composite Scheme of Arrangement, inter-alia, provides that with respect to the stock options granted by the Max Financial Service Limited (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').

Till date, the Company has issued and allotted 63,988 (Sixty Three Thousand Nine Hundred and Eighty Eight) equity shares of Rs. 10/- (Rupees Ten only) each of the Company for cash at par arising from the exercise of Stock Options granted to Stock Option holders under Max Ventures and Industries Employee Stock Plan – 2016.

Further, during the year under review, upon recommendation of

Nomination and Remuneration Committee, the Board of Directors in its meeting held on February 17, 2017 has approved "Max Ventures and Industries Employee Phantom Scheme 2017" and has also granted Phantom Stock Units to Mr. Rohit Rajput, Head-Human Capital & Business Strategy.

Details of options granted upto March, 31, 2017 and other disclosures as required under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Rule 12(9) of Companies (Share Capital & Debentures) Rules, 2014 for the financial year 2016-17 are enclosed as 'Annexure-2' to this report. The ESOP Plan is in compliance with aforesaid SEBI Regulations and there is no change in ESOP Plan during financial year under review. Further applicable disclosures as on March 31, 2017 are available on the Company's website at www.maxvil.com.

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

The Company has purchased 3,38,350 (Three Lacs Thirty Eight Thousand Three Hundred Fifty) equity shares of Max Speciality Films Limited (MSF) from Pharmax Corporation Limited on April 03, 2017. Further, pursuant to approval of the Board of Directors in its meeting on February 10, 2017 and the consent of the members through postal ballot process results declared on March 29, 2017, the Company on April 06, 2017 has sold and transferred 1,39,45,659 (One Crore Thirty Nine Lacs Forty Five Thousand Six Hundred Fifty Nine) equity shares representing 35.84% of the equity shares of MSF on a fully diluted basis for Rs. 104.27 (Rupees One Hundred Four and Twenty Seven Paise Only) per equity shares to Toppan Printing Co., Ltd., Japan.

On April 06, 2017, MSF has issued and allotted 51,18,407 (Fifty One Lac Eighteen Thousand Four Hundred Seven) equity shares of face value of Rs. 10/- (Rupees Ten only) each (representing 13.16% on fully diluted basis) at a premium of Rs. 94.27/- (Rupees Ninety Four and Twenty Seven Paise Only) i.e. at an aggregate price of Rs. 104.27/- (Rupee One Hundred Four and Twenty Seven Paise Only) to Toppan Printing Co., Limited on private placement basis for an aggregate consideration of Rs. 53,36,96,297.89 (Rupees Fifty Three Crore Thirty Six Lac Ninety Six Thousand Two Hundred Ninety Seven and Eighty Nine Paise only). Your Company now holds a 51% equity stake in MSF.

Subsidiaries, Joint Venture and Associate

Consequent to the Composite Scheme of Arrangement becoming effective from April 1, 2015 being appointed date, Max Speciality Films Limited (MSF) became a subsidiary of your Company effective April 1, 2015. Further, as mentioned hereinabove, upon induction of Toppan Printing Co., Ltd. as partner in MSF, your Company holds 51% equity stake in MSF w.e.f. April 6, 2017.

Further, during the F.Y. 2016-17 your Company incorporated the following wholly owned subsidiaries till March 31, 2017:

- (i) Max Estates Limited on March 22, 2016;
- (ii) Max I. Limited on June 23, 2016; and
- (iii) Max Learning Limited on August 23, 2016.

There is no associate of the Company.

The basic details of Max Speciality Films Limited, Max Estates Limited, Max I. Limited and Max Learning 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, associates and joint ventures is attached and forms part of the financial statement of the Company.

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.

Report on Corporate Governance

The Company has complied with all the mandatory requirements of Corporate Governance specified by the Securities and Exchange Board of India through Part C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required by the said Clause, a separate Report on Corporate Governance forms part of the Annual Report of the Company.

A certificate from M/s Sanjay Grover & Associates, Practicing Company Secretaries regarding compliance with the regulations of Corporate Governance pursuant to Part E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and a certificate from the Managing Director and Chief Financial Officer on compliance of Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 form part of the Corporate Governance Report.

Management Discussion & Analysis

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a review of the performance of the Company, including those of your Company's subsidiary, is provided in the Management Discussion & Analysis section, which forms part of this Annual Report.

Directors

As on March 31, 2017, your Board of Directors comprised of nine members with one Executive Director and eight Non-Executive Directors out of which four were independent.

During the financial year under review, the following changes took place:

- Mr. N. C. Singhal retired 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.
- Mr. Sanjeev Mehra resigned from the position of Director on December 08, 2016. The Board places on record its

appreciation for the valuable contributions made by Mr. Mehra during his association with the Company.

- Ms. Lavanya Ashok appointed as an alternate Director to Mr. Sanjeev Mehra on May 10, 2016 and vacation of office of alternate Director w.e.f. December 08, 2016 simultaneous upon cessation of directorship by original director. The Board places on record its appreciation for the valuable contributions made by Ms. Lavanya Ashok during her association with the Company.
- Mrs. Sujatha Ratnam resigned from the position of Non Executive Director on November 14, 2016 and thereafter again appointed as an additional director on January 09, 2017.
- Mr. Arthur Seter Harutyun was co-opted as Additional Director of the Company on February 17, 2017. His term of office expires on the date of ensuing Annual General Meeting and is eligible to be appointed.
- Dr. Subash Bijlani resigned from the position of Independent Director on March 08, 2017. The Board places on record its appreciation for the valuable contributions made by Dr. Bijlani during his association with the Company.
- Mrs. Sujata Keshavan Guha was co-opted as Additional Director (Independent) on March 17, 2017. Her term of office expires on the date of ensuing Annual General Meeting and is eligible to be appointed.

Further, on June 28, 2017 Mrs. Sujatha Ratnam resigned from the position of Non Executive Director. The Board places on record its appreciation for the valuable contributions made by Mrs. Ratnam during her association with the Company.

The Company has received notices under Section 160 of the Companies Act, 2013 from members proposing the candidature of the Mr. Arthur Seter Harutyun and Mrs. Sujata Keshavan Guha, 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 Mrs. Sujata Keshavan Guha as Independent Director of the Company, 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, Mr. Analjit Singh and Mr. Mohit Talwar are eligible to retire by rotation in the ensuing Annual General Meeting.

The Board of Directors met 08 times during the period from April 01, 2016 till March 31, 2017 on following dates:

Sl. NO.	Date	Board Strength	No. of Directors present
1	May 10, 2016	10	08
2	August 09, 2016*	10	08
3	November 14, 2016	09	08
4	January 09, 2017	08	07
5	February 06, 2017	08	08
6	February 10, 2017	08	05
7	February 17, 2017	09	04
8	March 17, 2017	09	08

* The no. of directors present at the adjourned board meeting was 07.

The attendance of the Directors at the Board meetings held during the year 2016-17 are as below:

Name of directors	Designation	Board Meetings	
		Held during tenure	Attended
Mr. Analjit Singh	Chairman	08	06
Mr. Mohit Talwar	Vice Chairman & Director	08	06
Mr. Sahil Vachani	Managing Director and CEO	08	07
Mr. N.C Singhal	Independent Director	02	02
Mr. D.K Mittal	Independent Director	08	07
Mr. Ashok Brijmohan Kacker	Independent Director	08	08
Mr. K. Narasimha Murthy	Independent Director	08	07
Mrs. Sujatha Ratnam	Non-Executive Director	08	07
Dr. Subash K. Bijlani	Independent Director	07	03
Mr. Sanjeev Mehra	Non-Executive Director	03	Nil
Ms. Lavanya Ashok	Alternate Director to Mr. Sanjeev Mehra	03	Nil
Mr. Arthur Seter Harutyun	Non-Executive Director	02	01
Mrs. Sujata Keshavan Guha	Independent Director	01	01

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. N.C. Singhal, Mr. Kummamuri Narasimha Murthy, Mr. Dinesh Kumar Mittal, Dr. Subash Khanchand Bijlani, Mr. Ashok Brijmohan Kacker and Mrs. Sujata Keshavan Guha.

Key Managerial Personnel

In terms of provisions of Section 203 of the Act, Mr. Sahil Vachani is Managing Director and CEO, Mr. Alok Goel is Company Secretary and Mr. Nitin Kumar Kansal is Chief Financial Officer of the Company.

Committee 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:

(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 other members. Mr. Sahil Vachani, Managing Director and CEO, is a permanent invitee to the Committee 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee met 07 times during the year under review, viz., on May 10, 2016, August 09, 2016, November 14, 2016, January 09, 2017, February 06, 2017, February 10, 2017 and March 17, 2017.

(ii) Nomination & Remuneration Committee:

The Nomination and Remuneration Committee of the Board comprising of Mr. K. Narasimha Murthy as Chairman, Mr. D. K. Mittal, Mr. Ashok Brijmohan Kacker and Mr. Mohit Talwar as its other members.

The terms of reference of the Nomination & Remuneration Committee are in line with the relevant provisions of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination & Remuneration Committee met 07 times during the year under review, viz., on May 10, 2016, August 09, 2016, November 14, 2016, January 09, 2017, February 06, 2017, February 17, 2017 and March 16, 2017.

(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.

The terms of reference of the Stakeholders Relationship Committee are in line with the relevant provisions of Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholder's Relationship Committee met 03 times during the year under review, viz., on August 09, 2016, November 14, 2016 and February 04, 2017.

(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 Investment & Finance Committee met 06 times during the year under review, viz., on May 10, 2016, November 14, 2016, January 09, 2017, February 06, 2017, February 10, 2017 and February 17, 2017.

Mr. Alok Goel, Company Secretary of the Company acts as the Secretary to all of the aforesaid Committees of the Board.

The number of Board and committees meetings attended by each director held during the financial year forms part of Corporate Governance Report.

Independent Directors' Meeting

All the independent Directors had a separate meeting on August 9, 2016 during the Financial Year 2016-17. Further, all the Independent Directors excluding Mrs. Sujata Keshavan Guha (who was granted Leave of absence) met on July 20, 2017, *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; and
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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 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 Diligent Boards which is a secured electronic medium through which the Company interfaces with its Directors. The Directors were also provided an option to participate in physical mode. The outcome of this performance evaluation was placed before Nomination and Remuneration Committee, Independent Directors' Committee and the Board in their meetings for the consideration of members.

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 and till the date of this report, 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 are provided in Note 32 to the standalone financial statements attached with this Annual Report.

Contracts or Arrangements with Related Parties

All transactions entered by the Company during the financial year with related parties under the Companies Act, 2013 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 the Company and/or its key operating subsidiaries have been dealt in detail in the Management Discussion and Analysis Report (i.e. forming part of this Annual Report) and 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(12) of the Companies Act, 2013 read with Rule 5(1) and Rule 5(2) 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 for the year ended March 31, 2017 are given below:

Total Foreign Exchange earned	:	Nil
Total Foreign Exchange used	:	Rs. 16.31 Lacs

Statutory Auditors and Auditors' Report

Pursuant to provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E) were appointed as Statutory Auditors of the Company at Annual General Meeting held on September 27, 2016 to hold office till the conclusion of the 5th AGM of the Company to be held in the year 2020, subject to ratification of their appointment in every Annual General Meeting held during their tenure.

The Company has received letter from M/s S.R. Batliboi & Co., LLP, Chartered Accountants, to the effect that their ratification 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 ratification of their appointment. Accordingly, the Board recommends ratification of M/s. S.R. Batliboi & Co., LLP, as Statutory Auditors of the Company for the financial year 2017-18.

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

Secretarial Auditors and Secretarial Audit Report

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 year ended 2016-17.

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, 2017 and of the profit of the Company for year 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 with the Regulation 39 read with Schedule VI of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Registrar and Transfer Agent of the Company have sent three reminder to the shareholders vide its letter dated July 16, 2016, September 15, 2016 and October 29, 2016 holding shares in physical form which remained undelivered/ unclaimed. There are 2,317 such shareholders holding 1,17,159 (One Lac Seventeen Thousand One Hundred Fifty Nine) equity shares.

The Company has transferred the aforesaid unclaimed shares in the Demat Account named as "Max Ventures and Industries Limited – Unclaimed Suspense Account" on July 18, 2017 and will release the shares to the shareholders upon claim made by them in accordance with the procedure as laid down in the aforesaid Regulation.

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

Analjit Singh
Chairman
DIN: 00029641

July 21, 2017
New Delhi

FORM MGT-9**Extract of Annual Return as on the financial year ended on March 31, 2017**

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

I. REGISTRATION AND OTHER DETAILS

- i) CIN : L85100PB2015PLC039204
- ii) Registration Date : January 20, 2015
- iii) Name of the Company : MAX VENTURES AND INDUSTRIES LIMITED
(Formerly known as Capricorn Ventures Ltd.)
- iv) Category / Sub-Category of the Company : Public Company Limited by Shares / Indian Non-Government Company
- v) Address of the Registered office and contact details : 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab
- vi) Whether listed company : The Company is listed on BSE and NSE w.e.f. June 22, 2016
- vii) Name, Address and Contact details of Registrar and 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. The Business Activities of the Company namely Management Consultancy (NIC Code: 70200) and Investing in Subsidiaries (NIC Code: 64200), respectively constitutes 90.05% and 09.95% of total turnover of the Company.

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.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Your Company does not have holding and associate companies during the year under review.

As on March 31, 2017, 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)
3	Max I. Limited 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U74999PB2016PLC045450	Subsidiary	100%	2(87)(ii)
4	Max Learning Limited 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U74999PB2016PLC045648	Subsidiary	100%	2(87)(ii)

IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)

i) Category-wise shareholding

Sl. No.	Category of Shareholders	No. of Shares held on April 1, 2016				No. of Shares held on March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
a)	Individual/HUF	1,257,523	-	1,257,523	2.35	1,257,523	-	1,257,523	1.82	(0.53)
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	20,317,028	-	20,317,028	38.05	22,969,092	-	22,969,092	33.30	(4.75)
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	21,574,551	-	21,574,551	40.40	24,226,615	-	24,226,615	35.12	(5.28)
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)]	21,574,551	-	21,574,551	40.40	24,226,615	-	24,226,615	35.12	(5.28)
B.	Public Shareholding									
1	Institutions									
a)	Mutual Funds	7,060,637	1,113	7,061,750	13.23	1,546,157	1,113	1,547,270	2.24	(10.99)
b)	Banks / FI	896	2,905	3,801	0.01	165,831	2,890	168,721	0.24	0.23
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	9,150	9,150	0.02	-	9,150	9,150	0.01	(0.01)
g)	Foreign Portfolio Investors	458,527	-	458,527	0.86	2,637,029	-	2,637,029	3.82	2.96
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i)	Any other (FDI)	6,468,149	-	6,468,149	12.11	15,523,870	-	15,523,870	22.51	10.4
j)	Any other (Foreign Institutional Investor)	12,721,459	11	12,721,470	23.82	210,937	-	210,937	0.31	(23.51)
	Sub-total (B)(1)	26,709,668	13,179	26,722,847	50.05	20,083,813	13,164	20,096,977	29.13	(20.92)
2	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	837,372	19,394	856,766	1.60	3,287,696	14,816	3,302,512	4.79	3.19
ii)	Overseas	290,360	-	290,360	0.54	-	-	-	-	(0.54)
b)	Individuals									
i)	holding shares upto Rs.2 lakh	2,652,582	467,532	3,120,114	5.85	11,370,195	420,534	11,790,729	17.09	11.24

Sl. No.	Category of Shareholders	No. of Shares held on April 1, 2016				No. of Shares held on March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	ii) holding shares above Rs.2 lakh	476,909	-	476,909	0.89	7,447,717	-	7,447,717	10.80	9.91
c)	NBFCs Registered with RBI	86,653	-	86,653	0.16	26,500	-	26,500	0.04	(0.12)
d)	Employees Trusts	-	-	-	-	-	-	-	-	-
e)	Any Others									
	Non-Resident Indians	139,714	14,564	154,278	0.29	1,465,858	6,799	1,472,657	2.13	1.84
	Clearing Members	45,961	200	46,161	0.09	593,653	-	593,653	0.86	0.77
	Trusts	12,601	4,439	17,040	0.03	1,031	-	1,031	0.001	(0.029)
	Directors and Relatives	47,971	3,150	51,121	0.10	18,487	1,000	19,487	0.03	(0.07)
	Sub-total (B)(2)	4,590,123	509,279	5,099,402	9.55	24,211,137	443,149	24,654,286	35.741	26.191
	Total Public Shareholding [(B)=(B)(1)+(B)(2)]	31,299,791	522,458	31,822,249	59.60	44,294,950	456,313	44,751,263	64.88	5.28
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	52,874,342	522,458	53,396,800	100.00	68,521,565	456,313	68,977,878	100.00	

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged / encumbered to total shares	
1	Analjit Singh	1,175,357	2.20	-	1,175,357	1.70	-	(0.5)
2	Neelu Analjit Singh	20,000	0.04	-	20,000	0.03	-	(0.01)
3	Piya Singh	22,066	0.04	-	22,066	0.03	-	(0.01)
4	Veer Singh	20,100	0.04	-	20,100	0.03	-	(0.01)
5	Tara Singh Vachani	20,000	0.04	-	20,000	0.03	-	(0.01)
6	Maxopp Investments Ltd *	3,768,983	7.06	-	-	-	-	(7.06)
7	Medicare Investments Ltd *	2,393,667	4.48	-	-	-	-	(4.48)
8	Cheminvest Ltd *	1,994,213	3.73	-	-	-	-	(3.73)
9	Pen Investments Ltd *	376,222	0.70	-	-	-	-	(0.70)
10	Pivet Finances Ltd *	351,674	0.66	-	-	-	-	(0.66)
11	PVT Investment Ltd *	309,508	0.58	-	-	-	-	(0.58)
12	Maxpak Investment Ltd *	111,640	0.21	-	-	-	-	(0.21)
13	Max Ventures Investment Holdings Private Limited	3,509,233	6.57	-	13,105,500	19.00	-	12.43
14	Mohair Investment & Trading Co Pvt Ltd	1,617,312	3.03	-	1,617,312	2.34	-	(0.69)
15	Boom Investments Pvt Ltd	1,120,802	2.10	-	1,120,802	1.62	-	(0.48)
16	Liquid Investment and Trading Company Pvt Ltd	4,763,774	8.92	-	4,763,774	6.91	-	(2.01)
17	Siva Enterprises Pvt Ltd	-	-	-	2,361,704	3.42	-	3.42
	TOTAL	21,574,551	40.40	-	24,226,615	35.12	-	(5.28)

*In terms of Order of the Hon'ble High Court of Delhi dated September 2, 2016, sanctioning the Composite Scheme of Reduction of Capital and Amalgamation ("Scheme"), (i) Medicare Investments Limited, (ii) Maxopp Investments Limited, (iii) Cheminvest Limited, (iv) Pen Investments Limited, (v) P.V.T Investment Limited, (vi) Pivet Finances Limited, (vii) Maxpak Investment Limited and (viii) Moav Investment Limited ("Transferor Companies") amalgamated into and with Max Ventures Investment Holdings Private Limited ("Transferee Company") w.e.f. September 30, 2016. Accordingly, the shares of Max Ventures and Industries Limited, held by the Transferor Companies were transferred to the Transferee Company in accordance with the Scheme.

(iii) Change in Promoters' Shareholding

S. No.	Name of the Director / Key Managerial Personnel	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	Analjit Singh				
	At the beginning of the year	1,175,357	2.20		
	Date wise increase / decrease	-	-	1,175,357	1.70
	At the end of year	1,175,357	1.70		
2	Neelu Analjit Singh				
	At the beginning of the year	20,000	0.04		
	Date wise increase / decrease	-	-	20,000	0.03
	At the end of year	20,000	0.03		
3	Piya Singh				
	At the beginning of the year	22,066	0.04		
	Date wise increase / decrease	-	-	22,066	0.03
	At the end of year	22,066	0.03		
4	Veer Singh				
	At the beginning of the year	20,100	0.04		
	Date wise increase / decrease	-	-	20,100	0.03
	At the end of year	20,100	0.03		
5	Tara Singh Vachani				
	At the beginning of the year	20,000	0.04		
	Date wise increase / decrease	-	-	20,000	0.03
	At the end of year	20,000	0.03		
6.	Maxopp Investments Ltd				
	At the beginning of the year	3,768,983	7.06		
	Date wise increase / decrease				
	- Transfer of shares to MVIHPL *	(3,768,983)	(7.06)	0	0.00
	At the end of year	0	0.00		
7.	Medicare Investments Ltd				
	At the beginning of the year	2,393,667	4.48		
	Date wise increase / decrease				
	- Transfer of shares to MVIHPL *	(2,393,667)	(4.48)	0	0.00
	At the end of year	0	0.00		
8.	Cheminvest Ltd *				
	At the beginning of the year	1,994,213	3.73		
	Date wise increase / decrease				
	- Transfer of shares to MVIHPL *	(1,994,213)	(3.73)	0	0.00
	At the end of year	0	0.00		
9.	Pen Investments Ltd				
	At the beginning of the year	376,222	0.70		
	Date wise increase / decrease				
	- Transfer of shares to MVIHPL *	(376,222)	(0.70)	0	0.00
	At the end of year	0	0.00		
10.	Pivet Finances Ltd				
	At the beginning of the year	351,674	0.66		
	Date wise increase / decrease				
	- Transfer of shares to MVIHPL *	(351,674)	(0.66)	0	0.00
	At the end of year	0	0.00		
11.	PVT Investment Ltd				

S. No.	Name of the Director / Key Managerial Personnel	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
	At the beginning of the year	309,508	0.58		
	Date wise increase / decrease				
	- Transfer of shares to MVIHPL *	(309,508)	(0.58)	0	0.00
	At the end of year	0	0.00		
12.	Maxpak Investment Ltd				
	At the beginning of the year	111,640	0.21		
	Date wise increase / decrease				
	- Transfer of shares to MVIHPL *	(111,640)	(0.21)	0	0.00
	At the end of year	0	0.00		
13.	Max Ventures Investment Holdings Private Limited				
	At the beginning of the year	3,509,233	6.57		
	Date wise increase / decrease				
	- Purchase of shares on December 01, 2016 [@]	290,360	0.54	3,799,593	7.12
	- Purchase of shares pursuant to scheme*	9,305,907	17.43	13,105,500	24.54
	At the end of year	13,105,500	19.00		
14.	Mohair Investment & Trading Co Pvt Ltd				
	At the beginning of the year	1,617,312	3.03		
	Date wise increase / decrease	-	-	1,617,312	2.34
	At the end of year	1,617,312	2.34		
15.	Boom Investments Pvt Ltd				
	At the beginning of the year	1,120,802	2.10		
	Date wise increase / decrease	-	-	1,120,802	1.62
	At the end of year	1,120,802	1.62		
16.	Liquid Investment and Trading Company Pvt Ltd				
	At the beginning of the year	4,763,774	8.92		
	Date wise increase / decrease	-	-	4,763,774	6.91
	At the end of year	4,763,774	6.91		
17.	Siva Enterprises Private Limited				
	At the beginning of the year	-	-		
	Date wise increase / decrease				
	- October 21, 2016 [@]	573	0.01		
	- November 30, 2016 [@]	1,920,668	3.59	1,921,241	3.60
	- December 02, 2016 ^{**}	3,00,000	0.56	2,221,241	4.15
	- Purchase of shares on March 27, 2017 [@]	112,463	0.16	2,333,704	3.38
	- Purchase of shares on March 29, 2017 [@]	28,000	0.04	2,361,704	3.42
	At the end of year	2,361,704	3.42		

*In terms of Order of the Hon'ble High Court of Delhi dated September 2, 2016, sanctioning the Composite Scheme of Reduction of Capital and Amalgamation ("Scheme"), (i) Medicare Investments Limited, (ii) Maxopp Investments Limited, (iii) Cheminvest Limited, (iv) Pen Investments Limited, (v) P.V.T Investment Limited, (vi) Pivot Finances Limited, (vii) Maxpak Investment Limited and (viii) Moav Investment Limited ("Transferor Companies") amalgamated into and with Max Ventures Investment Holdings Private Limited ("Transferee Company") w.e.f. September 30, 2016. Accordingly, the shares of Max Ventures and Industries Limited, held by the Transferor Companies were transferred to the Transferee Company in accordance with the Scheme.

** Acquired through Open Offer.

@ Purchase of shares from open market.

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

Sl. No.	Name of the 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.	New York Life International Holdings Limited, Mauritius • At the beginning of the year • Preferential allotment • At the end of the year	01-04-2016	-	-	Preferential Allotment	1,55,23,870	22.5
		17-02-2017	1,55,23,870	22.5			
		31-03-2017	1,55,23,870	22.5			
2.	Reliance Capital Trustee Co. Ltd A/C Reliance Small Cap Funds • At the beginning of the year • Purchase • At the end of the year	01-04-2016	-	-	Market Purchase	12,45,583	1.81
		24-06-2016	12,45,583	2.33			
		31-03-2017	12,45,583	1.81			
3.	New York Life Insurance Company • At the beginning of the year • Purchase • At the end of the year	01-04-2016	-	-	Market Purchase	10,30,821	1.49
		24-06-2016	10,30,821	1.93			
		31-03-2017	10,30,821	1.49			
4.	SI Investments And Broking Private Limited • At the beginning of the year • Purchase • At the end of the year	01-04-2016	-	-	Market Purchase	9,16,029	1.33
		17-02-2017	9,16,029	1.33			
		31-03-2017	9,16,029	1.33			
5.	Morgan Stanley Asia (Singapore) Pte. • At the beginning of the year • Purchase • Market Purchase • Market Purchase • Market Sale • At the end of the year	01-04-2016	-	-	Market Purchase Market Purchase Market Sale	4,14,998	0.78
		24-06-2016	228,319	0.43			
		30-06-2016	186,679	0.35			
		08-07-2016	286,157	0.54			
		14-10-2016	(12,005)	(0.02)			
		31-03-2017	6,89,150	0.99			
6.	Mauryan First • At the beginning of the year • Purchase • At the end of the year	01-04-2016	-	-	Market Purchase	4,82,100	0.69
		16-09-2016	417,500	0.78			
		31-03-2017	4,82,100	0.69			
7.	Bhadra Jayantilal Shah • At the beginning of the year • Purchase • Market Purchase • At the end of the year	01-04-2016	-	-	Market Purchase	4,00,000	0.75
		31-12-2016	300,000	0.56			
		13.01.2017	100,000	0.19			
		31-03-2017	4,00,000	0.58			
8.	Chetan Jayantilal Shah • At the beginning of the year • Purchase • Market Purchase • Market Purchase • At the end of the year	01-04-2016	-	-	Market Purchase Market Purchase	3,00,000	0.56
		13-01-2017	250,000	0.47			
		27-01-2017	50,000	0.09			
		17-02-2017	100,000	0.14			
		31-03-2017	4,00,000	0.58			
9.	Morgan Stanley Mauritius Company Limited • At the beginning of the year • Purchase • At the end of the year	01-04-2016	-	-	Market Purchase	3,07,000	0.45
		31-12-2016	3,07,000	0.57			
		31-03-2017	3,07,000	0.45			
10.	Universal Golden Fund • At the beginning of the year • Purchase • At the end of the year	01-04-2016	-	-	Market Purchase	2,75,000	0.40
		10-02-2017	2,75,000	0.51			
		31-03-2017	2,75,000	0.40			

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Director / Key Managerial Personnel	Shareholding		Cumulative shareholding 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	1,175,357	2.20		
	Date wise increase / decrease	-	-	1,175,357	1.70
2.	Mr. Mohit Talwar				
	At the beginning of the year	28,021	0.05		
	Date wise increase / decrease				
	- December 13, 2016*	7066	0.01	35087	0.07
	- March 29, 2017**	(28000)	(0.04)	7087	0.01
3.	Mr. N C Singhal #				
	At the beginning of the year	10,700	0.02		
	Date wise increase / decrease	Nil	Nil	10,700	0.001
4.	Mr. K. Narasimha Murthy				
	At the beginning of the year	1,000	0.002		
	Date wise increase / decrease	-	-	1,000	0.002
5.	Dr. Subash K. Bijlani ##				
	At the beginning of the year	4,400	0.01		
	Date wise increase / decrease	-	-	4,400	0.006
6.	Mrs. Sujatha Ratnam				
	At the beginning of the year	7,000	0.01		
	Date wise increase / decrease	-	-	7,000	0.001
	At the end of year	7,000	0.001		

Mr. N.C. Singhal resigned from the Board of the Company w.e.f. August 10, 2016.

Dr. Subash K. Bijlani resigned from the Board of the Company w.e.f. March 08, 2017.

* Allotment of equity shares under ESOP

** Sale of shares in Open Market.

Note :

1. No other Director and KMP holds any share in the Company as on March 31, 2017.

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

(Rs. in Lacs)

	Secured Loans excluding deposits			Unsecured Loans	Deposits#	Total Indebtedness
	Term loan	Cash Credit	Car Loan			
Indebtedness at the beginning of the financial year						
i) Principal Amount	-	-	-	-	-	-
ii) Interest due but not paid	-	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-	-
Total (i+ii+iii)	-	-	-	-	-	-
Change in Indebtedness during the financial year						
Addition	-	-	10.01	9,600.00	7.97	9,617.98
Reduction	-	-	1.23	4,000.00	-	4,001.23
Net Change	-	-	8.78	5,600.00	7.97	5,616.75
Indebtedness at the end of the financial year						
i) Principal Amount	-	-	8.78	5,600.00	7.97	5,616.75
ii) Interest due but not paid	-	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-	-
Total (i + ii + iii)	-	-	8.78	5,600.00	7.97	5,616.75

Deposits means amount received from employees against vehicle as per Company Car lease policy

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of Managing Director & CEO
		Mr. Sahil Vachani
1.	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	2,23,76,446
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	39,600
	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	
	- Company contribution to PF	5,52,000
	- Medical reimbursements	15,000
	- Insurance Premium	14,002
	Total (A)	2,29,97,048
	Ceiling as per the Act	2,40,00,000

Note:

- Mr. Sahil Vachani 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
		Mr. N. C. Singhal	Mr. K. N. Murthy	Mr. D. K. Mittal	Mr. S. K. Bijlani	Mr. Ashok Kacker	Mrs. Sujata Keshavan	
1.	Independent Directors							
	a) Fee for attending Board/ Committee meetings	4,00,000	19,00,000	24,00,000	3,00,000	26,00,000	1,00,000	77,00,000
	b) Commission	-	-	-	-	-	-	-
	c) Others	-	-	-	-	-	-	-
	TOTAL (1)	4,00,000	19,00,000	24,00,000	3,00,000	26,00,000	1,00,000	77,00,000
2.	Other Non-Executive Directors	Mr. Analjit Singh	Ms. S. Ratnam	Mr. S. K. Mehra	Mr. Mohit Talwar	Mr. Arthur H. Seter		
	a) Fee for attending Board/ Committee meetings	6,00,000	7,00,000	-	25,00,000			38,00,000
	b) Commission	-	-	-	-			-
	c) Others	-	-	-	-			-
	TOTAL (2)	6,00,000	7,00,000	-	25,00,000			38,00,000
	TOTAL B = (1+2)							1,15,00,000
	TOTAL MANAGERIAL REMUNERATION (A+B)							3,44,97,048
	Overall ceiling as per the Act							2,40,00,000

Notes:

- The sitting fee excludes service tax, cess paid/payable on such fee.
- 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)	Mr. Nitin Kumar Kansal [^] (Chief Financial Officer)
1.	Gross Salary		
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	55,77,714	35,77,442
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	28,800	18,542
	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		
	- Company contribution to PF	3,50,363	2,43,808
	- Medical reimbursements	15,000	9,658
	- Insurance Premium	24,084	26,079
	Total	59,95,961	38,75,528

[^] Appointed as Chief Financial Officer of the Company w.e.f. August 09, 2016.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NONE

Disclosure under Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and Rule 12(9) of Companies (Share Capital & Debentures) Rules, 2014 for the financial year 2016-17

A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time

Please refer to Note no. 28 of Standalone Financial Statements for the year ended March 31, 2017.

B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time

(1.13)

C. Summary of status of ESOS granted:

i. The description of Max Ventures and Industries Limited - Employee Stock Plan 2016 is summarised as under:

S. No.	Particulars	Details
1	Date of shareholders' approval	September 27, 2016
2	Total number of options approved under ESOS	26,69,840
3	Vesting requirements	Vesting may be time based or performance based as determined by the Nomination and Remuneration Committee, from time to time.
4	Exercise price or pricing formula	As determined by the Nomination and Remuneration Committee, from time to time.
5	Maximum term of options granted	As determined by the Nomination and Remuneration Committee, subject to the Compliance of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
6	Source of shares (primary, secondary or combination)	Primary
7	Variation in terms of options	Nil

ii. Method used to account for ESOS

Not applicable. In the Current year, the Company has not granted any Employee Stock option.

iii. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed

Not applicable. In the Current year, the Company has not granted any Employee Stock option.

iv. Option movement during the year

Number of options outstanding at the beginning of the period	500,711*
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	57,208
Number of options exercised during the year	57,208
Number of shares arising as a result of exercise of options	57,208
Money realized by exercise of options (INR), if scheme is implemented directly by the company	572,080
Loan repaid by the Trust during the year from exercise price received	Not Applicable. The ESOP Plan is not administered by a trust.
Number of options outstanding at the end of the year	443,503

* arising from the Composite Scheme of Arrangement involving Max Financial Services Limited (formerly Max India Limited) (MFSL), Max India Limited (formerly Taurus Ventures Limited) (the 'Company') and Max Ventures and Industries Limited (formerly Capricorn Ventures Limited) approved by Hon'ble High Court of Punjab and Haryana on December 14, 2015.

vi. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock

Weighted average exercise price and weighted average fair value of options during FY 16-17 was Rs. 10/- and Rs. 86/- respectively.

vii. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to-

a) Senior Managerial Personnel

Nil

b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and

Nil

c) identified employees who were granted option during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Nil

viii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

The weighted-average values of share price	Not applicable*
Exercise price	Not applicable*
Expected volatility	Not applicable*
Expected option life	Not applicable*
Expected dividends	Not applicable*
Risk-free interest rate	Not applicable*
Any other inputs to the mode	Not applicable*
The method used and the assumptions made to incorporate the effects of expected early exercise	Not applicable*
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Not applicable*
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	Not applicable*

*In the Current year, the Company has not granted any Employee Stock options

Max Ventures and Industries Limited - Appointment Criteria, Qualification & Remuneration Policy**APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE COMPANIES ACT, 2013 ("THE ACT")****Preamble**

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

Appointment Criteria and Qualification

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

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

Remuneration Policy

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

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-term performance 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 /Wholetime 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.

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

(a) Ratio of remuneration of each Director to the median remuneration of all employees of the Company for the financial year:

Director	Ratio to median remuneration
Mr. Sahil Vachani, Managing Director & CEO	4.11

(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:

Name of Person	% Increase in remuneration
Mr. Sahil Vachani, Managing Director & CEO	10.0%
Mr. Alok Goel, Company Secretary	10.5%
Mr. Nitin Kumar Kansal, Chief Financial Officer	10.5%

(c) The percentage increase in the median remuneration of employees in the financial year:

10.5%

(d) The number of permanent employees on the rolls of the Company:

As on March 31, 2017: 8 (eight)

(e) Average percentile increase already made in the salaries in the 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

Average percentile increase in managerial remuneration was 10% (on the fixed pay). Further, as the Company was not having any employees other than the managerial personnel the average percentile increase in salaries for such employees is not applicable. There were no exceptional circumstances for increase in the managerial remuneration

(f) The Company confirms that remuneration paid during the year 2016-17, is as per the Remuneration Policy of the Company.

During Financial Year 2016-17, the Company did not have any employee who received remuneration in excess of Director(s) and held 2% or more the equity shares in the Company along with spouse and/or dependent children.

STATEMENT OF PARTICULARS OF EMPLOYEES PURSUANT TO PROVISIONS OF SECTION 197(12) OF THE COMPANIES ACT 2013 READ WITH RULE 5(2) OF THE 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/-:

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	Sahil Vachani	Managing Director and CEO	34	22,997,048*	B.Sc. (Management Sciences)	15	15-Jan-16	Siva Reality Ventures Pvt. Ltd.

* Includes payout towards Variable Pay and Long-Term Incentive Plan for Financial Year 2016-17 approved by Nomination and Remuneration Committee in its meeting held on May 25, 2017.

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 : Nil

C. Other employees :

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	Akshay Kumar Bhardwaj	Executive Assistant cum Business Manager	33	1,372,747	Masters in International Finance ; B.E.	11	18-Jul-16	EFS Facilities Services India Pvt. Ltd.

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
2.	Alok Goel	Assistant Vice President - Legal & Secretarial	45	5,996,063	LLB, CS, B.Sc, ICWAI (Intermediate), Diploma in Systems Management	19	15-Jan-16	Max India Ltd.
3.	Atul Pandey*	Head - Human Capital	50	3,170,134	PG diploma in Labour Laws & Personnel Management; MA (Social Work)	21	2-Jan-16	Max Speciality Films Ltd.
4.	Dinker Vashisht	General Manager	37	2,338,504	Post Graduate Programme in Management from ISB; General Manager Leadership Program from Columbia University	15	6-Jan-16	Max India Ltd.
5.	Indu Anand**	Head - External Affairs	50	3,784,721	Masters in Computer Application	16	15-Jan-16	Max Financial Services Ltd.
6	Nitin Kumar Kansal#	Chief Financial Officer	41	5,190,966	Chartered Accountant	16	15-Jan-16	Max India Ltd.
7.	Rohit Malhotra	Manager - Finance & Account	32	1,683,254	B. Com (Hons); Chartered Accountant	9	24-Jun-16	DCM Shri Ram Ltd.
8.	Rohit Rajput	Head - Human Capital & Business Strategy	39	2,961,385	B.E (Mechanical); Post Graduate Programme in Management from MDI	16	13-Oct-16	Hay Group
9.	Shruti Batish	Senior Manager - Legal	33	2,433,849	LL.B; Masters in Business Law	8	4-Jan-16	Siva Reality Venture Pvt. Ltd.

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. 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.
3. All appointments are contractual on rolls of the company and in accordance with the terms and conditions as per Company Rules / Policies.
4. * Ceased be an employee w.e.f. September 30, 2016.
5. ** Ceased be an employee w.e.f. September 15, 2016.
6. #Appointed/designated as Chief Financial Officer w.e.f August 09, 2016.
7. During FY 2016-17 no employee was in receipt of remuneration in excess of the Managing Director and CEO of the Company and held himself/herself or alongwith his/her spouse and dependent children 2% or more of the equity share of the Company.

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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: L85100PB2015PLCO39204)
419, Bhai Mohan Singh Nagar, Village Railmajra,
Tehsil Balachaur, Nawan Shehar
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, regulations and standards 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, minutes 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,

2017 ("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, 2017 according to the provisions of:-

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) 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);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
 - (e) *The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

- (g) *The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (h) *The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; and
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

*No event took place under these regulations during the audit period.

We have also examined compliance with the applicable clauses of the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, 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.

- (vi) The Company is holding Company of Max Speciality Films Limited, Max Estates Limited, Max I. Limited and Max Learning 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; real estate activities; facilitating Intellectual and Financial Capital to promising and proven early-stage organizations across identified sunrise sectors and education sector. 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, standards and guidelines.

We further report that during the audit period-

- 1) pursuant to provisions of Sections 42, 62 of the Companies Act, 2013 including rules made thereunder and any other applicable laws, Members of the Company at the Extra-Ordinary General Meeting held on February 07, 2017 accorded their approval to the Board of Directors of the Company-
 - a) to create, issue, offer and allot, on a preferential basis, 1,55,23,870 (One Crore Fifty Five Lacs Twenty Three Thousand Eight Hundred and Seventy) equity shares of face value of Rs.10/- (Rupees Ten Only) each (the "Equity Shares"), at a price of Rs. 78/- (Rupees Seventy Eight only) each aggregating up to Rs. 121,08,61,860 (Rupees One Hundred Twenty One Crores Eight Lacs Sixty One Thousand Eight Hundred and Sixty only), including premium, or such higher price as may be arrived at in accordance with the SEBI (ICDR) Regulations, 2009, to New York Life International Holdings Ltd. having its principal place of business at IFS Court, Bank Street, Twenty eight, Cybercity Ebene 72201, Mauritius.
 - b) to create, issue, offer and allot, from time to time in one or more tranches, 34,48,894 (Thirty Four Lacs Forty Eight Thousand Eight Hundred and Ninety Four) warrants ("Warrants") on a preferential basis to Siva Enterprises Private Limited ("Warrant Holder"), being a company forming part of the Promoter Group of the Company, with a right to them to apply for and get allotted one equity share of face value of Rs.10/- (Rupees Ten Only) each (the "Equity Shares") for each Warrant, within a period of 18 months from the date of allotment of Warrants, at a price (including the warrant subscription price and the warrant exercise price) of Rs. 78/- each (Rupees Seventy Eight Only) aggregating to Rs. 26,90,13,732 (Rupees Twenty Six Crores Ninety Lacs Thirteen Thousand Seven Hundred and Thirty Two only), or such higher price as may be arrived at in accordance with the

SEBI (ICDR) Regulations, 2009.

- 2) pursuant to the resolution(s) passed by members in the Extra-Ordinary General Meeting held on February 07, 2017 for the preferential issue of equity shares and warrants, the Board of Directors of the Company in their board meeting held on February 17, 2017 -
 - a) allotted 1,55,23,870 (One Crore Fifty Five Lacs Twenty Three Thousand Eight Hundred and Seventy) equity shares of face value of Rs. 10/- (Rupees Ten Only) each (the "Equity Shares"), at a price of Rs. 78/- (Rupees Seventy Eight only) each to New York Life International Holdings Ltd.;
 - b) allotted 34,48,894 (Thirty Four Lacs Forty Eight Thousand Eight Hundred and Ninety Four) warrants ("Warrants") on a preferential basis to Siva Enterprises Private Limited at price (including the warrant subscription price and the warrant exercise price) of Rs. 78/- each (Rupees Seventy Eight Only).
- 3) pursuant to provisions of Sections 180(1)(a) of the Companies Act, 2013 including rules made thereunder and any other applicable laws, Members of the

Company via postal ballot (result declared on March 29, 2017) accorded its approval to the Board of Directors of the Company for sale / disposal / alienation of approximately 35.93% (however not exceeding 37%) of the post issue paid up share capital of Max Specialty Films Limited ("MSF") on fully diluted basis, a material unlisted subsidiary of the Company, to Toppan Printing Co., Ltd. having its principal place of business at 1-5-1, Taito, Taito- Ku, Tokyo- 110-8560 Japan, where such equity shares proposed to be sold by the Company, together with the Equity Shares proposed to be issued by MSF to Toppan will constitute 49% of the paid up equity share capital of MSF.

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

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

New Delhi
July 19, 2017

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of Max Ventures and Industries Limited

Report on the Financial Statements

We have audited the accompanying standalone financial statements of Max Ventures and Industries Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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 standalone 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 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 standalone 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 standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, its loss, and its cash flows for the year ended on that date.

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 standalone financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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.
- iv. The Company has provided requisite disclosures in Note 26 to these standalone financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period

from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

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

per Atul Seksaria
Partner
Membership Number: 086370

Place of Signature: Gurgaon
Date: 25 May, 2017

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 year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company 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 within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the 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.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales tax, and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to duty of excise, employees' state insurance, duty of custom, cess are not applicable to the Company.
- (c) 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 loans or borrowing dues in respect of a financial institution or to Government or dues to debenture holders during the year, and has not defaulted in repayment of loans or borrowings to banks.
- (ix) 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 year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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) 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 by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment of equity shares and share warrants during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised though idle or surplus funds which were not required for immediate utilization have been gainfully invested in mutual funds. The maximum of the idle/surplus funds invested during the year was Rs 12,781.15 lacs of which Rs 12,036.15 lacs was outstanding at the end of the year.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (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 Atul Seksaria
Partner
Membership Number: 086370

Place of Signature: Gurgaon
Date: 25 May, 2017

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

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

We have audited the internal financial controls over financial reporting of Max Ventures and Industries Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Atul Seksaria
Partner
Membership Number: 086370

Place of Signature: Gurgaon
Date: 25 May, 2017

BALANCE SHEET AS AT MARCH 31, 2017

(Rs. in Lacs)

	Notes	As at March 31, 2017	As at March 31, 2016
A. Equity and liabilities			
1 Shareholders' funds			
(a) Share capital	4	6,897.79	5,339.68
(b) Reserves and surplus	5	23,292.12	13,354.52
(c) Money received against share warrants (Refer note 29)		672.53	-
		30,862.44	18,694.20
2 Non-current liabilities			
(a) Long-term borrowings	8	5.63	-
(b) Other long-term liabilities	11	10.26	-
(c) Long-term provisions	7	11.82	2.96
		27.71	2.96
3 Current liabilities			
(a) Short-term borrowings	9	5,600.00	-
(b) Trade payables	10		
i. Total outstanding dues of micro enterprises and small enterprises		-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		262.87	229.09
(c) Other current liabilities	11	77.65	32.59
(d) Short-term provisions	7	27.27	8.58
		5,967.79	270.26
TOTAL		36,857.94	18,967.42
B. Assets			
1 Non-current assets			
(a) Property, Plant and Equipment			
(i) Tangible assets	12	39.12	14.41
(ii) Intangible assets	12	4.09	-
(b) Non-current investments	13	22,869.95	16,704.95
(c) Deferred tax assets (Net)	6	-	2.43
(d) Loans and advances	14	1,019.81	550.06
(e) Other non - current assets	17	0.25	101.38
		23,933.22	17,373.23
2 Current assets			
(a) Current investments	13	12,199.30	-
(b) Trade receivables	15	177.55	328.28
(c) Cash and bank balances	16	51.33	1,126.37
(d) Loans and advances	14	252.50	92.25
(e) Other current assets	17	244.04	47.29
		12,924.72	1,594.19
TOTAL		36,857.94	18,967.42
Summary of significant accounting policies	3		

The accompanying notes are an 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

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

per Atul Seksaria
Partner
Membership Number: 086370

Sahil Vachani
(Managing Director & CEO)
(DIN 00761695)

Ashok Brijmohan Kacker
(Director)
(DIN 01647408)

Place : Gurgaon
Date : 25th May 2017

Nitin Kumar Kansal
(Chief Financial Officer)
Place : New Delhi
Date : 25th May 2017

Alok Goel
(Company Secretary)

STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

(Rs In Lacs)

	Notes	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Income			
Revenue from operations	18	1,200.84	980.43
Total income (I)		1,200.84	980.43
Expenses			
Employee benefits expense	19	620.14	192.61
Other expenses	20	989.75	459.05
Depreciation & amortisation	12	5.22	7.34
Finance cost	21	208.61	-
Total expenses (II)		1,823.72	659.00
(Loss)/ Profit before tax (I - II)		(622.88)	321.43
Tax expense			
(a) Current tax		-	36.14
(b) Deferred tax		2.43	(2.43)
Total tax expense		2.43	33.71
(Loss)/ Profit for the year/period		(625.31)	287.72
Earnings per equity share	22		
[Nominal value of shares Rs.10]			
Basic (Rs.)		(1.13)	0.54
Diluted (Rs.)		(1.13)	0.53
Summary of significant accounting policies	3		

The accompanying notes are an 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 Atul Seksaria

Partner

Membership Number: 086370

Place : Gurgaon

Date : 25th May 2017**For and on behalf of the Board of Directors of Max Ventures and Industries Limited****Sahil Vachani**

(Managing Director & CEO)

(DIN 00761695)

Nitin Kumar Kansal

(Chief Financial Officer)

Place : New Delhi

Date : 25th May 2017**Ashok Brijmohan Kacker**

(Director)

(DIN 01647408)

Alok Goel

(Company Secretary)

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

(Rs In Lacs)

	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Cash flow from operating activities		
Net (Loss)/ Profit before tax	(622.88)	321.43
Non cash adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation / amortisation	5.22	7.34
Interest income	(105.78)	(126.84)
Interest expense	208.61	-
Profit on sale of current investments	(13.67)	(24.99)
Dividend income	-	(334.50)
Operating profit before working capital changes	(528.50)	(157.56)
Movement in working capital :		
Increase in trade payables	40.22	230.65
Increase in long term liabilities	10.26	-
Increase in other current liabilities	41.90	28.47
Increase in long-term provisions	8.86	2.30
Increase in short-term provisions	18.69	5.71
Decrease/(Increase) in trade receivables	150.73	(328.28)
Decrease in long-term loans and advances	(469.75)	-
(Increase)/Decrease in short-term loans and advances	(42.89)	26.84
Increase in other current assets	(21.96)	(47.29)
Cash used in operations	(792.44)	(239.16)
Direct taxes paid (net of refunds)	(117.36)	(57.31)
Net cash flow used in operating activities (A)	(909.80)	(296.47)
Cash flow from investing activities		
Purchase of property, plant and equipment including intangible assets, CWIP and capital advances	(34.02)	(14.58)
Proceeds from sale of property, plant and equipment	-	47.29
Purchase of investment in subsidiaries	(6,165.00)	-
Purchase of current investments	(14,261.13)	(1,046.39)
Proceeds from sale/maturity of current investments	2,075.50	1,071.37
Dividend received	-	334.50
Interest received	32.37	25.45
Net cash flow (used in)/flow from investing activities (B)	(18,352.28)	417.64
Cash flow from financing activities		
Proceeds from Equity share capital	12,114.34	5.00
Proceeds from money received from share warrants	672.53	-
Proceeds from long -term borrowings	10.00	-
Repayment of long -term borrowings	(1.22)	-
Proceeds of short -term borrowings	6,100.00	-
Repayment of short-term borrowings	(500.00)	-
Interest paid	(208.61)	-
Net cash flow from financing activities (C)	18,187.04	5.00

Standalone Financial Statements

Cash Flow Statement

(Rs In Lacs)

	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Cash and cash equivalents at the beginning of the year	1,126.37	-
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(1,075.04)	126.17
Cash and cash equivalents transferred on demerger	-	1,000.20
Cash and cash equivalents at the end of the year	51.33	1,126.37
Components of cash and cash equivalent		
Cash on hand	0.47	0.35
Balances with banks on current account	50.86	326.02
Deposits with original maturity of less than 3 months	-	800.00
Total cash and cash equivalents	51.33	1,126.37
Summary of significant accounting policies	3	

The accompanying notes are an 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 Atul Seksaria

Partner

Membership Number: 086370

Place : Gurgaon

Date : 25th May 2017

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

Sahil Vachani

(Managing Director & CEO)

(DIN 00761695)

Nitin Kumar Kansal

(Chief Financial Officer)

Place : New Delhi

Date : 25th May 2017

Ashok Brijmohan Kacker

(Director)

(DIN 01647408)

Alok Goel

(Company Secretary)

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2017

1. Corporate information

Max Ventures and Industries Limited (the Company) is a company registered under Companies Act, 2013 and incorporated on January 20, 2015. The Company is primarily engaged in the business of making business investments and providing shared services to the group companies. The Company's shares got listed on National Stock Exchange and Bombay Stock Exchange as on June 22, 2016.

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 and Companies (Accounts) Rule 2016. 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) Property, Plant and Equipment (PPE)

Property, Plant and Equipment 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 Property, Plant and Equipment 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 Property, Plant and Equipment, 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 Property, Plant and Equipment 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 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.

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/amortisation

Depreciation on Property, Plant & Equipment 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 Property, Plant and Equipment:

	Useful lives (years)
Furniture and fixtures	10
Office equipment	3 - 5
Computers	3 - 6
Vehicles	3 - 8
Software licences	3 - 6
Leasehold improvements	Over life of lease or life of asset whichever is less

e) Impairment of Property, Plant and Equipment and intangibles

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.

f) 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 Property, Plant & Equipment. 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.

g) 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.

h) 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.

i) 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 income

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

Dividend income

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

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 Company contributed to employees provident fund benefits through a trust "Max Financial Services Limited Provident Fund Trust" managed by Max Financial Services Limited (erstwhile Max India Limited) whereby amounts determined at a fixed percentage of basic salaries of the employees are deposited to the trust every month. The benefit vests upon commencement of the employment. The interest rate payable by the trust to the beneficiaries every year is notified by the government and the 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.

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 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.

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.

n) Segment reporting policies

As the Company's business activity primarily falls within a single business and geographical segment, there are no additional disclosures to be provided in terms of Accounting Standard 17 on 'Segment Reporting'.

o) 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.

p) 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.

q) 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.

r) 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, 2017	As at March 31, 2016
(a) Authorised shares (Nos.)		
11,00,00,000 (Previous Year - 60,000,000) equity shares of Rs.10/- each	11,000.00	6,000.00
	11,000.00	6,000.00
(b) Issued, subscribed and fully paid-up shares (Nos.)		
6,89,77,878(Previous Year - 5,33,96,800) equity shares of Rs.10/- each fully paid up	6,897.79	5,339.68
Total issued, subscribed and fully paid-up capital	6,897.79	5,339.68

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

	March 31, 2017		March 31, 2016	
	No. of shares	Rs. in Lacs	No. of shares	Rs. in Lacs
Equity Shares				
At the beginning of the period	53,396,800	5,339.68	-	-
Add: Shares issued at incorporation of the Company	-	-	50,000	5.00
Add: Issued during the period under scheme of demerger	-	-	53,396,800	5,339.68
Add: Shares issued for stock options exercised during the year/period (Refer note no. 28)	57,208	5.72	-	-
Add: Shares issued during the year/period (Refer note no. 29)	15,523,870	1,552.39	-	-
Less: Cancelled pertaining to scheme of demerger	-	-	50,000	5.00
Outstanding at the end of the period	68,977,878	6,897.79	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, 2017		March 31, 2016	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up				
New York Life International Holdings Limited	15,523,870	22.51%	-	-
Max Ventures Investment Holdings Private Limited.	13,105,500	19.00%	3,509,233	6.57%
Xenok Limited	-	-	4,815,940	9.02%
Maxopp Investments Limited	-	-	3,768,983	7.06%
Liquid Investment and Trading Company Private Limited	4,763,774	6.91%	-	-
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

During the Financial year 2015-16, existing shareholders of Max Financial Services Limited (erstwhile Max India Limited) were allotted shares in the ratio of 1:5 in Max Ventures and industries Limited i.e. 53,300,555 equity shares under the scheme of demerger without any consideration. The Company issued 96,245 Equity shares on exercise of options granted under the Employee Stock Option Plan 2006 of Max Financial Services Limited under the Corporate Restructuring plan. During the year, the Company has issued 57,208 Equity shares during the year on exercise of options granted under the Employee Stock Option Plan 2016 of Max Ventures and Industries Limited, for details refer note 28.

5 Reserves and surplus

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
(a) Capital reserve		
Balance as at beginning of the period/year	13,042.52	-
Add: additions on account of demerger	-	13,042.52
	13,042.52	13,042.52
(b) Share Premium		
Balance as at beginning of the period/year	-	-
Add: Additions on Account of Preferential issue of shares (refer note 29)	10,556.24	-
Add: additions on account of ESOP	6.67	-
	10,562.91	-

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
(c) Employee stock option outstanding (net)		
Balance as at beginning of the period/year	24.28	-
Add: additions on account of demerger	-	19.16
Add: compensation expensed during the year	6.67	7.47
Less: transferred to securities premium on exercise of stock options	6.67	-
Less: stock options forfeited during the year/period	-	2.35
Closing balance	24.28	24.28
(d) Surplus in the statement of profit and loss		
Balance as at beginning of the period/year	287.72	-
(Loss)/Profit for the year/period	(625.31)	287.72
Net surplus in the statement of profit and loss	(337.59)	287.72
Total reserves and surplus	23,292.12	13,354.52

6 Deferred tax assets (net)

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
(i) Deferred tax liability		
Property, Plant and Equipment: Impact of difference between tax depreciation and amortisation charged for the financial reporting year	2.44	1.39
Gross deferred tax liability	2.44	1.39
(ii) Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the period but allowed for tax purposes on payment basis	2.44	3.82
Gross deferred tax assets	2.44	3.82
Net deferred tax assets	-	2.43

Deferred tax assets have been recognised to the extent of Deferred tax liability in view of absence of virtual certainty supported by convincing evidence as required under AS-22 "Accounting for taxes on Income"

7 Provisions

(Rs. in Lacs)

	Long term		Short Term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits				
(i) Provision for gratuity(Refer Note 19.1)	11.82	2.96	0.04	-
(ii) Provision for leave benefits	-	-	27.23	8.58
	11.82	2.96	27.27	8.58

8 Long Term Borrowings

(Rs. in Lacs)

	Non- Current Portion		Current Maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Vehicle loans (secured) @ - From banks	5.63	-	3.15	-
	5.63	-	3.15	-
The above amount includes				
Secured borrowings	5.63	-	3.15	-
Unsecured borrowings	-	-	-	-
Amount disclosed under the head " other current liabilities" (refer note 11)	-	-	(3.15)	-
	5.63	-	-	-

@ Vehicle loans amounting to Rs. 8.78 lacs (previous year: Nil) are secured by way of hypothecation of vehicle. The loans are repayable in 3 years.

9 Short Term Borrowings

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Loans and advances from related parties (Unsecured interest free)	5,600.00	-
	5,600.00	-

10 Trade Payables

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Trade payables		
(i) Total outstanding dues of micro enterprises and small enterprises*	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises *	262.87	229.09
	262.87	229.09

* 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.

11 Other liabilities

(Rs. in Lacs)

		Non- Current		Current	
		As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
(A) Other liabilities					
Current maturities of long-term borrowings		-	-	3.15	-
	(A)	-	-	3.15	-
(B) Others					
Security deposit received		-	-	7.97	-
Statutory dues payable		-	-	64.59	32.59
Capital creditors		-	-	1.94	-
Lease equalisation		10.26	-	-	-
	(B)	10.26	-	74.50	32.59
Total	(A+B)	10.26	-	77.65	32.59

12. Property, Plant and Equipment

(Rs. In lacs)

Particulars	Tangible assets					Total
	Leasehold Improvements	Computers	Office equipments	Furntiure	Vehicles	
Gross block						
At January 20, 2015	-	-	-	-	-	-
Acquired under demerger (Refer note no 30)	75.29	-	-	-	-	75.29
Additions during the period	-	14.58	-	-	-	14.58
Deletions during the period	(75.29)	-	-	-	-	(75.29)
At March 31, 2016	-	14.58	-	-	-	14.58
Additions during the year	-	6.98	1.34	1.80	19.85	29.97
Deletions during the year	-	(0.59)	-	-	-	(0.59)
At March 31, 2017	-	20.97	1.34	1.80	19.85	43.96
Accumulated depreciation						
At January 20, 2015	-	-	-	-	-	-
Acquired under demerger (Refer note no 30)	20.83	-	-	-	-	20.83

(Rs. In lacs)

Particulars	Tangible assets					Total
	Leasehold Improvements	Computers	Office equipments	Furntiure	Vehicles	
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
Charge for the year	-	2.73	0.26	0.08	1.60	4.67
Deletions/ Adjustments during the year	-	-	-	-	-	-
At March 31, 2017	-	2.90	0.26	0.08	1.60	4.84
Net block						
At March 31, 2016	-	14.41	-	-	-	14.41
At March 31, 2017	-	18.07	1.08	1.72	18.26	39.12

Particulars	Intangible assets	
	Software licnences	Total
Gross block		
At March 31, 2016	-	-
Additions during the year	4.64	4.64
Deletions during the year	-	-
At March 31, 2017	4.64	4.64
Accumulated depreciation		
At March 31, 2016	-	-
Charge for the year	0.55	0.55
Deletions/ Adjustments during the year	-	-
At March 31, 2017	0.55	0.55
Net block		
At March 31, 2016	-	-
At March 31, 2017	4.09	4.09

13. Investments

(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
A. Trade investments (valued at cost unless stated otherwise)				
(i) Investment in equity of subsidiary company (unquoted)				
Max Speciality Films Limited				
33,449,500 (Previous year - 33,449,500) Equity shares of Rs. 10 each fully paid up (Refer Note 30)	16,704.95	16,704.95	-	-
Max Estates Limited				
80,00,000 (Previous year - Nil) Equity shares of Rs. 10 each fully paid up	800.00	-	-	-
Max Learning Limited				
20,50,000 (Previous year - Nil) Equity shares of Rs. 10 each fully paid up	205.00	-	-	-
Max I Limited				
50,000 (Previous year - Nil) Equity shares of Rs. 10 each fully paid up	5.00	-	-	-
(ii) Investment in debentures of subsidiary company (unquoted)				

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(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Max I Limited				
5,155 (Previous year - Nil) 0% Redeemable Non-convertible Debentures of Rs. 100,000 each fully paid up	5,155.00	-	-	-
Investment in Mutual Funds				
Unquoted mutual funds				
UTI Money Market Fund - Institutional - Direct Fund Growth 11,064.87 Units (Previous Year - Nil) of Face Value Rs.1000/- per unit fully paid	-	-	201.63	-
DSP Black rock Liquidity Fund - Direct Fund Growth 1,10,369.862 Units (Previous Year - Nil) of Face Value Rs. 1000/- per unit fully paid	-	-	2,546.57	-
Invesco India Liquid Fund - Direct Fund Growth 1,14,668.999 Units (Previous Year - Nil) of Face Value Rs. 1000/- per unit fully paid	-	-	2,546.57	-
JM High Liquidity Fund - Direct Fund Growth 57,67,025.534 Units (Previous Year - Nil) of Face Value Rs. 1000/- per unit fully paid	-	-	2,546.57	-
Kotak Floater Short Term Fund - Direct Fund Growth 96,161.913 Units (Previous Year - Nil) of Face Value Rs. 1000/- per unit fully paid	-	-	2,546.57	-
Birla Sun life Cash Plus Fund - Direct Fund Growth 6,98,079.954 Units (Previous Year - Nil) of Face Value Rs. 1000/- per unit fully paid	-	-	1,811.39	-
	22,869.95	16,704.95	12,199.30	-
Aggregate book value - Quoted	-	-	-	-
Aggregate book value - Unquoted	22,869.95	16,704.95	12,199.30	-
Aggregate market value - Unquoted	-	-	12,293.42	-

14. Loans and advances

(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
(a) Loans and advances				
Security deposit	77.76	-	-	-
(b) Loans and advances to related parties				
(i) Security deposit	-	-	48.00	48.00
(ii) Inter corporate deposit	942.05	550.06	-	-
A	942.05	550.06	48.00	48.00
(c) Other loans and advances (unsecured, considered good unless stated otherwise)				
(i) Balances with statutory/government authorities	-	-	23.14	7.74
(ii) Prepaid expenses	-	-	1.42	0.14
(iii) Advances recoverable in cash or in kind	-	-	41.42	15.20
(iv) Advance income tax (net of provisions)	-	-	138.52	21.17
B	-	-	204.50	44.25
Total (A+B)	1,019.81	550.06	252.50	92.25

15. Trade receivables

(Rs. in Lacs)

	As at March 31, 2017	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*	177.55	328.28
	177.55	328.28

* recoverable from subsidiary companies (Refer note no. 22.1)

16. Cash and bank balances

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
A. Cash and cash equivalents		
(a) Cash on hand	0.47	0.35
(b) Balances with banks		
(i) On current accounts	50.86	326.02
(c) Deposits with original maturity of 3 months or less	-	800.00
	51.33	1,126.37

17. Other assets

(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good unless stated otherwise				
Advances recoverable in cash or in kind	-	-	0.25	-
Related party				
Other receivables from related parties (Refer note 22.1)	-	-	69.00	47.29
Interest accrued on deposits from Related Parties (Refer note 22.1)	-	101.38	174.79	-
Deposits with original maturity for more than 12 months	0.25	-	-	-
	0.25	101.38	244.04	47.29

18. Revenue from operations

(Rs in lacs)

	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
(a) Income from shared services	1,081.39	494.11
(b) Income from investment activities		
(i) Interest income on inter corporate deposits	101.84	71.70
(ii) Dividend Income	-	334.50
(iii) Gain on mutual fund investments	13.67	24.99
(iv) Interest income on fixed deposits	3.94	55.13
	119.45	486.32
Revenue from operations	1,200.84	980.43

19. Employee benefits expense

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Salaries, wages and bonus	561.04	175.69
Contribution to provident and other funds	26.90	5.61
Gratuity expense (Refer note no.19.1)	7.35	2.96
Staff welfare expenses	24.85	8.35
	620.14	192.61

19.1. 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, 2017	As at March 31, 2016
Current service cost	8.43	2.96
Interest cost on benefit obligation	0.23	-
Expected return on plan assets	-	-
Net actuarial(gain) recognized in the year/period	(1.31)	-
Past service cost	-	-
Net benefit expense	7.35	2.96
Actual return on plan assets		

Balance sheet

Benefit asset/ liability

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	11.86	2.96
Fair value of plan assets	-	-
Funded Status	-	-
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	(11.86)	(2.96)

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

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	2.96	-
Acquisition on account of demerger	-	0.91
Acquisition adjustment (Employee transferred from Max Financial Services Limited)	2.55	-
Interest cost	0.23	-
Current service cost	8.43	2.96
Actuarial (gain)/loss on obligation	(1.31)	-
Benefits paid	(1.00)	(0.91)
Closing defined benefit obligation	11.86	2.96

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

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Discount rate	7.9%	8%
Expected rate of return on assets		
Retirement Age	60 Years	60 Years
Employee turnover	1%	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.

Amount for the current year is as follows:

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	11.86	2.96

19.2. Provident Fund

The Company deposits contribution in the "Max Financial Services Limited Employees Provident Trust Fund" which is managed by the Max Financial Services Limited. This is a common fund for Max Financial Services Limited (Formerly 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 Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max Financial Services Limited and its group companies based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2017 as per the actuarial valuation of active members are as follows:

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Plan assets at year end at fair value	60.74	10.01
Present value of defined benefit obligation at year end	(59.83)	(9.94)
Excess value of plan assets as at year end	0.91	0.07
Active members as at year end (Nos)	8	5

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

	As at	
	March 31, 2017	March 31, 2016
Discount rate for the term of the obligation	7.51%	7.72%
Average historic yield on the investment portfolio	8.79%	9.06%
Discount rate for the remaining term to maturity of the investment portfolio	7.51%	7.72%
Expected investment return	8.79%	9.06%
Guaranteed rate of return	8.65%	8.75%

20 Other expenses

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Rent	165.25	106.48
Insurance	4.34	1.90
Rates and taxes	60.96	48.15
Travelling and conveyance	54.48	21.83
Legal and professional	290.17	85.39
Repairs and maintenance	83.28	-
Shared service charges	141.61	146.73
Directors' fee	115.58	35.18
Establishment expense	28.52	9.37
Printing and stationery	24.28	0.59
Miscellaneous expenses	74.92	3.43
	1043.39	459.05
Cost allocated	(53.64)	-
	989.75	459.05

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

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
As auditor:		
Audit fee	6.50	6.00
Limited Review	6.00	3.00
Other services	2.50	-
Out of pocket expenses	0.44	-
	15.44	9.00

21. Finance cost

	(Rs In Lacs)	
	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Interest on term loan	208.44	-
Bank charges	0.17	-
	208.61	-

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

	(Rs In Lacs)	
	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Basic EPS		
Profit after tax (Rs. in Lacs)	(625.31)	287.72
Weighted average number of equity shares outstanding during the year (Nos.)	55,242,723	53,364,617
Basic earnings per share (Rs.)	(1.13)	0.54
Dilutive EPS		
Equivalent weighted average number of employee stock options outstanding	483,628	543,770
Equivalent weighted average number of Share Warrant outstanding	406,308	-
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos.)	56,132,659	53,908,387
Anti Diluted earnings per share (Rs.)*	(1.13)	0.53

* The potential equity shares are anti dilutive, they have been ignored in computation of dilutive EPS

22.1 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 Max I. Limited (w.e.f. June 23rd 2016) Max Learning Limited (w.e.f. August 23rd 2016)
Names of other related parties with whom transactions have taken place during the year	
Key management personnel	Mr. Sahil Vachani (Managing Director) Mr. Analjit Singh (Director)
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 Ventures Private Limited Piveta Estates Private Limited Siva Realty Ventures Private Limited New Delhi House Limited Four Season Foundation Lake View Enterprises Siva Enterprises Private Limited
Enterprises owned or significantly influenced by key management personnel or their relatives (Ceased to be Related Party w.e.f March 7th 2016)	Pharmax Corporation Limited Max India Limited Max Financial Services Limited Max UK Limited
Employee benefit Trust (Ceased to be Related Party w.e.f March 7th 2016)	Max Financial Services Limited Employees' Provident Fund Trust
Additional related parties as per Companies Act, 2013	
Key management personnel	Nitin Kumar Kansal - Chief Financial Officer - w.e.f. August 9, 2016 Alok Goel - Company Secretary

22.2 Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)

Particulars	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 year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
	(Rs. in Lacs)											
Transactions with related parties during the period:												
Reimbursement of expenses (Received from)												
Max Speciality Films Limited	17.44	0.88	-	-	-	-	-	-	-	-	17.44	0.88
Max Estates Limited	25.09	-	-	-	-	-	-	-	-	-	25.09	-
Four Season Foundation	-	-	-	-	-	-	12.60	-	-	-	12.60	-
Max Learning Limited	98.40	-	-	-	-	-	-	-	-	-	98.40	-
Max I Limited	1.97	-	-	-	-	-	-	-	-	-	1.97	-
Piveta Estates Private Limited	-	-	-	-	-	-	2.79	-	-	-	2.79	-
Siva Realty Ventures Private Limited	-	-	-	-	-	-	0.75	-	-	-	0.75	-
Reimbursement of expenses (Paid to)												
Max Financial Services Limited	-	-	-	-	-	-	-	42.151	-	-	-	42.151
Max India Limited @	-	-	-	-	-	-	-	56.00	-	-	-	56.00
Max Ventures Private Limited	-	-	-	-	-	-	13.56	-	-	-	13.56	-
Max Estates Limited	5.98	-	-	-	-	-	-	-	-	-	5.98	-
Max I Limited	5.00	-	-	-	-	-	-	-	-	-	5.00	-
New Delhi House Services Limited	-	-	-	-	-	-	21.73	-	-	-	21.73	-
Services rendered (to)												
Shared Services												
Max Speciality Films Limited	706.27	494.11	-	-	-	-	-	-	-	-	706.27	494.11
Max Estates Limited	227.96	-	-	-	-	-	-	-	-	-	227.96	-
Max Learning Limited	32.83	-	-	-	-	-	-	-	-	-	32.83	-
Max Ventures Private Limited	-	-	-	-	-	-	53.37	-	-	-	53.37	-
Piveta Estates Private Limited	-	-	-	-	-	-	10.40	-	-	-	10.40	-

(Rs. in Lacs)

Particulars	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 year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
	Siva Realty Ventures Private Limited Four Season Foundation	-	-	-	-	-	-	2.72	-	-	-	2.72
Interest received (from) Max Speciality Films Limited Max Estates Limited Ma Learning Limited	63.52 37.66 0.66	71.70	-	-	-	-	-	-	-	-	63.52 37.66 0.66	71.70
Establishment Expense Max Ventures Private Limited	-	-	-	-	-	-	61.97	6.73	-	-	61.97	6.73
Travelling and conveyance Max Ventures Private Limited Piveta Estates Private Limited Siva Realty Ventures Private Limited	-	-	-	-	-	-	2.10 1.38 15.42	- 0.45 3.27	-	-	2.10 1.38 15.42	- 0.45 3.27
Legal and professional Max UK Limited @	-	-	-	-	-	-	-	5.42	-	-	-	5.42
Rent Veer Singh Lake View Enterprises	-	-	-	-	-	-	-	39.93	-	-	-	66.55 39.93
Dividend Income (from) Max Speciality Films Limited	-	334.50	-	-	-	-	-	-	-	-	-	334.50
Purchase of Tangible Assets Max Ventures Private Limited Piveta Estates Private Limited	-	-	-	-	-	-	3.90 2.48	-	-	-	3.90 2.48	-
Sale/Transfer of Fixed Assets (to) Max Speciality Films Limited	-	47.29	-	-	-	-	-	-	-	-	-	47.29

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Particulars	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 year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)	(Rs. in Lacs)
Company's contribution to Provident Fund Trust	-	-	-	-	-	-	-	-	-	-	-	-
Max Financial services Limited	-	-	-	-	-	-	-	-	-	-	-	-
Employees' Provident Fund Trust @	-	-	-	-	-	-	-	-	3.18	-	-	3.18
Key managerial remuneration*												
Sahil Vachani	-	23.50	-	23.50	-	-	-	-	-	-	229.97	23.50
Alok Goel	-	11.76	-	11.76	-	-	-	-	-	-	59.96	11.76
Nitin Kumar Kansal \$	-	-	-	-	-	-	-	-	-	-	38.76	-
Loan given (net)												
Max Estates Limited	897.05	-	-	-	-	-	-	-	-	-	897.05	-
Max Learning Limited	45.00	-	-	-	-	-	-	-	-	-	45.00	-
Loan taken												
Anajit Singh	-	6,100.00	-	-	-	-	-	-	-	-	6,100.00	-
Loan repaid												
Anajit Singh	-	500.00	-	-	-	-	-	-	-	-	500.00	-
Investment made												
Max Estates Limited	800.00	-	-	-	-	-	-	-	-	-	800.00	-
Max Learning Limited	205.00	-	-	-	-	-	-	-	-	-	205.00	-
Max I Limited	5,160.00	-	-	-	-	-	-	-	-	-	5,160.00	-
Convertible Warrants Issued\$												
Siva Enterprises Private Limited	-	-	-	-	-	-	-	-	-	-	672.53	-

Particulars	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 year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
	(Rs. in Lacs)											
Balance outstanding as at the period end												
Statutory dues payable												
Max Financial services Limited	-	-	-	-	-	-	-	-	3.38	3.01	3.38	3.01
Employees' Provident Fund Trust @												
Interest Accrued on ICD's												
Max Speciality Films Limited	158.55	101.38	-	-	-	-	-	-	-	-	158.55	101.38
Max Estates Limited	15.76	-	-	-	-	-	-	-	-	-	15.76	-
Ma Learning Limited	0.48	-	-	-	-	-	-	-	-	-	0.48	-
Trade Receivables												
Max Speciality Films Limited	91.28	328.28	-	-	-	-	-	-	-	-	91.28	328.28
Max Estates Limited	42.43	-	-	-	-	-	-	-	-	-	42.43	-
Max Learning Limited	20.52	-	-	-	-	-	-	-	-	-	20.52	-
Piveta Estates Private Limited	-	-	-	-	-	-	1.93	-	-	-	1.93	-
Siva Realty Ventures Private Limited	-	-	-	-	-	-	2.95	-	-	-	2.95	-
Limited												
Four Season Foundation	-	-	-	-	-	-	18.44	-	-	-	18.44	-
Other Receivables												
Max Speciality Films Limited	29.78	47.29	-	-	-	-	-	-	-	-	29.78	47.29
Max Estates Limited	3.65	-	-	-	-	-	-	-	-	-	3.65	-
Max Learning Limited	12.68	-	-	-	-	-	-	-	-	-	12.68	-
Max I. Limited	1.97	-	-	-	-	-	-	-	-	-	1.97	-
Max Ventures Private Limited	-	-	-	-	-	-	6.31	-	-	-	6.31	-
Piveta Estates Private Limited	-	-	-	-	-	-	1.26	-	-	-	1.26	-
Siva Realty Ventures Private Limited	-	-	-	-	-	-	0.75	-	-	-	0.75	-
Four Season Foundation	-	-	-	-	-	-	12.60	-	-	-	12.60	-
Inter Corporate Deposit Receivable												
Max Speciality Films Limited	-	550.06	-	-	-	-	-	-	-	-	-	550.06
Max Estates Limited	897.05	-	-	-	-	-	-	-	-	-	897.05	-

Particulars	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 year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
	(Rs. in Lacs)											
Max Learning Limited	45.00	-	-	-	-	-	-	-	-	-	45.00	-
Loan outstanding												
Anajjit Singh	-	-	5,600.00	-	-	-	-	-	-	-	5,600.00	-
Security Deposit (Receivable)												
Veer Singh	-	-	-	-	30.00	30.00	-	-	-	-	30.00	30.00
Lake View Enterprises	-	-	-	-	-	-	18.00	18.00	-	-	18.00	18.00
Trade payables												
Max Financial Services Limited @	-	-	-	-	-	-	-	96.13	-	-	-	96.13
Max India Limited @	-	-	-	-	-	-	-	58.52	-	-	-	58.52
Max Estates Limited	6.28	-	-	-	-	-	-	-	-	-	6.28	-
Max Speciality Films Limited	2.80	-	-	-	-	-	-	-	-	-	2.80	-
Max I. Limited	4.50	-	-	-	-	-	-	-	-	-	4.50	-
Max Ventures Private Limited	-	-	-	-	-	-	-	7.03	-	-	-	7.03
Piveta Estates Private Limited	-	-	-	-	-	-	2.83	0.45	-	-	2.83	0.45
Siva Realty Ventures Private Limited	-	-	-	-	-	-	6.92	3.27	-	-	6.92	3.27
New Delhi House Services Limited	-	-	-	-	-	-	2.34	-	-	-	2.34	-
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.

\$ Appointed on 9th Aug 2016

@ Ceased to be related party w.e.f. March 7th, 2016

23 Expenditure in foreign currency

Particulars	(Rs in Lacs)	
	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Legal and professional	9.26	5.42
Travel and conveyance	7.05	-
Total	16.31	5.42

24 Particulars of Unhedged Foreign Currency Exposure

Particulars	As at March 31, 2017			As at March 31, 2016		
	Foreign Currency (in Lacs)	Exchange Rate (Rupee)	Indian Rupee (in Lacs)	Foreign Currency (in Lacs)	Exchange Rate (Rupee)	Indian Rupee (in Lacs)
Trade payables (GBP)	0.136	80.70	10.98	0.057	95.09	5.42
Trade payables (USD)	0.040	65.82	2.63	-	-	-

25 Leases

Operating lease: Company as lessee

The Company has entered into operating leases for its office spaces under operating lease agreements. The lease rental expense recognised in the statement of profit and loss for the year is Rs. 165.24 Lacs (Previous Year - Rs. 106.48 Lacs). The Company has not entered into sublease agreements in respect of these leases and there are no restrictions placed upon the Company by entering into these leases.

	(Rs in Lacs)	
	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
(i) Information in respect of non-cancellable leases		
The Total of minimum lease payments for a period:		
- Not later than one year	165.24	-
- Later than one year and not later than five years	959.07	-
- Later than five years	445.62	-

26 Reconciliation of cash in hand

Particulars	(Rs in Lacs)		
	Specified Bank notes	Other denomination notes	Total
Closing Cash in hand as on 08.11.2016	0.55	0.07	0.62
(+) Permitted receipts	-	1.00	1.00
(-) Permitted payments	-	0.55	0.55
(-) Amount deposited in Banks	0.55	-	0.55
Closing Cash in hand as on 30.12.2016	-	0.52	0.52

27 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.

28 Employee Stock Option Plan

- 1) Pursuant to the Scheme of Demerger, with respect to the employee's stock options granted by the De-merged company i.e. Max Financial Services Limited (MFSL) to its employees (irrespective of whether they continue to be employees of MFSL 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 MFSL. Accordingly, ESOP outstanding as on the effective date in MFSL shall be allocated between the demerged company and resulting companies. Accordingly, 5,00,712 stock options were granted to the employees of MFSL and outstanding as on Effective date i.e. January 15, 2016 are eligible for stock options under new ESOP scheme on similar terms and conditions.
- 2) The Company has constituted an Employee Stock Option Plan - 2016 which have been approved by the Board in the meeting held on 9th August 2016 and by shareholders of the Company in its annual general meeting held on September 27, 2016 based on similar terms and conditions to the relevant ESOP plan of MFSL. During the year, 57208 nos of stock options were allotted to

the aforesaid option holders by the Company. The 2016 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company. The 2016 Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors. The 2016 Plan gives an option to the employee to purchase the share at a price determined by Nomination and Remuneration committee subject to minimum par value of shares (Rs. 10/-). The Company has valued Employee Stock Option outstanding as at year end presuming all the employees will exercise their option in favor of cash settlement or equity settlement based on trend.

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2017		March 31, 2016	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Outstanding at the start of the year	500,712	10.00	-	-
Option grant during the year	-	-	627,757	10.00
Forfeited during the year	-	-	30,800	10.00
Exercised during the year	57,208	10.00	96,245	10.00
Outstanding at the end of the year	443,504	10.00	500,712	10.00
Exercisable at the end of the year	1,130	10.00	1,000	10.00

For options exercised during the year, the weighted average share price at the exercise date was Rs.10.00 per share (Previous year: Rs 10.00) per share.

The weighted average remaining contractual life for the stock options outstanding as at 31st March 2017 are as follows:

	March 31, 2017		March 31, 2016	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
21-Jan-16	443,504	2.61	500,712	3.61

- 29 a) During the year, the company has issued 1,55,23,870 equity shares of Rs. 10/- each at security premium of Rs. 68/- per share determined in accordance with SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("ICDR Regulations"); to New York Life International Holdings Limited (the "Investor") for the consideration of Rs. 12,109 Lacs on preferential basis.
- b) Further, the company has issued 34,48,894 Share Warrants (Warrants) of Rs. 10/- each at security premium of Rs. 68/- per share determined in accordance with SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("ICDR Regulations"); for consideration of Rs. 673 Lacs.
- c) Given below are the details of utilisation of proceeds through preferential issue:

	(Rs In Lacs)
	For the year ended March 31, 2017
Unutilised amount at the beginning of the year	-
Proceeds received during the year	12,781.15
Less: amount utilised during the year	
- Repayment of Loan	500.00
- Loan given to related party	245.00
Unutilised amount at the end of the year	12,036.15

Details of short-term investments made from unutilized portion of Preferential issue raised during the year

	(Rs In Lacs)
	As at March 31, 2017
Investment in Debt based Mutual funds	12,036.15

30 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 during the financial year 2015-16, 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:

Particulars	(Amt in Rs Lacs)
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

31. Subsequent events

Pursuant to the approval of Board of directors, the Company has entered into Share Purchase and Share Subscription Agreement ("Agreement") dated February 10, 2017 with (i) Toppan Printing Co., Limited ("Toppan") for sale of 35.84% stake of its stake in its subsidiary company, i.e. 'Max Speciality Films Limited' (MSFL), which was also approved by the shareholders of the Company through postal ballot.

Accordingly, on April 06, 2017; the Company transferred 1,39,45,659 equity shares (representing 35.84% on fully diluted basis of equity shares as at March 31, 2017) of MSFL to Toppan of face value of Rs. 10/- each at a premium of Rs. 94.27/-, for an aggregate consideration of Rs. 14,541.14 lacs. Further, MSFL also issued and allotted 5,118,407 equity shares (representing 13.16% on fully diluted basis of equity shares as at March 31, 2017) of face value of Rs. 10/- each at a premium of Rs. 94.27/-, for an aggregate consideration of Rs. 5336.96 lacs on a private placement basis, free of all liens or other encumbrances or rights of third parties, thereby Toppan holding 19,064,066 equity shares representing 49% (on a fully diluted basis) of the equity shares of the Company post share issuance.

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

a) Particulars of Loans given:

(Rs in Lacs)

Name of the Loanee	Outstanding Balance as on March 31, 2016	Loan given	Loan repaid	Outstanding Balance as on March 31, 2017	Purpose
Max Speciality Films Limited	550.06	-	550.06	-	Operational cash flow requirement
Max Estates Limited	-	1,442.23	545.18	897.05	Operational cash flow requirement
Max Learning Limited	-	105.00	60.00	45.00	Operational cash flow requirement

b) Particulars of Investments made:

Name of the Investee	Outstanding Balance as on March 31, 2016	Investment made	Investment redeemed/ extinguished	Outstanding Balance as on March 31, 2017	Purpose
Max Speciality Films Limited	16,704.95	-	-	16,704.95	Strategic investment
Max Estates Limited	-	800.00	-	800.00	Strategic investment
Max Learning Limited	-	205.00	-	205.00	Strategic investment
Max I Limited	-	5,160.00	-	5,160.00	Strategic investment

33 The previous year's figures have been regrouped/reclassified, wherever necessary to correspond with the current year's classification/disclosure.

For S.R.Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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

per Atul Seksaria

Partner

Membership Number: 086370

Sahil Vachani

(Managing Director & CEO)

(DIN 00761695)

Ashok Brijmohan Kacker

(Director)

(DIN 01647408)

Place : Gurgaon

Date : 25th May 2017

Nitin Kumar Kansal

(Chief Financial Officer)

Place : New Delhi

Date : 25th May 2017

Alok Goel

(Company Secretary)

Consolidated Financial Statements

INDEPENDENT AUDITOR'S REPORT

To the Members of Max Ventures and Industries Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Max Ventures and Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2017, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, 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 of 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 and Companies (Accounting Standards) Amendment Rules, 2016. 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 controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, 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 paragraph 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 and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the 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, 2017, their consolidated loss, and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 and reports of the other auditors;
- (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 and Companies (Accounting Standards) Amendment Rules, 2016;

- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies, is disqualified as on March 31, 2017 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 companies 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 30 to the consolidated financial statements;
 - ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2017.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries, during the year ended March 31, 2017.
 - iv. The Holding Company, subsidiaries, have provided requisite disclosures in Note 32 to these consolidated financial statements as to the holding of Specified Bank

Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation of the Holding Company regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Group and as produced to us by the Management of the Holding Company.

Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose financial statements include total assets of Rs 8,906.78 lacs and net assets of Rs 421.4 lacs at March 31, 2017, and total revenues of Rs 97.51 lacs and net cash inflow of Rs 73.98 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

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

per Atul Seksaria
Partner
Membership Number: 086370

Place of Signature: Gurgaon
Date : 25th May 2017

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, 2017, 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 companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 companies 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, 2017, 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 Atul Seksaria
Partner
Membership Number: 086370

Place of Signature: Gurgaon
Date : 25th May 2017

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2017

(Rs. in Lacs)

	Notes	As at March 31, 2017	As at March 31, 2016
A. Equity and liabilities			
1. Shareholders' funds			
a) Share capital	4	6,897.79	5,339.68
b) Reserves and surplus	5	25,479.68	15,654.14
(c) Money received against share warrants (Refer note 37)		672.53	-
		33,050.00	20,993.82
2. Minority Interest			
		162.68	157.69
3. Non-current liabilities			
(a) Long-term borrowings	6	19,547.18	18,096.10
(b) Deferred tax liabilities (Net)	7	694.09	785.55
(c) Other long term liabilities	10	13.17	-
(d) Long-term provisions	8	604.21	353.23
		20,858.65	19,234.88
4. Current liabilities			
(a) Short-term borrowings	9	12,042.81	7,892.95
(b) Trade payables	10		
Total outstanding dues of micro enterprises and small enterprises		18.62	89.24
Total outstanding dues of creditors other than micro enterprises and small enterprises		8,301.80	5,282.93
(c) Other current liabilities	10	3,262.94	2,979.96
(d) Short-term provisions	8	139.29	238.45
		23,765.46	16,483.53
TOTAL		77,836.79	56,869.92
B. Assets			
1. Non-current assets			
(a) Property, Plant and Equipment			
(i) Tangible assets	11	31,419.88	26,528.93
(ii) Intangible assets	11	464.79	439.87
(iii) Capital work-in- progress		1,639.74	2,179.15
(iii) Intangible assets under development	12	43.41	-
(b) Non-Current investments	13	5,144.78	-
(c) Long term Loans and advances	17	1,974.31	3,524.71
(d) Other non current assets		0.25	-
		40,687.16	32,672.66
2. Current assets			
(a) Current investments	12	12,199.32	-
(b) Inventories	14	10,133.04	5,584.47
(c) Trade receivables	15	11,406.84	14,849.77
(d) Cash and bank balances	16	195.19	1,289.41
(e) Loans and advances	13	2,626.97	2,017.31
(f) Other current assets	17	588.27	456.30
		37,149.63	24,197.26
TOTAL		77,836.79	56,869.92

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R.Batliloi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

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

per Atul Seksaria

Partner

Membership Number: 086370

Sahil Vachani

(Managing Director & CEO)

(DIN 00761695)

Ashok Brijmohan Kacker

(Director)

(DIN 01647408)

Place : Gurgaon

Date : 25th May 2017

Nitin Kumar Kansal

(Chief Financial Officer)

Place : New Delhi

Date : 25th May 2017

Alok Goel

(Company Secretary)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

	Notes	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Income			
Revenue from operations (gross)	18	71,446.93	76,388.65
Less: excise duty		5,808.50	6,131.11
Revenue from operations (net)		65,638.43	70,257.54
Other income	19	1,179.39	816.00
Total income (I)		66,817.82	71,073.54
Expenses			
Cost of raw materials consumed	20	47,150.17	45,361.43
(Increase)/decrease in inventories of finished goods and work-in-progress	21	(3,532.82)	22.82
Employee benefits expense	22	4,180.40	3,976.40
Other expenses	23	14,703.52	13,628.98
Depreciation and amortization expense	24	2,070.83	1,920.00
Finance cost	25	3,200.96	3,438.78
Total expenses (II)		67,773.06	68,348.41
(Loss)/ Profit before tax (III = I - II)		(955.24)	2,725.13
Tax expenses			
Current tax		95.09	634.30
Tax related to previous years		4.61	-
Less: MAT credit entitlement			
- current year		(95.09)	(239.39)
- earlier years		(136.03)	-
Deferred tax		(91.45)	391.54
Total tax expense (IV)		(222.87)	786.45
(Loss)/Profit after tax (V = III - IV)		(732.37)	1,938.68
Minority Interest (VI)		4.99	19.85
(Loss)/Profit for the year (V-VI)		(737.36)	1,918.83
Earnings per equity share	26		
[Nominal value of shares Rs.10]			
Basic (Rs.)		(1.33)	3.60
Diluted (Rs.)		(1.33)	3.56
Summary of significant accounting policies	3		

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

For S.R.Batlilboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place : Gurgaon

Date : 25th May 2017**For and on behalf of the Board of Directors of Max Ventures and Industries Limited****Sahil Vachani**

(Managing Director & CEO)

(DIN 00761695)

Nitin Kumar Kansal

(Chief Financial Officer)

Place : New Delhi

Date : 25th May 2017**Ashok Brijmohan Kacker**

(Director)

(DIN 01647408)

Alok Goel

(Company Secretary)

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

	(Rs In Lacs)	
	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Cash flow from operating activities		
Net (Loss)/Profit before tax	(955.24)	2,725.13
Non cash adjustments to reconcile profit before tax to net cash flows:		
Depreciation / amortisation	2,070.83	1,920.00
Interest income	(151.59)	(186.04)
Interest expense	2,810.66	2,993.68
Net profit on sale of current investments	(13.67)	(24.99)
Bad debts written off	202.15	23.12
Provision for doubtful debts and advances	179.78	7.18
Unrealised foreign exchange (gain) / loss	-	(51.42)
Liability/ provisions no longer required written back	(16.48)	(32.64)
Net (Profit)/loss on sale of Property, Plant and Equipment	(2.79)	290.40
Operating profit before working capital changes	4,123.65	7,664.42
Movement in working capital :		
Increase in trade payables	2,955.87	208.09
Increase in other current liabilities	865.31	1,733.16
Increase in long-term provisions	250.98	48.50
Decrease in short-term provisions	(99.16)	(44.37)
Increase in other long-term liabilities	13.17	-
Decrease in trade receivables	3,061.00	16.46
Increase in inventories	(4,548.57)	(14.48)
Decrease in long-term loans and advances	1,796.93	64.70
Increase in short-term loans and advances	(322.79)	(586.91)
Increase in other current assets	(126.35)	(121.37)
Cash generated from operations	7970.04	8,968.22
Direct taxes paid (net of refunds)	(386.57)	(733.44)
Net cash flow from operating activities (A)	7583.47	8,234.78
Cash flow from investing activities		
Purchase of Property, Plant and Equipment, including intangible assets, CWIP and capital advances	(6,540.95)	(5,476.50)
Proceeds from sale of Property, Plant and Equipment	52.90	227.64
Purchase of Non- current investments	(5,144.78)	-
Purchase of current investments	(14,261.15)	(1,046.39)
Proceeds from sale/maturity of current investments	2,075.50	1,071.37
Interest received	145.97	159.19
Net cash flow used in investing activities (B)	(23,672.51)	(5,064.69)
Cash flow from financing activities		
Proceeds from Equity share capital	12,114.34	5.00
Proceeds from issue of share warrants	672.53	-
Proceeds from long -term borrowings	3,476.78	1,688.47
Repayment of long -term borrowings	(2,761.42)	(536.19)
Proceeds / (Repayment) of short -term borrowings	4,149.86	(1,214.25)
Interest Paid	(2,657.27)	(2,992.71)
Dividend Paid	-	(3.39)
Net cash flow from/ (used) in financing activities (C)	14,994.82	(3,053.07)
Net increase in cash and cash equivalents (A + B + C)	(1,094.22)	117.00

(Rs In Lacs)

	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Impact of Foreign Exchange Fluctuations	-	0.42
Cash and cash equivalents at the beginning of the year	1,289.41	1,171.99
Cash and cash equivalents at the end of the year	195.19	1,289.41
Components of cash and cash equivalent		
Cash on hand	1.83	2.21
Stamps on hand	0.04	0.15
Balances with banks on current account	188.44	485.81
Margin money deposits	4.88	1.24
Deposits with original maturity of less than 3 months	-	800.00
Total cash and cash equivalents	195.19	1,289.41
Summary of significant accounting policies	3	

The accompanying notes are an 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

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

per Atul Seksaria

Partner

Membership Number: 086370

Sahil Vachani

(Managing Director & CEO)

(DIN 00761695)

Ashok Brijmohan Kacker

(Director)

(DIN 01647408)

Place : Gurgaon

Date : 25th May 2017

Nitin Kumar Kansal

(Chief Financial Officer)

Place : New Delhi

Date : 25th May 2017

Alok Goel

(Company Secretary)

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. The Company is primarily engaged in the business of making business investments and providing shared services to the group companies. Its shares are listed on stock exchanges in India on 22nd June 2016.

The Consolidated Financial Statements (CFS) comprises the financial statements of Max Ventures and Industries Limited ("the Company") and its Subsidiaries (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 and Companies (Accounts) Rules, 2016.

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 :

- The amount of equity attributable to the minorities at the date on which investment in Subsidiary is made;
- 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 I. Limited and Max Learning Limited has been consolidated from the date of incorporation of the entities

Name of the Subsidiary	Country of Incorporation	Proportion of ownership as at	
		March 31, 2017	March 31, 2016
Subsidiary			
Max Speciality Films Limited	India	99%	99%
Max Estates Limited	India	100%	-
Max I. Limited #	India	100%	-
Max Learning Limited \$	India	100%	-

Incorporated on June 23rd 2016

\$ Incorporated on August 23rd 2016

Additional information:

Name of the Subsidiary	As on 31.3.2017				As on 31.3.2016			
	Net Assets i.e total assets minus total liabilities		Share in profit or loss		Net Assets i.e total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (Rs. in Lacs)	As % of consolidated profit or loss	Amount (Rs. in Lacs)	As % of consolidated net assets	Amount (Rs. in Lacs)	As % of consolidated profit or loss	Amount (Rs. in Lacs)
Parent								
Max Ventures and Industries Limited	39%	12,967.75	88%	(647.30)	2%	1,235.44	(3%)	(66.63)
Subsidiary								
Max Speciality Films Limited	59%	19,660.85	(68%)	498.53	98%	55,634.48	103%	1,985.46
Max Estates Limited	2%	517.46	38%	(282.54)	-	-	-	-
Max I. Limited	0.01%	4.05	0.13%	(0.95)	-	-	-	-
Max Learning Limited	(0.30%)	(100.10)	41%	(305.10)	-	-	-	-
	100%	33,050.00	100%	(737.36)	100%	56,869.92	100%	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) Property, Plant and Equipment

Property, Plant and Equipment 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 Property, Plant and Equipment 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 Property, Plant and Equipment 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 Property, Plant and Equipment 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 Property, Plant and Equipment, 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 Property, Plant and Equipment 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 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 Property, Plant & Equipment:

	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 equipments 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 Property, Plant and Equipment. 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 Property, Plant and Equipment and intangibles

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

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.

I) 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.

n) Segment reporting policies

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting" the Company's business segments include: Packaging film, real estate, education vertical and business investments

1. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments, the accounting policies in relation to segment accounting are as under:

i) Segment revenue and expenses:

Joint revenue and joint expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

ii) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and Plant, Property and Equipment, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets on a reasonable basis.

iii) Inter segment sales:

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

o) 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.

p) 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.

q) 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.

r) 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, 2017	As at March 31, 2016
Authorised shares (Nos.) 11,00,00,000 (Previous Year - 60,000,000) equity shares of Rs.10/- each	11,000.00	6,000.00
	11,000.00	6,000.00
Issued, subscribed and fully paid-up shares (Nos.) 6,89,77,878(Previous Year- 5,33,96,800) equity shares of Rs.10/- each fully paid up	6,897.79	5,339.68
Total issued, subscribed and fully paid-up capital	6,897.79	5,339.68

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

	March 31, 2017		March 31, 2016	
	No. of shares	Rs. in Lacs	No. of shares	Rs. in Lacs
Equity Shares				
At the beginning of the period	53,396,800	5,339.68	-	-
Add: Shares issued at incorporation of the Company	-	-	50,000	5.00
Add: Issued during the period under scheme of demerger	-	-	53,396,800	5,339.68
Add: Shares issued for stock options exercised during the year/period (Refer note no. 35)	57,208	5.72	-	-
Add: Shares issued during the year/period (Refer note no. 38)	15,523,870	1,552.39	-	-
Less: Cancelled pertaining to scheme of demerger	-	-	50,000	5.00
Outstanding at the end of the period	68,977,878	6,897.79	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, 2017		March 31, 2016	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paidup				
New York Life International Holdings Limited	15,523,870	22.51%	-	-
Max Ventures Investment Holdings Private Limited.	13,105,500	19.00%	3,509,233	6.57%
Xenok Limited	-	-	4,815,940	9.02%
Maxopp Investments Limited	-	-	3,768,983	7.06%
Liquid Investment and Trading Company Private Limited	4,763,774	6.91%	-	-
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

During the Financial year 2015-16, existing shareholders of Max Financial Services Limited (erstwhile Max India Limited) were allotted shares in the ratio of 1:5 in Max Ventures and industries Limited i.e. 53,300,555 equity shares under the scheme of demerger without any consideration. The Company issued 96,245 Equity shares on exercise of options granted under the Employee Stock Option Plan 2006 of Max Financial Services Limited under the Corporate Restructuring plan. During the year, the Company has issued 57,208 Equity shares on exercise of options granted under the Employee Stock Option Plan 2016 of Max Ventures and Industries Limited, for details refer note 35.

5. Reserves and surplus

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
(a) Capital reserve		
Balance as at beginning of the year/period	13,785.12	-
Add: arises out of scheme of demerger	-	13,785.12
	13,785.12	13,785.12
(b) Share Premium		
Balance as at beginning of the year/period	-	-
Add: additions on account of Preferential issue (Refer Note 38)	10,556.23	-
Add: additions on account of ESOP	6.67	-
	10,562.90	-
(c) Employee stock option outstanding		
Balance as at beginning of the year/ period	24.28	-
Add: additions on account of demerger	-	19.16
Add: compensation expensed during the year	6.67	7.47
Less : transferred to securities premium on exercise of stock options	6.67	-
Less : stock options forfeited during the year	-	2.35
Closing balance	24.28	24.28
(d) Surplus/ (deficit) in the statement of profit and loss		
Balance as at beginning of the period	1,844.74	-
Profit/(Loss) for the year	(737.36)	1,918.83
Less: Appropriations	-	-
Interim dividend [amount per share: Current year - Nil, Previous year - Rs.1]	-	3.39
Tax on interim dividend	-	70.70
Net surplus/ (deficit) in the statement of profit and loss	1,107.38	1,844.74
Total reserves and surplus	25,479.68	15,654.14

6. Long term borrowings

	(Rs. in Lacs)			
	Non-current portion		Current maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Term loans				
From banks (secured)	13,647.46	13,048.75	947.50	846.34
Non-banking financial institution (secured)	2,887.50	2,962.50	75.00	37.50
Other loans and advances				
Buyers Credit foreign currency (secured)	2,933.90	2,026.19	363.81	1,250.84
Vehicle Loans from banks (secured)	78.32	58.66	49.91	37.26
	19,547.18	18,096.10	1,436.22	2,171.94
The above amount includes				
Secured borrowings	19,547.18	18,096.10	1,436.22	2,171.94
Unsecured borrowings	-	-	-	-
Amount disclosed under the head "other current liabilities" (refer note 10)	-	-	(1,436.22)	(2,171.94)
	19,547.18	18,096.10	-	-

- i) Term loan from Yes Bank Limited amounting to Rs. 8,393.75 Lacs (March 31, 2016: Rs. 8,500.00 Lacs) is secured by way of first pari passu charge on the moveable Property, Plant and Equipment (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable Property, Plant and Equipment both present and future. The loan is repayable in 32 structured quarterly instalments commenced from December 3, 2016 carrying Interest rate ranging from 8.80% p.a. to 13.00% p.a..
- ii) Term loan from Yes Bank Limited amounting to Rs. 4,655.00 Lacs (March 31, 2016: Rs. 4,900.00 Lacs) is secured by way of first pari passu charge on the moveable Property, Plant and Equipment (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable Property, Plant and Equipment both present and future. The loan is repayable in 20 structured quarterly instalments commenced from December 3, 2016 carrying Interest rate ranging from 8.80% p.a. to 12.35% p.a.
- iii) Term loan from Yes Bank Limited amounting to Rs. 1546.21 Lacs (March 31, 2016: Rs. Nil) is secured by way of first pari passu charge on the moveable Property, Plant and Equipment (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable Property, Plant and Equipment both present and future. The loan is repayable in 20 structured quarterly instalments commenced from December 3, 2016 carrying Interest rate ranging from 8.80% p.a. to 9.30% p.a..

- iv) Term loan from Yes Bank Limited amounting to Rs. Nil (March 31, 2016: Rs. 495.09 Lacs) was secured by way of first pari passu charge on the moveable Property, Plant and Equipment (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immoveable Property, Plant and Equipment both present and future. The loan was repayable in 12 equal quarterly instalments commenced from April 1, 2014 carrying Interest rate of 12.75% p.a.
- v) Term loan from Tourism Finance Corporation of India Limited amounting to Rs. 2,962.50 Lacs (March 31, 2016: Rs. 3,000.00 Lacs) is secured by way of first pari passu charge on the moveable Property, Plant and Equipment (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immoveable Property, Plant and Equipment both present and future. The loan is repayable in 32 structured quarterly instalments commenced from December 3, 2016 carrying Interest rate ranging from 12.30% p.a. to 13.00% p.a.
- vi) Buyer credit foreign currency facility from Yes Bank Limited amounting to Rs. 3,297.70 Lacs (March 31, 2016: Rs. 3,277.03 Lacs) is secured by way of first pari passu charge on the moveable Property, Plant and Equipment (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immoveable Property, Plant and Equipment both present and future. The loan is repayable next 2-3 years carrying Interest rate ranging from 0.61% p.a. to 2.40% p.a.
- vi) Vehicle loans amounting to Rs. 128.23 Lacs (March 31, 2016: Rs. 95.92 Lacs) are secured by way of hypothecation of respective vehicles. The loans are repayable in 3 to 5 years. The rate of interest varies between 9.5% p.a. to 11.50% p.a.

7. Deferred tax liabilities (net)

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Deferred tax liability		
Property, Plant and Equipment: Impact of difference between tax depreciation and depreciation/amortisation charged for the financial reporting period	2,448.15	1,266.66
Gross deferred tax liability	2,448.15	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	346.48	466.70
Provision for doubtful debts and advances	75.99	14.41
Unabsorbed depreciation	1,331.59	-
Gross deferred tax assets	1,754.06	481.11
Net deferred tax liabilities	694.09	785.55

8. Provisions

	(Rs. in Lacs)			
	Long - term		Short - term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits				
Provision for gratuity (refer note 22.1)	470.13	353.23	90.90	90.54
Provision for leave benefits	134.08	-	48.39	147.91
	604.21	353.23	139.29	238.45

9. Short term borrowings

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Loan repayable on demand:		
From Banks:		
Cash credit from banks (secured)	6,442.53	5,870.37
From Related party	5,600.00	-
Other loans & advances:		
Packing credit foreign currency (secured)	0.28	225.15
Packing credit (unsecured)	-	1,500.00
Bills discounted from banks	-	297.43
	12,042.81	7,892.95
The above amount includes		
Secured borrowings	6,442.81	6,095.52
Unsecured borrowings	5,600.00	1,797.43
	12,042.81	7,892.95

- (i) Cash credit facilities from Citi Bank NA, Yes Bank Limited, Kotak Mahindra Bank Limited, Ratnakar Bank Limited, Indusind Bank Limited, HDFC Bank Limited and IDFC Bank Limited are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company, both present and future. The rate of interest on cash credit varies between banks ranging from 8.75% p.a. to 13.85% p.a. and are repayable on demand. The rate of interest on working capital demand loans varies between 9.30% p.a. to 11.15% p.a.
- (ii) Packing credit foreign currency facility from Yes Bank Limited is repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company, both present and future. The rate of Interest on packing credit foreign currency varies between 1.50% p.a. to 2.79% p.a.
- (iii) Packing credit facility from Deutsche Bank is repayable on demand carried Interest rate of 9.50%.

10. Other liabilities

(Rs. in Lacs)

	Non- Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Trade payables				
Total outstanding dues of micro enterprises and small enterprises	-	-	18.62	89.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	8,301.80	5,282.93
	-	-	8,320.42	5,372.17
Other liabilities				
Current maturities of long-term borrowings (refer note 6)	-	-	1,436.22	2,171.94
Interest accrued and due on borrowings	-	-	114.12	-
Interest accrued but not due on borrowings	-	-	46.89	7.62
Advance from customers	-	-	863.57	162.69
Others				
Bank overdraft	-	-	-	0.32
Security deposit received	-	-	154.68	127.19
Statutory dues payable	-	-	361.00	251.73
Capital creditors	-	-	270.20	171.74
Dividend distribution tax payable	-	-	-	70.70
Unexpired premium on forward contracts	-	-	16.26	16.03
Rent equalisation	13.17	-	-	-
	13.17	-	3,262.94	2,979.96
	13.17	-	11,583.36	8,352.13

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

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	Nil	22.58
The interest due on unpaid principal amount remaining as at the end of each accounting year.	Nil	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	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and,	0.17	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	0.28	0.01

11. Property, Plant and Equipment

	Tangible assets										Intangible assets			(Rs. in Lacs)
	Land (Freehold)	Building	Leasehold improvements	Plant & equipment	Furniture & fixture	Office equipments	Computers	Vehicles	Total	Computer software	Goodwill	Total		
Cost														
Acquired under demerger	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		
Additions	17.97	364.53	0.71	6,124.29	38.81	31.53	114.94	150.45	6,843.23	193.72	-	193.72		
Deletions/ Adjustments	-	-	-	79.97	(105.25)	(33.54)	(7.21)	(82.78)	(148.81)	(4.66)	-	(4.66)		
At March 31, 2017	1,703.78	4,839.60	76.00	29,361.64	146.83	231.92	426.02	303.12	37,088.91	625.27	278.49	903.76		
Accumulated depreciation														
Acquired under demerger	-	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		
Charge for the year*	-	122.44	15.76	1,560.22	18.92	36.28	84.72	64.06	1,902.40	112.87	55.70	168.57		
Deletions/ Adjustments	-	-	-	5.76	(23.07)	(31.03)	(6.28)	(44.31)	(98.93)	(4.43)	-	(4.43)		
At March 31, 2017	-	349.65	46.35	4,757.65	39.88	127.47	224.20	123.83	5,669.03	271.87	167.10	438.97		
Net Block														
At March 31, 2016	1,703.78	4,489.95	29.65	24,603.99	106.95	104.45	201.82	179.29	26,528.93	353.40	111.39	439.87		
At March 31, 2017	1,685.81	4,247.86	44.70	19,965.71	169.24	111.71	172.53	131.37	31,419.88	272.78	167.09	464.79		

* Includes Rs. 0.14 lacs (Previous year - Nil) has been included in inventory

12. Investments

(Rs. in Lacs)

	Non-current		Current	
	As at	As at	As at	As at
	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
A. Trade investments (valued at cost unless stated otherwise)				
a) Investment in equity instruments				
FSN E-Commerce Ventures Private Limited				
269,955 (Previous Year - Nil) Equity Shares of Nominal Value Rs. 10 each fully paid up	1,754.71	-	-	-
Azure Hospitality Private Limited				
- Unquoted equity instruments (valued at cost unless stated otherwise)	0.04	-	-	-
100 (Previous Year - Nil) Equity Shares of Face Value Rs.10 each fully paid up				
b) Investment in Debentures				
Azure Hospitality Private Limited				
- 7,615,947 (Previous Year - Nil) Series-B Compulsory Convertible Debentures of Nominal Value Rs. 43.9861 each fully paid up	3,390.03	-	-	-
b) Investment in Mutual Funds				
Unquoted mutual funds				
UTI Money Market Fund - Institutional - Direct Fund Growth	-	-	201.63	-
11,064.87 Units (Previous Year - Nil) of Face Value Rs.1000/- per unit fully paid				
DSP Black Rock Liquidity Fund - Direct Fund Growth	-	-	2,546.57	-
110,369.862 Units (Previous Year - Nil) of Face Value Rs. 1000/- per unit fully paid				
Invesco India Liquid Fund - Direct Fund Growth	-	-	2,546.57	-
114,668.999 Units (Previous Year - Nil) of Face Value Rs. 1000/- per unit fully paid				
JM High Liquidity Fund - Direct Fund Growth	-	-	2,546.57	-
5,767,025.534 Units (Previous Year - Nil) of Face Value Rs. 1000/- per unit fully paid				
Kotak Floater Short Term Fund - Direct Fund Growth	-	-	2,546.57	-
96,161.913 Units (Previous Year - Nil) of Face Value Rs. 1000/- per unit fully paid				
Birla Sun life Cash Plus Fund - Direct Fund Growth	-	-	1,811.39	-
698,079.954 Units (Previous Year - Nil) of Face Value Rs. 1000/- per unit fully paid				
	5,144.78	-	12,199.32	-
Aggregate book value - Quoted	-	-	-	-
Aggregate book value - Unquoted	5,144.78	-	12,199.32	-
Aggregate market value - Unquoted	-	-	12,293.42	-

13. Loans and advances

(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Capital advances				
Unsecured, considered good	233.10	1,950.60	-	-
Doubtful	8.26	-	-	-
	24136	1,950.60	-	-
less: Provision for doubtful advances	(8.26)	-	-	-
A	233.10	1,950.60	-	-
Security deposits				
Secured, considered good	-	-	-	-
Unsecured, considered good	398.84	295.43	458.53	48.00
Doubtful	-	-	-	-
	398.84	295.43	458.53	48.00
Provision for doubtful security deposits	-	-	-	-
B	398.84	295.43	458.53	48.00
Advances recoverable in cash or kind				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	1,144.89	967.45
C	-	-	1,144.89	967.45
Other loans and advances (unsecured, considered good unless stated otherwise)				
Balances with statutory/government authorities	-	-	381.98	658.05
Prepaid expenses	626.55	807.26	324.05	309.51
Loans to employees	1.77	3.90	16.01	19.66
MAT credit entitlement	698.64	467.52	-	-
Advance income tax (net of provision)	15.41	-	301.51	14.64
D	1,342.37	1,278.68	1,023.55	1,001.86
Total (A+B+C+D)	1,974.31	3,524.71	2,626.97	2,017.31

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

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Raw materials [(including stock in transit Rs. 1100.37 Lacs) (Previous Year: Rs.582.50 Lacs)]	3,564.39	2,581.59
Packing materials	85.20	54.79
Stores and spares	1,229.45	1,226.91
Work in process	4,430.21	1,040.80
Finished goods [(including in transit Rs. 648.47 Lacs (Previous Year: Rs. 319.94 Lacs)), (including trial run stock of Rs. Nil (Previous Year: Rs. 3.27 lacs))]	823.79	680.38
	10,133.04	5,584.47

15. Trade receivables

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date the amount is due		
Secured, considered good	-	-
Unsecured, considered good	355.72	530.88
Doubtful	219.58	39.80
	575.30	570.68
Provision for doubtful receivables	(219.58)	(39.80)
	355.72	530.88
Other receivables		
Unsecured, considered good	11,051.12	14,318.89
	11,051.12	14,318.89
	11,406.84	14,849.77

16. Cash and bank balances

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents		
Balances with banks on current accounts	188.44	485.81
Cash on hand	1.83	2.21
Deposits with original maturity for less than 3 months	-	800.00
Stamps on hand	0.04	0.15
	190.31	1,288.17
Other bank balances		
Margin money deposits	4.88	1.24
	4.88	1.24
	195.19	1,289.41

Margin money deposits given as security

Margin money deposits with a amount of Rs. 4.88 lacs (Previous Year - Rs 1.24 Lacs) are subject to first charge to secure the bill discounted.

17. Other assets

(Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good unless stated otherwise Others				
Interest accrued on deposits	-	-	36.83	31.21
Export benefits receivables	-	-	433.72	336.85
Forward recoverable	-	-	93.73	88.24
Deposits with original maturity for more than 12 months	0.25	-	-	-
Other recoverables	-	-	23.99	-
	0.25	-	588.27	456.30

18. Revenue from operations

	(Rs. in Lacs)	
	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Sale of products		
Finished goods		
Bi-axially oriented polypropylene film	70,496.45	75,122.14
Soft leather finishing foil	-	143.30
	70,496.45	75,265.44
Other operating revenue		
Export benefits	284.98	590.43
Job work charges	-	20.09
Scrap - waste of plastic sale	447.38	301.66
Income from shared services	200.51	-
Income from investment activities		
Interest income	3.94	186.04
Gain on mutual fund	13.67	24.99
Total Other operating revenue	950.48	1,123.21
Revenue from operations (gross)	71,446.93	76,388.65
Less: Excise duty (refer note 18.1)	5,808.50	6,131.11
Revenue from operations (net)	65,638.43	70,257.54

18.1. Excise duty on sales amounting to Rs. 5,808.50 Lacs (Previous Year: 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. 11.89 Lacs (Previous Year: Rs. (38.02) Lacs) has been considered as expense in note 23 of financial statements.

19. Other Income

	(Rs. in Lacs)	
	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Interest Income	147.65	-
Liabilities/provisions no longer required written back	16.48	32.64
Net Profit on Sale/Disposal of Property, Plant and Equipment	2.97	-
Gain on foreign exchange fluctuation (net)	782.74	547.61
Scrap sale	207.04	223.58
Miscellaneous income	22.51	12.17
	1,179.39	816.00

20. Cost of raw materials consumed

	(Rs. in Lacs)	
	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Inventories acquired on account of demerger	-	2,646.88
inventory at the beginning of period	2,581.59	-
Add: Purchases	48,132.97	45,296.14
Less: inventory at the end of period	3,564.39	2,581.59
Cost of raw materials consumed	47,150.17	45,361.43

20.1 Details of raw materials consumed

	(Rs. in Lacs)	
	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Polypropylene	37,516.40	38,713.26
Polypropylene compounds	4,698.03	5,059.32
Others	4,935.74	1,588.85
	47,150.17	45,361.43

20.2 Details of raw materials inventory

	(Rs. in Lacs)	
	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Polypropylene	2,374.73	1,150.74
Polypropylene compounds	838.86	613.07
Others	350.80	817.78
	3,564.39	2,581.59

21. (Increase)/ decrease in work-in-progress and finished goods

	(Rs. in Lacs)	
	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Inventories at end of period		
Work-in-process	4,430.21	1,040.80
Finished goods	823.79	680.38
	5,254.00	1,721.18
Inventories at beginning of period		
Work-in-process	1,040.80	985.16
Finished goods*	680.38	758.84
	1,721.18	1,744.00
Net (Increase)/ decrease in work-in-progress and finished goods	(3,532.82)	22.82
*including trial run stock of Rs. Nil (Previous Year: Rs. 3.27 lacs)		
Details of inventory		
Work-in-process		
BOPP Film	1,929.72	1,040.80
Others	2,500.49	-
	4,430.21	1,040.80
Finished goods		
BOPP Film	823.79	680.38
	823.79	680.38

22. Employee benefits expense

	(Rs. in Lacs)	
	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Salaries, wages and bonuses	3,642.17	3,528.42
Contribution to provident and other funds	202.04	155.91
Gratuity expense	106.09	105.42
Staff welfare expenses	230.10	186.65
	4,180.40	3,976.40

* Capitalised Gratuity expense of Rs. 9.59 lacs to the Projects

22.1. 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 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, 2017	As at March 31, 2016
Current service cost	67.40	52.52
Interest cost on benefit obligation	56.59	49.82
Expected return on plan assets	(19.86)	(22.47)
Net actuarial(gain) / loss recognized in the period	11.54	25.55
Net benefit expense*	115.68	105.42
Actual return on plan assets	14.62	6.44

* Includes Gratuity expense of Rs. 9.59 lacs capitalised to the Projects

Balance sheet

Benefit asset/ liability

(Rs. in Lacs)

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	691.83	670.73
Fair value of plan assets	130.81	226.96
Funded Status	(561.03)	(443.77)
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	(561.03)	(443.77)

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

(Rs. in Lacs)

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	670.73	-
Acquired on account of demerger	-	638.75
Acquisition adjustment	2.55	-
Interest cost	56.59	49.82
Current service cost	67.40	52.52
Benefits paid by employer	(1.00)	(43.57)
Benefits paid through fund	(110.76)	(37.22)
Actuarial (gains) / losses on obligation	6.32	10.43
Closing defined benefit obligation	691.83	670.73

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

	(Rs. in Lacs)	
	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Opening fair value of plan assets	226.96	-
Acquired on account of demerger	-	257.74
Expected return	19.86	22.47
Contributions by employer	-	-
Benefits paid	(110.77)	(37.22)
Actuarial gains / (losses)	(5.24)	(16.03)
Closing fair value of plan assets	130.80	226.96

One of the subsidiary of the Company, Max Speciality Films Limited expects to contribute Rs. 90.83 (FY 2015-16 - 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:

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Life Insurance Corporation of India	100%	100%

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

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Discount rate	7.30%	7.80%
Expected rate of return on assets	8.25%	8.75%
Retirement Age	58 years	58 years
Employee turnover	5%	5%
- Upto 30 years	5%	5%
- 31 to 44 years	5%	5%
- Above 44 years	5%	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, 2017	As at March 31, 2016
Defined benefit obligation	691.83	670.73
Plan assets	130.80	226.96
Surplus / (deficit)	(561.03)	(443.77)
Experience adjustments on plan liabilities	18.42	(10.43)
Experience adjustments on plan assets	(5.24)	(15.38)

22.2 Provident Fund

The Group deposits contribution in the "Max Financial Services Limited Employees Provident Trust Fund" which is managed by the Max Financial Services Limited. This is a common fund for Max Financial Services 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 Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max Financial Services Limited and its group companies based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2017 as per the actuarial valuation of active members are as follows:

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Plan assets at year end at fair value	2,541.44	2,289.04
Present value of defined benefit obligation at year end	(2,503.31)	(2,273.49)
Excess value of plan assets as at year end	38.13	15.55
Active members as at year end (Nos)	428	447
Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:		
Discount rate for the term of the obligation	7.51%	7.72%
Average historic yield on the investment portfolio	8.79%	9.06%
Discount rate for the remaining term to maturity of the investment portfolio	7.51%	7.72%
Expected investment return	8.79%	9.06%
Guaranteed rate of return	8.65%	8.75%

23. Other expenses

	(Rs. in Lacs)	
	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Consumption of stores and spares	812.32	809.99
Consumption of packing materials	2,286.96	2,295.00
(Increase) / decrease of excise duty on inventories	11.89	(38.02)
Power and fuel	4,432.47	4,260.30
Processing charges	21.71	4.43
Recruitment and training expenses	48.59	93.92
Rent (refer note no 34)	321.30	163.66
Insurance	185.52	172.94
Rates and taxes	301.38	263.54
Interest on late deposit of advance tax	-	6.01
Repairs and maintenance:		
- Building	134.57	76.36
- Plant and equipments	462.07	659.92
- Others	262.08	331.77
Electricity and water	4.54	5.09
Printing and stationery	55.74	30.41
Travelling and conveyance	562.75	432.81
Communication	57.80	53.55
Legal and professional (refer note no 23.1)	715.32	351.56
Management services	107.01	146.73
Directors' fee	158.00	68.24
Sales promotion	145.37	88.09
Product development	312.60	168.16
Commission to other than sole selling agents	86.03	126.78
Cash discounts	228.82	225.64
Freight and forwarding expenses	2,422.93	2,445.16
Provision for doubtful debts and advances	8.26	7.18
Net loss on sale of fixed assets	0.18	290.40
Bad debts written off	202.15	23.12
Provision for doubtful debts	179.78	-
Charity and donation	0.40	-
CSR expenditure (refer note no 33)	26.57	10.03
Miscellaneous	176.94	56.21
Less: Cost allocated	(28.53)	-
	14,703.52	13,628.98

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

	(Rs. in Lacs)	
	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
As auditor:		
Audit fee	24.10	25.50
Limited review	15.85	9.00
Other services (certification fees)	2.50	-
Out of pocket expenses	0.44	-
	42.89	34.50

24. Depreciation and amortization expense

	(Rs. in Lacs)	
	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Depreciation of tangible assets*	1,902.26	1,770.69
Amortization of intangible assets	168.57	149.31
	2,070.83	1,920.00

* Includes Rs. 0.14 lacs (Previous year - Nil) has been included in inventory

25. Finance Cost

	(Rs. in Lacs)	
	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Interest on term loan	2,057.91	2,239.36
Interest on others	752.75	754.32
Interest on late deposit of advance tax	0.09	-
Bank charges	390.21	445.10
	3,200.96	3,438.78

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

	For the Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
Basic EPS		
Profit after tax (Rs. in Lacs)	(737.36)	1,918.83
Weighted average number of equity shares outstanding during the year (Nos.)	55,242,723	53,364,617
Basic earnings per share (Rs.)	(1.33)	3.60
Dilutive EPS		
Equivalent weighted average number of employee stock options outstanding	483,628	543,770
Equivalent weighted average number of Share Warrant outstanding	406,308	-
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	56,132,659	53,908,387
Diluted earnings per share (Rs.)*	(1.33)	3.56

* The potential equity shares are anti dilutive, they have been ignored in computation of dilutive EPS

27. Segment Reporting

(a) Primary segment

Based on the guiding principles given in Accounting Standard AS-17 "Segment Reporting" the Company's business segments include: Packaging film, real estate, education vertical and Business investments

(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 Year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
In India	54,454.36	53,690.82
Outside India	16,992.56	22,697.83
Total	71,446.92	76,388.65

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, 2017	As at March 31, 2016
In India	8,153.48	10,298.49
Outside India	3,472.94	4,591.08
Total Trade Receivables (Gross)	11,626.42	14,889.57
Less: Provision for doubtful receivables	219.58	39.80
Trade Receivables	11,406.84	14,849.77

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.

C. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments the accounting policies in relation to segment accounting are as under:

a) Segment revenue and expenses:

Joint revenue and joint expenses of segments are allocated amongst them on a reasonable basis. All other segment revenue and expenses are directly attributable to the segments.

b) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions, which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. Segment assets and liabilities do not include deferred income taxes. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets / liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

c) Inter segment sales:

Inter segment sales between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

d) Information about business segments

PARTICULARS	Rs. In lacs									
	Packaging Films		Real Estate		Education		Business investments		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
1. REVENUE										
External sales (Gross)	64,687.95	69,134.33	-	-	-	-	-	-	64,687.95	69,134.33
Other Operating Income	732.36	900.89	86.18	-	-	-	131.93	80.12	950.47	981.01
Inter segment sales	-	-	5.98	-	-	-	1,073.90	900.31	1,079.88	900.31
Total Revenue	65,420.31	70,035.22	92.16	-	-	-	1,205.83	980.43	66,718.30	71,015.65
Less: Inter Segment sales	-	-	5.98	-	-	-	1,073.89	758.11	1,079.87	758.11
Total revenue	65,420.31	70,035.22	86.18	-	-	-	131.94	222.32	65,638.43	70,257.54
2. RESULTS										
Segment results	3,356.43	6,246.99	(273.22)	-	(303.43)	-	(534.06)	(83.08)	2,245.72	6,163.91
Operating profit	3,356.43	6,246.99	(273.22)	-	(303.43)	-	(534.06)	(83.08)	2,245.72	6,163.91
Interest expense and finance cost	-	-	-	-	-	-	-	-	3,200.96	3,438.78
Profit before tax	-	-	-	-	-	-	-	-	(955.24)	2,725.13

Consolidated Financial Statements

Notes to financial Statements For The Year Ended March 31, 2017

PARTICULARS	Packaging Films		Real Estate		Education		Business investments		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
Provision for taxation									(222.87)	786.45
Net (Loss)/Profit before minority interest									(732.37)	1,938.68
-Minority interest									4.99	19.85
Net Loss/(Profit)									(737.36)	1,918.83
3. OTHER INFORMATION										
A. ASSETS										
Segment assets	55,425.43	55,182.82	3,603.85	-	100.29	-	17,691.66	1,204.94	76,821.23	56,387.76
Unallocated assets									1,015.56	482.16
Total assets	55,425.43	55,182.82	3,603.85	-	100.29	-	17,691.66	1,204.94	77,836.79	56,869.92
B. LIABILITIES										
Segment liabilities	8,264.16	6,674.42	2,170.71	-	121.72	-	387.36	266.36	10,943.95	6,940.78
Unallocated liabilities									33,680.17	28,777.63
Total liabilities	8,264.16	6,674.42	2,170.71	-	121.72	-	387.36	266.36	44,624.12	35,718.41
C. OTHERS										
Capital expenditure	6,112.00	3,511.32	326.15	-	75.51	-	34.61	14.58	6,548.27	3,525.90
Depreciation	2,056.10	1,912.66	7.78	-	1.87	-	5.22	7.34	2,070.96	1,920.00
Non cash expenses other than Depreciation	390.19	30.30	-	-	-	-	-	-	390.19	30.30

28. Capital and other commitments

a) Capital Commitments

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	12,769.93	14,000.12
Less: Capital advances	233.10	1,950.60
Net capital commitment for acquisition of capital assets	12,536.83	12,049.52

29. Related parties disclosures

Names of other related parties with whom transactions have taken place during the year

Subsidiary companies	Max Speciality Films Limited Max Estates Limited Max I. Limited (w.e.f. June 23rd 2016) Max Learning Limited (w.e.f. August 23rd 2016)
Key management personnel	Mr. Sahil Vachani (Managing Director) Mr. Analjit Singh
Relatives of Key Management personnel	Mr. Veer Singh (Son of Mr. Analjit Singh - Director) Ms. Piya Singh (Daughter of Mr. Analjit Singh - Director)
Enterprises owned or significantly influenced by key management personnel or their relatives	Max India Foundation Max Ventures Private Limited New Delhi House Services Limited Piveta Estates Private Limited Siva Realty Ventures Private Limited Four Season Foundation Trophy Estates Private Limited. Analjit Singh HUF Siva Enterprises Private Limited Lakeview Enterprises
Enterprises owned or significantly influenced by key management personnel or their relatives (Ceased to be Related Party w.e.f March 7th 2016)	Max Life Insurance Company Limited Max Healthcare Institute Limited Max Bupa Health Insurance Company Limited Pharmax Corporation Limited Max India Limited Max Financial Services Limited Max UK Limited
Employee benefit Trust	Max Financial Services Limited Employees' Provident Fund Trust (Ceased to be Related Party w.e.f March 7th 2016) Max Speciality Films Limited Employees Group Superannuation Trust
Additional related parties as per Companies Act, 2013	
Key management personnel	Mr. Alok Goel - Company Secretary Mr. Nitin Kansal - Chief Financial Officer w.e.f 9th August 2016

29.1. Transactions with related parties during the period:

	Key Management personnel (Directors, CEO & CFO)		Relatives of KMP		Enterprises owned or significantly influenced by key management or their relatives		Employee benefit funds		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Reimbursement of expenses (Received from)										
Max Life Insurance Company Limited @	-	-	-	-	-	0.05	-	-	-	0.05
Max Healthcare Institute Limited @	-	-	-	-	-	1.37	-	-	-	1.37
New Delhi House Services Limited	-	-	-	-	0.29	-	-	0.29	-	-
Four Season Foundation	-	-	-	-	12.60	-	-	12.60	-	-
Max Ventures Private Limited	-	-	-	-	0.03	0.11	-	0.03	-	0.11
Piveta Estates Private Limited	-	-	-	-	2.79	-	-	2.79	-	-
Siva Realty Ventures Private Limited	-	-	-	-	0.75	-	-	0.75	-	-
Reimbursement of expenses (Paid to)										
Max Ventures Private Limited	-	-	-	-	13.56	62.23	-	13.56	-	62.23
Max Financial Services Limited @	-	-	-	-	-	426.92	-	-	-	426.92
Max India Limited @	-	-	-	-	-	56.00	-	-	-	56.00
New Delhi House Services Limited	-	-	-	-	26.24	-	-	26.24	-	-
Piveta Estates Private Limited	-	-	-	-	1.54	-	-	1.54	-	-
Icare Health Projects & Research Pvt. Ltd.	-	-	-	-	82.23	-	-	82.23	-	-
Services rendered (to)										
Shared Services										
Max Ventures Private Limited	-	-	-	-	53.37	-	-	53.37	-	-
Four Season Foundation	-	-	-	-	47.85	-	-	47.85	-	-
Piveta Estates Private Limited	-	-	-	-	10.40	-	-	10.40	-	-
Siva Realty Ventures Private Limited	-	-	-	-	2.72	-	-	2.72	-	-
Insurance										
Max Life Insurance Company Limited @	-	-	-	-	-	10.31	-	-	-	10.31
Max Bupa Health Insurance Company Limited @	-	-	-	-	-	44.58	-	-	-	44.58
Purchases of Materials										
Siva Realty Ventures Private Limited	-	-	-	-	15.61	-	-	15.61	-	-
Rent										
Pharmax Corporation Limited @	-	-	-	-	-	1.56	-	-	-	1.56
Veer Singh	-	-	29.28	79.86	-	-	-	29.28	-	79.86
Lakeview Enterprises	-	-	-	-	52.56	47.92	-	52.56	-	47.92
Piya Singh	-	-	58.56	-	-	-	-	58.56	-	-
CSR Expense										
Max India Foundation	-	-	-	-	19.30	-	-	19.30	-	-

	Key Management per- sonnel (Directors, CEO & CFO)		Relatives of KMP		Enterprises owned or significantly influenced by key management or their relatives		Employee benefit funds		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Rs. In lacs									
Purchase of Tangible Assets										
Max Ventures Private Limited	-	-	-	-	3.90	-	-	-	3.90	-
Siva Realty Ventures Private Limited	-	-	-	-	16.94	-	-	-	16.94	-
Trophy Estates Private Limited	-	-	-	-	0.18	-	-	-	0.18	-
Piveta Estates Private Limited	-	-	-	-	2.48	-	-	-	2.48	-
Legal and professional										
Max UK @	-	-	-	-	-	5.42	-	-	-	5.42
Establishment expense										
Max Ventures Private Limited	-	-	-	-	61.97	6.73	-	-	61.97	6.73
Travelling and conveyance										
Max Ventures Private Limited	-	-	-	-	2.10	-	-	-	2.10	-
Piveta Estates Private Limited	-	-	-	-	1.38	0.45	-	-	1.38	0.45
Siva Realty Ventures Private Limited	-	-	-	-	15.42	3.27	-	-	15.42	3.27
Repair and maintenance										
New Delhi House Services Limited	-	-	-	-	-	5.35	-	-	-	5.35
Key managerial remuneration*										
Sahil Vachani	229.90	23.50	-	-	-	-	-	-	229.90	23.50
Alok Goel	59.96	11.76	-	-	-	-	-	-	59.96	11.76
Nitin Kumar Kansal \$	38.76	-	-	-	-	-	-	-	38.76	-
Security Deposit Given										
Trophy Estates Private Limited	-	-	-	-	149.19	-	-	-	149.19	-
Mr Anajjit Singh	222.88	-	-	-	-	-	-	-	222.88	-
Lakeview enterprises	-	-	-	-	25.56	-	-	-	25.56	-
Mr Anajjit Singh HUF	-	-	-	-	30.23	-	-	-	30.23	-
Interest on Initial capex pay back										
Trophy Estates Private Limited	-	-	-	-	37.95	-	-	-	37.95	-
Mr Anajjit Singh	44.29	-	-	-	-	-	-	-	44.29	-
Mr Anajjit Singh HUF	-	-	-	-	7.69	-	-	-	7.69	-
Development Cost (Initial Pay Back)										
Trophy Estates Private Limited	-	-	-	-	426.22	-	-	-	426.22	-

	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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Mr Anajjit Singh	497.43	-	-	-	-	-	-	-	497.43	-
Mr Anajjit Singh HUF	-	-	-	-	86.36	-	-	-	86.36	-
Loan taken Anajjit Singh	6,100.00	-	-	-	-	-	-	-	6,100.00	-
Company's contribution to Provident Fund Trust Max Financial Services Limited Employees' Provident Fund Trust @	-	-	-	-	-	-	74.20	74.20	-	74.20
Company's contribution to Superannuation Trust Max Speciality Films Limited Employees Group Superannuation Trust	-	-	-	-	-	-	14.85	16.46	14.85	16.46
Dividend Paid Pharmax Corporation Limited @	-	-	-	-	-	-	-	3.38	-	3.38
Loan repaid Anajjit Singh	500.00	-	-	-	-	-	-	-	500.00	-
Convertible Warrants Issued # Siva Enterprises Private Limited	-	-	-	-	672.53	-	-	-	672.53	-
Balance outstanding as at the period end Statutory dues payable Max Speciality Films Limited Employees Group Superannuation Trust	-	-	-	-	-	-	0.97	1.17	0.97	1.17
Max Financial Services Limited Employees' Provident Fund Trust @	-	-	-	-	-	-	-	9.12	-	9.12
Trade Receivables Piveta Estates	-	-	-	-	1.93	-	-	-	1.93	-
Siva Realty Ventures Private Limited	-	-	-	-	2.95	-	-	-	2.95	-
Four Season Foundation	-	-	-	-	18.44	-	-	-	18.44	-
Other Receivables Four Season Foundation	-	-	-	-	12.60	-	-	-	12.60	-
Max Ventures Private Limited	-	-	-	-	6.32	-	-	-	6.32	-
Piveta Estates Private Limited	-	-	-	-	1.26	-	-	-	1.26	-
Siva Realty Ventures Private Limited	-	-	-	-	0.75	-	-	-	0.75	-
Max India Foundation	-	-	-	-	0.37	-	-	-	0.37	-

	Key Management per- sonnel (Directors, CEO & CFO)		Relatives of KMP		Enterprises owned or significantly influenced by key management or their relatives		Employee benefit funds		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	Rs. In lacs									
Loan outstanding										
Analjrit Singh	5,600.00	-	-	-	-	-	-	-	5,600.00	-
Trade payables										
Max Ventures Private Limited	-	-	-	-	-	11.94	-	-	-	11.94
Max Financial Services Limited @	-	-	-	-	-	96.13	-	-	-	96.13
Max India Limited @	-	-	-	-	-	58.52	-	-	-	58.52
Piveta Estates Private Limited	-	-	-	-	3.47	0.45	-	-	3.47	0.45
Siva Realty Ventures Private Limited	-	-	-	-	15.69	3.27	-	-	15.69	3.27
Veer Singh	-	-	-	11.98	-	-	-	-	-	11.98
Lakeview Enterprises	-	-	-	-	11.71	7.19	-	-	11.71	7.19
Piya singh	-	-	52.57	-	-	-	-	-	52.57	-
Icare Health Projects & Research Pvt. Ltd.	-	-	-	-	75.08	-	-	-	75.08	-
Four Season Foundation	-	-	-	-	0.18	-	-	-	0.18	-
Max Life Insurance Company Limited @	-	-	-	-	-	6.72	-	-	-	6.72
Max UK Limited @	-	-	-	-	-	5.42	-	-	-	5.42
New Delhi House Services Limited	-	-	-	-	3.24	15.22	-	-	3.24	15.22
Interest liability on Initial capex pay back										
Trophy Estates Private Limited	-	-	-	-	34.16	-	-	-	34.16	-
Mr Analjit Singh	28.55	-	-	-	-	-	-	-	28.55	-
Mr Analjit Singh HUF	-	-	-	-	6.92	-	-	-	6.92	-
Development Cost (Initial Pay Back)										
Trophy Estates Private Limited	-	-	-	-	426.22	-	-	-	426.22	-
Mr Analjit Singh	497.43	-	-	-	-	-	-	-	497.43	-
Mr Analjit Singh HUF	-	-	-	-	86.36	-	-	-	86.36	-
Security Deposit Given										
Trophy Estates Private Limited	-	-	-	-	149.19	-	-	-	149.19	-
Mr Analjit Singh	222.88	-	-	-	-	-	-	-	222.88	-
Mr Analjit Singh HUF	-	-	-	-	30.23	-	-	-	30.23	-
Veer Singh	-	-	30.00	30.00	-	-	-	-	30.00	30.00
Lakeview Enterprises	-	-	-	-	43.56	18.00	-	-	43.56	18.00

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

\$ Appointed on 9th Aug 2016

Refer note no 38

@ Ceased to be related party w.e.f March 7th, 2016

30 Contingencies and Capitalization of expenditures

a) Contingent liabilities not provided for

(Rs. in Lacs)

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
i.	Bank Guarantees submitted with (Refer note (a))	246.50	524.75
ii.	Claims against the Group not acknowledged as debts (refer note (b))	1,414.78	1,469.00
	- Excise duty demands		
	- Service tax demands		
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))	382.55	530.26
iv.	Contingent liability for pending C form's from customers	677.30	762.27

Note:

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

b) Capitalization of expenditures

During the period, the Group has capitalized the following expenses of revenue nature to the cost of Property, Plant and Equipments/ 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, 2017	As at March 31, 2016
Opening balance	353.26	-
Opening stock of trial run		
- Finished Goods (Refer Note 21)	3.27	-
Add: Expenses incurred during the year		
Legal and professional	177.08	33.72
Interest cost	119.92	55.72
Bank charges	107.00	58.44
Salaries, wages and bonuses	271.97	104.37
Cost of raw materials consumed	305.85	70.51
Consumption of packing material	9.23	0.57
Travelling and conveyance	16.04	16.42
Power and fuel	32.78	9.38
Freight and forwarding expenses	9.49	6.43
Insurance	13.57	1.69
Rates and taxes	25.49	-
Miscellaneous expenses	35.30	5.81
Less: Disposal of tested material	(226.29)	(6.53)
Less: Closing stock of trial run		
- Finished Goods (Refer Note 21)	-	(3.27)
Less: Stock transferred on account of trial run		
- Finished Goods	(39.60)	-
Total	1,214.36	353.26
Less: Allocated to Property, Plant and Equipment	607.25	-
Closing balance included in capital work in progress	607.11	353.26

31 Derivative instruments and unhedged foreign currency exposure
a) Particulars of forward contract *

Particulars of derivatives	As at March 31, 2017	As at March 31, 2016	Purpose
Forward contracts (Sell) outstanding at Balance Sheet date (in Lacs)	USD 8.45 (Rs. 539.63)	USD 17.47 (Rs. 1,135.87)	To hedge the outstanding trade receivables.
	EURO 14.94 (Rs. 1011.31)	EURO 12.59 (Rs. 925.71)	
	GBP 0.84 (Rs. 66.97)	GBP 1.57 (Rs. 146.39)	

b) Particulars of unhedged foreign currency exposure

Particulars	Currency	As at March 31, 2017			As at March 31, 2016		
		Foreign currency (in Lacs)	Exchange Rate (Rupee)	Indian Rupee (in Lacs)	Foreign currency (in Lacs)	Exchange Rate (Rupee)	Indian Rupee (in Lacs)
Import trade payables	EUR	3.90	70.77	275.70	3.99	76.59	305.59
Import trade payables	GBP	0.75	82.79	62.10	0.20	97.03	19.41
Import trade payables	USD	20.74	65.82	1,364.79	15.36	67.61	1,038.49
Import trade payables	Rand	0.78	4.80	3.74	-	-	-
Export trade receivables	USD	11.80	63.89	753.93	23.31	65.02	1,515.62
Export trade receivables	EUR	3.39	67.71	229.79	7.59	73.54	558.17
Export trade receivables	GBP	-	79.17	-	3.32	93.17	309.32
Buyers credit-Short term borrowings	USD	1.58	65.82	104.18	2.87	67.61	194.04
Buyers credit-Short term borrowings	EUR	-	70.77	-	1.54	76.59	117.95
Buyers credit-Short term borrowings	EUR	3.14	82.79	259.63	12.26	76.59	938.99
Buyers credit-Long term borrowings	EUR	14.96	70.77	1,058.72	2.70	76.59	206.79
Buyers credit-Long term borrowings	USD	28.49	65.82	1,875.18	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
Packing credit	USD	0.00	65.82	0.28	-	-	-
Bank balance	USD	-	82.79	-	0.00	65.02	0.04
Interest Accrued but not due on Buyers Credit	EUR	0.06	70.77	4.58	-	-	-
Interest Accrued but not due on Buyers Credit	USD	0.07	65.82	4.51	-	-	-
Interest Accrued but not due on Buyers Credit	GBP	0.04	82.79	3.44	-	-	-
Total				6,000.56			7,249.41

32. Pursuant to notification of Ministry of Corporate Affairs dated March 30, 2017, disclosure of specified bank notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 is provided in table below:

(Rs. in Lacs)

Particulars	Specified Bank notes	Other denomination notes	Total
Closing Cash in hand as on 8.11.2016	1.78	0.12	1.90
(+) Permitted receipts	-	4.88	4.88
(-) Permitted payments	-	3.25	3.25
(-) Amount deposited in Banks	1.78	-	1.78
Closing Cash in hand as on 30.12.2016	-	1.75	1.75

33 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 during the year is Rs.26.38 Lacs.

(b) Amount spent during the year on :

Particulars	For the year ended March 31, 2017			For the period January 20, 2015 to March 31, 2016		
	In cash (Rs in lacs)	Yet to be paid in cash	Total (Rs in lacs)	In cash (Rs in lacs)	Yet to be paid in cash	Total (Rs in lacs)
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On Purposes other than (i) above :	26.57	-	26.57	10.03	-	10.03
a) Promoting education	4.88	-	4.88	6.57	-	6.57
b) Ensuring environment sustainability and protection of flora and fauna	0.34	-	0.34	1.67	-	1.67
c) Health care services	0.20	-	0.20	1.19	-	1.19
d) Rural development projects	19.30	-	19.30	0.25	-	0.25
e) Training to promote rural sports	1.74	-	1.74	0.13	-	0.13
f) Promoting gender equality and empowering women	-	-	-	0.08	-	0.08
g) Others	0.11	-	0.11	0.14	-	0.14

34 Leases

Lease rental expense recognized in the statement of profit and loss for the period is Rs. 321.30 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.

(Rs. in Lacs)

	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016
The Total of minimum lease payments for a period:		
- Not later than one year	319.85	129.91
- Later than one year and not later than five years	1,129.14	271.74
- Later than five years	445.62	-

35 Employee Stock Option Plan

1) Pursuant to the Scheme of Demerger, with respect to the employee's stock options granted by the De-merged company i.e. Max Financial Services Limited (MFSL) to its employees (irrespective of whether they continue to be employees of MFSL 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 MFSL. Accordingly, ESOP outstanding as on the effective date in MFSL shall be allocated between the demerged company and resulting companies. Accordingly, 5,00,712 stock options were granted to the employees of MFSL and outstanding as on Effective date i.e. January 15, 2016 are eligible for stock options under new ESOP scheme on similar terms and conditions.

2) The Company has constituted an Employee Stock Option Plan - 2016 which have been approved by the Board in the meeting held on 9th August 2016 and by shareholders of the Company in its annual general meeting held on September 27, 2016 based on similar terms and conditions to the relevant ESOP plan of MFSL. During the year, 57208 nos of stock options were allotted to the aforesaid option holders by the Company. The 2016 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company. The 2016 Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors.

The 2016 Plan gives an option to the employee to purchase the share at a price determined by Nomination and Remuneration committee subject to minimum par value of shares (Rs. 10/-). The Company has valued Employee Stock Option outstanding as at year end presuming all the employees will exercise their option in favor of cash settlement or equity settlement based on trend.

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2017		March 31, 2016	
	Number of options	Weighted average exercise price (Rs.)	Number of options	Weighted average exercise price (Rs.)
Outstanding at the start of the year	500,712	10.00	-	-
Option grant during the year	-	-	627,757	10.00
Forfeited during the year	-	-	30,800	10.00
Exercised during the year	57,208	10.00	96,245	10.00
Outstanding at the end of the year	443,504	10.00	500,712	10.00
Exercisable at the end of the year	1,130	10.00	1,000	10.00

For options exercised during the year, the weighted average share price at the exercise date was Rs.10.00 per share (Previous year: Rs 10.00) per share.

The weighted average remaining contractual life for the stock options outstanding as at 31st March 2017 are as follows:

	March 31, 2017		March 31, 2016	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
21-Jan-16	443,504	2.61	500,712	3.61

36 Pursuant to the approval of Board of directors, the Company has entered into Share Purchase and Share Subscription Agreement ("Agreement") dated February 10, 2017 with (i) Toppan Printing Co., Limited ("Toppan") for sale of 35.84% stake of its stake in its subsidiary company, i.e. 'Max Speciality Films Limited' (MSFL), which was also approved by the shareholders of the Company through postal ballot.

Accordingly, on April 06, 2017, the Company transferred 1,39,45,659 equity shares (representing 35.84% on fully diluted basis of equity shares as at March 31, 2017) of MSFL to Toppan of face value of Rs. 10/- each at a premium of Rs. 94.27/, for an aggregate consideration of Rs. 14,541.14 lacs. Further, MSFL also issued and allotted 5,18,407 equity shares (representing 13.16% on fully diluted basis of equity shares as at March 31, 2017) of face value of Rs. 10/- each at a premium of Rs. 94.27/, for an aggregate consideration of Rs. 5336.96 lacs on a private placement basis, free of all liens or other encumbrances or rights of third parties, thereby Toppan holding 19,064,066 equity shares representing 49% (on a fully diluted basis) of the equity shares of the Company post share issuance.

37. 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 during the financial year 2015-16, have approved the Corporate Restructuring plan to vertically split Max Financial Services Limited through a Scheme of demerger ('Scheme'), into three separate listed companies.

- 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.
- 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:

Particulars	(Amt in Rs Lacs)
Assets acquired	
- Property, Plant and Equipment (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

- 38 a) During the year, the company has issued 1,55,23,870 equity shares of Rs. 10/- each at security premium of Rs. 68/- per share determined in accordance with SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("ICDR Regulations"); to New York Life International Holdings Limited (the "Investor") for the consideration of Rs. 12,109 Lacs on preferential basis.
- b) Further, the company has issued 34,48,894 Share Warrants (Warrants) of Rs. 10/- each at security premium of Rs. 68/- per share determined in accordance with SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("ICDR Regulations"); for consideration of Rs. 673 Lacs.

	(Rs In Lacs)
	For the year ended March 31, 2017
Unutilised amount at the beginning of the year	-
Proceeds received during the year	12,781.15
Less: amount utilised during the year	
- Repayment of Loan	500.00
- Loan given to related party	245.00
Unutilised amount at the end of the year	12,036.15

Details of short-term investments made from unutilized portion of public issue raised during the year

	(Rs. In lacs)
	As at March 31, 2017
Investment in Debt based Mutual funds	12,036.15

- 39 The Company's subsidiary "Max Estates Limited" has entered into Joint Development Agreement (JDA) with Land Owners (i.e. Trophy Estates Private Ltd., Mr. Analjit Singh, Analjit Singh(HUF) for development of 1,11,060 Sq. Ft. (Built up area) vide agreement date July 25, 2016.
- 40 The previous year's figures have been regrouped/reclassified, wherever necessary to correspond with the current year's classification/disclosure.

For S.R.Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place : Gurgaon

Date : 25th May 2017

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

Sahil Vachani

(Managing Director & CEO)

(DIN 00761695)

Nitin Kumar Kansal

(Chief Financial Officer)

Place : New Delhi

Date : 25th May 2017

Ashok Brijmohan Kacker

(Director)

(DIN 01647408)

Alok Goel

(Company Secretary)

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures as on March 31, 2017

Part A - Subsidiaries

(Amount Rs. in Lakhs, except otherwise stated)

S. No.	Particulars	Max Speciality Films Limited	Max Estates Limited	Max I. Limited	Max Learning Limited
1.	The date since when subsidiary was acquired/incorporated	April 1, 2015	March 22, 2016	June 23, 2016	August 23, 2016
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	April 1, 2016 to March 31, 2017	March 22, 2016 to March 31, 2017	June 23, 2016 to March 31, 2017	August 23, 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	Not Applicable	Not Applicable
4.	Share capital	3,378.79	800.00	5.00	205.00
5.	Reserves and Surplus	16,282.05	(282.54)	(0.95)	(305.10)
6.	Total Assets	56,287.06	3,640.79	516.57	100.30
7.	Total Liabilities	36,626.22	3,123.33	512.52	200.40
8.	Investments	-	-	-	-
9.	Turnover	70,993.42	92.15	5.36	-
10.	Profit before taxation	278.30	(287.62)	(0.95)	(305.10)
11.	Provision for taxation	(220.23)	(5.08)	-	-
12.	Profit after taxation	498.53	(282.54)	(0.95)	(305.10)
13.	Proposed Dividend	-	-	-	-
14.	Extent of shareholding (in %)	99%	100%	100%	100%

Notes:

- Names of subsidiaries which are yet to commence operations – NIL
- 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 Atul Seksaria

Partner

Membership Number: 086370

Place : Gurgaon

Date : 25th May 2017

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

Sahil Vachani

(Managing Director & CEO)

(DIN 00761695)

Nitin Kumar Kansal

(Chief Financial Officer)

Place : New Delhi

Date : 25th May 2017

Ashok Brijmohan Kacker

(Director)

(DIN 01647408)

Alok Goel

(Company Secretary)



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the Fifth Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2017.

FINANCIAL REVIEW

Financial Performance

(Rs. in Lacs)

Particulars	Year Ended March 31, 2017	Year Ended March 31, 2016
Revenue from Operations (Net)	65,420.31	70,046.51
Total Revenues	66,599.34	70,993.42
Operating Expenses	61,186.82	62,827.76
EBDITA	5,412.52	8,165.66
Depreciation	2,056.10	1,912.66
Interests	3,078.13	3,516.49
Taxes	(220.23)	751.05
Net Profit After Tax	498.53	1,985.46
No. of Equity Shares (Nos.)	33,787,850	33,787,850
EPS	1.48	5.88
Balance brought forward from previous year	2,326.98	750.10
Appropriations		
Interim Dividend	-	337.88
Tax on Interim Dividend	-	70.70
Balance Carried forward	2,825.51	2,326.98

OPERATIONAL REVIEW

Operational Performance

A pioneer of BOPP films in India, the Company continues to strive towards its goal of being a niche player with a continued focus on speciality films. Polymer-based BOPP films play a critical role in the flexible packaging of processed foods, confectionery, fast moving consumer goods (FMCG) and industrial goods. Your Company is also a leading producer of Graphic Lamination films for print finishing and luxury packaging. The Company with an eye on the future plans to commission a new BOPP line in FY 2018 with an investment of Rs. 250 crore. having a capacity of 32,000 tonnes speciality line which will enable it to become a speciality player. The total revenue earned by the Company during the year was Rs. 665.99 crore, with profit before tax being Rs. 2.78 crore. The Company earned a profit after tax of Rs. 4.99 crore.

Dividend

In view of future business plans, the Board of Directors of the Company do not propose dividend for the year ended March 31, 2017.

Transfer to Reserves

The Company has transferred net profit after taxes to surplus of profit and loss account. Details of amount transferred are as below:
(Rs. in Lacs)

Particulars	As at March 31, 2017
Surplus/(Deficit) in statement of Profit & loss	
Balance as per Last financials statement	2,326.98
Add: Profit for the year	498.53
Less: Appropriations	
Interim Dividend	-
Tax on interim dividend	-
Net surplus/deficit in the statement of Profit & Loss	2,825.51

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

Pursuant to the approval of Board of Directors in its meeting held on February 10, 2017, the company entered into Share Purchase and Share Subscription Agreement and Shareholders Agreement executed by and amongst (i) Toppan Printing Co., Ltd., Japan; (ii) Max Ventures and Industries Limited; and (iii) Max Speciality Films Limited.

On April 06, 2017, the Company has issued and allotted 51,18,407 (Fifty One Lakh Eighteen Thousand Four Hundred Seven) equity shares of face value of Rs. 10/- each (Rupees Ten only) (representing 13.16% on fully diluted basis) at a premium of Rs. 94.27/- (Rupees Ninety Four and Twenty Seven Paise Only) i.e. at an aggregate price of Rs. 104.27/- (Rupees One Hundred Four and Twenty Seven Paise Only) to Toppan Printing Co., Limited on private placement basis for an aggregate consideration of Rs. 53,36,96,297.89 (Rupees Fifty Three Crore Thirty Six Lakh Ninety Six Thousand Two Hundred Ninety Seven and Eighty Nine Paise only).

Further, Max Ventures and Industries Limited (i.e. the holding company) has purchased 3,38,350 (Three Lacs Thirty Eight Thousand Three Hundred Fifty) equity shares of the Company from Pharmax Corporation Limited on April 03, 2017 and has transferred 1,39,45,659 (One Crore Thirty Nine Lacs Forty Five Thousand Six Hundred Fifty Nine) equity shares of face value of Rs. 10/- (Rupees Ten only) each (representing 35.84% on fully diluted basis) at a premium of Rs. 94.27/- (Rupees Ninety Four and Twenty Seven Paise Only) i.e. at an aggregate price of Rs. 104.27/- (Rupees One Hundred Four and Twenty Seven Paise Only) to Toppan Printing Co., Limited. Thus, Toppan Printing Co., Limited holds 19,064,066 (One Crore Ninety Lakhs Sixty Four Thousand Sixty Six) equity shares of face value of Rs. 10/- (Rupees Ten only) each representing 49% (on a fully diluted basis) of the equity shares of the Company w.e.f April 06, 2017.

SHARE CAPITAL

The Authorized Share Capital of the Company as on March 31, 2017 was Rs. 50,00,00,000/- (Rupees Fifty Crore only) comprising of 5,00,00,000 (Five Crores) equity shares of Rs. 10/- (Rupees Ten only) each.

The Paid-up Capital of the Company as on March 31, 2017 was Rs. 33,78,78,500/- (Rupees Thirty Three Crores Seventy Eight lacs Seventy Eight Thousand Five Hundred only) comprising of 3,37,87,850 (Three Crores Thirty Seven Lakhs Eighty Seven Thousand Eight Hundred Fifty) equity shares of Rs. 10/- (Rupees Ten only) each.

The Paid-up Capital of the Company was increased to Rs. 38,90,62,570/- (Rupees Thirty Eight Crores Ninety lacs Sixty Two Thousand Five Hundred and Seventy only) comprising of 3,89,06,257 (Three Crores Eighty Nine Lakhs Six Thousand Two Hundred Fifty Seven) equity shares of Rs. 10/- (Rupees Ten only) each on April 06, 2017, pursuant to allotment of 51,18,407 (Fifty One Lakh Eighteen Thousand Four Hundred Seven) equity shares of face value of Rs. 10/- (Rupees Ten only) each to Toppan Printing Co., Limited.

HOLDING COMPANY

Max Ventures and Industries Limited is a Holding Company of your Company holding 99% of equity share capital of the Company as on March 31, 2017.

Post the Financial year on April 03, 2017, Max Ventures and Industries Limited (i.e. the holding company) has purchased 3,38,350 (Three Lacs Thirty Eight Thousand Three Hundred Fifty) equity shares from Pharmax Corporation Limited and has also transferred 1,39,45,659 (One Crore Thirty Nine Lacs Forty Five Thousand Six Hundred Fifty Nine) equity shares of face value of Rs. 10/- (Rupees Ten only) each to Toppan Printing Co., Limited on April 06, 2017. Thus, from April 06, 2017 till date, the holding company holds 19,842,191 (One Crore Ninety Eight Lakhs Fourty Two Thousand One Hundred Ninety One) equity shares of face value of Rs. 10/- (Rupees Ten only) each representing 51% of the equity shares capital of the Company.

SUBSIDIARY COMPANY(S) / ASSOCIATES / JOINT VENTURES

Your Company does not have any Subsidiary Company, Associate or Joint Venture during the year under review.

BOARD OF DIRECTORS

Your Company has seven (7) Directors consisting of three (3) Independent Directors and four (4) Non-executive Directors as on March 31, 2017. There were no changes during the year under review.

Further, the following changes took place between April 01, 2017 till date:

- Mr. Kishansingh Ramsinghaney resigned as Director of the Company w.e.f. April 06, 2017. The Board places on record its appreciation for the valuable contributions made by Mr. Kishansingh Ramsinghaney during his association with the Company; and
- Mrs. Sujatha Ratnam resigned as Director of the Company w.e.f. April 06, 2017. The Board places on record its appreciation for the valuable contributions made by Mrs. Sujatha Ratnam during her association with the Company
- Mr. Hideharu Maro was co-opted as Additional Director of the Company on April 06, 2017. His term of office expires on the date of ensuing Annual General Meeting and is eligible to be appointed.
- Mr. Chiharu Komachi was co-opted as Additional Director of the Company on April 06, 2017. His term of office expires on the date of ensuing Annual General Meeting and is eligible to be appointed.

The Company has received notices under Section 160 of the Companies Act, 2013 ('the Act') from members proposing the candidature of Mr. Hideharu Maro and Mr. Chiharu Komachi for being appointed as Directors of the Company. The Board of Directors recommend to the shareholders for their appointment as Directors of the Company.

In terms of Section 152 of the Act, Mr. Sahil Vachani being longest in the office shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for re-appointment.

The Board met for six times during the year under review, as follows:

S. No.	Date of Meeting	Board Strength	No. of Directors present
1.	May 09, 2016	7	6
2.	August 09, 2016	7	5
3.	November 14, 2016*	7	6
4.	February 04, 2017	7	7
5.	February 10, 2017	7	5
6.	March 17, 2017	7	6

* The no. of directors present at the adjourned board meeting was 07.

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

Name of directors	Designation	Board Meetings	
		Held during tenure	Attended
Mr. Mohit Talwar	Chairman	6	5
Mr. Kummamuri Narasimha Murthy	Independent Director	6	6
Dr. Subash Khanchand Bijlani	Independent Director	6	3
Mr. Ashok Brijmohan Kacker	Independent Director	6	6
Mrs. Sujatha Ratnam	Non- Executive Director	6	6
Mr. Kishansingh Ramsinghaney	Non- Executive Director	6	4
Mr. Sahil Vachani	Non- Executive Director	6	5

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

In terms of Section 149(6) of the Act, and based on the confirmation/ disclosures received from the Directors, the following Non-Executive Directors are Independent Directors of the Company: Dr. Subash Khanchand Bijlani, Mr. K. Narasimha Murthy and Mr. Ashok Brijmohan Kacker.

The Company is in receipt of declaration of independence from all the above mentioned Independent Directors as per Section 149(7) of the Act.

KEY MANAGERIAL PERSONNEL

Mr. Jaideep Wadhwa was the Chief Executive Officer of the Company till February 13, 2017. Mr. Wadhwa resigned vide his letter dated November 15, 2016.

Mr. Dalbir Singh was the Chief Financial Officer (CFO) of your Company till January 31, 2017. Mr. Dalbir Singh was retired as CFO of the Company upon attaining superannuation age on January 31, 2017.

On the recommendation of the Nomination and Remuneration Committee, Mr. Amit Jain a Fellow Member of the Institute of Chartered Accountants of India (Membership No. 91570) was appointed as the CFO of the company w.e.f February 04, 2017. Prior to that, Mr. Amit Jain, was the GM – Finance & Taxation of the Company having over 23 years of experience. Mr. Jain holds a Bachelor's degree in Commerce and is a qualified Chartered Accountant. He has been with the Company since 2002 and is a member of the Senior Leadership Team of the Company.

Ms. Rupali Sharma is the Company Secretary of your Company.

Further, on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company in their meeting held on May 11, 2017 had appointed Ramneek Jain as the Chief Executive Officer (CEO) of the Company. Mr. Ramneek Jain joined the services of the Company with effect from July 11, 2017.

Mr. Ramneek is a seasoned business leader with over 23 years of rich experience across manufacturing organisations in India and the US. Mr. Jain joins MSF after a 12-year stint at Anand Group, where he last held the position of Senior Vice President and Chief Operations Officer at Spicer India Limited, a subsidiary of the Anand Group. Prior to Spicer India, Mr. Jain was with MAHLE Filter Systems India (MFSI), a 50:50 joint venture between Anand Group and Germany-based MAHLE GmbH, where he spent more than 8 years and became the company's Chief Operating Officer. He also spent 6 years with General Motors in USA, early in his career.

COMMITTEES OF BOARD OF DIRECTORS

The Company has the following committees 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.

1. Audit Committee:

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

The Committee met eight times during the financial year 2016-17 on May 09, 2016, May 10, 2016, August 09, 2016, August 16, 2016, November 12, 2016, February 04, 2017, February 10, 2017 and March 16, 2017. The details of composition, meetings and attendance at the Meetings of the Audit Committee are as under:

S. No.	Name of the Director	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr. K. Narasimha Murthy	Independent	Member	8	8
2.	Dr. S.K. Bijlani	Independent	Member	8	5
3.	Mrs. Sujatha Ratnam	Non - Executive	Member	8	8

Further, the Board of Directors in its meeting held on May 11, 2017 re-constituted the Audit Committee comprising of Mr. Ashok Kacker (Chairman), Mr. K. Narasimha Murthy, Dr. Subash Bijlani, Mr. Sahil Vachani and Mr. Chiharu Komachi as its members.

2. Nomination & Remuneration Committee:

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

The Committee met four times during the financial year 2016-17 on May 09, 2016, August 09, 2016, November 14, 2016 and February 04, 2017. The details of composition, meetings and attendance at the Meetings of the Committee are as under:

S. No.	Name of the Director	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr. K. Narasimha Murthy	Independent	Member	4	4
2.	Dr. S.K. Bijlani	Independent	Member	4	2
3.	Mr. Mohit Talwar	Non - Executive	Member	4	4

Further, the Board of Directors in its meeting held on May 11, 2017 re-constituted the Nomination & Remuneration Committee comprising of Dr. Subash Bijlani (Chairman), Mr. K. Narasimha Murthy, Mr. Mohit Talwar and Mr. Chiharu Komachi as its members.

3. Corporate Social Responsibility Committee:

The terms of reference of the Corporate Social Responsibility (CSR) Committee are in line with the relevant provisions of Companies Act, 2013.

The Committee met two times during the financial year 2016-17 on November 12, 2016 and February 04, 2017. The details of composition, meetings and attendance at the Meetings of the Committee are as under:

S. No.	Name of the Director	Category	Designation	No. of Meetings	
				Held	Attended
1.	Mr. K. Narasimha Murthy	Independent	Chairman	2	2
2.	Dr. S.K. Bijlani	Independent	Member	2	2
3.	Mr. Ashok Kacker	Independent	Member	2	2
4.	Mrs. Sujatha Ratnam	Non - Executive	Member	2	2

Further, the Board of Directors in its meeting held on May 11, 2017 re-constituted the CSR Committee comprising of Mr. Ashok Kacker (Chairman), Mr. K. Narasimha Murthy, Dr. Subash Bijlani, Mr. Sahil Vachani and Mr. Chiharu Komachi as its members.

POLICY ON CORPORATE SOCIAL RESPONSIBILITY

The CSR Committee of the Company in its meeting held on March 22, 2016 formulated and recommended the Corporate Social Responsibility Policy pursuant to the provisions of Section 135 of Companies Act, 2013 and rules made there under indicating the projects or programs, the Company plans to undertake the activities falling within the purview of Schedule VII to the Companies Act, 2013. The CSR Policy has been approved by the Board of Directors in their meeting held on March 22, 2016. The Policy forms a part of this report as 'Annexure - 1'.

Further, an expenditure of Rs. 26.57 Lacs was made during the FY 2016-17 towards CSR activities. In compliance with Section 135 of Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 an Annual Report on CSR Activities forms part of this Report as 'Annexure - 2'.

INDEPENDENT DIRECTORS' MEETING

The Independent Directors of the Company had a separate meeting on August 09, 2016 during the Financial Year 2016-17. Further, all the Independent Directors of the Company had a separate meeting on August 1, 2017, *inter-alia*, to:

- (a) Review the performance of non-independent directors and the Board as a whole;
- (b) Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and
- (c) 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

As per the requirements of the Act, formal Annual Evaluation process has been carried out for evaluating the performance of the Board, the Committees of the Board, Individual Directors and Chairperson.

The Annual Evaluation of the performance of the Board, the Committees, Individual Directors and Chairperson has been carried out in line with requirements under the Companies Act, 2013. The performance evaluation was carried out by obtaining feedback from all directors. The outcome of this performance evaluation was placed before the Nomination and Remuneration Committee, Committee of Independent Directors and the Board in their respective meetings for the consideration of members.

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. It was further acknowledged that every individual member and Committee of the Board contribute their best in the overall growth of the organization.

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

The Company has framed a Policy for determining qualifications, positive attributes and independence of a Director and remuneration for the Directors, Key Managerial Personnel and other employees. The Policy forms a part of this report as 'Annexure – 3'.

PUBLIC DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans, made any guarantees or acquired any securities or provided for acquisition of any securities during the year under review which are covered under Section 186 of the Act.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered by the Company during the 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 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.

AUDITOR & AUDITORS' REPORT

Pursuant to Section 139 & 142 of the Act, M/s S. R. Batliboi & Co. LLP, Chartered Accountants, (FRN - 301003E) were appointed as the Statutory Auditors of the Company at Annual General Meeting (AGM) held on September 30, 2014 for a period of three years upto the conclusion of fifth AGM to be held in 2017 upon ratification of their appointment in every AGM held during their tenure. The Board recommends appointment of M/s S.R. Batliboi & Co., LLP, Chartered Accountants as the statutory auditors of the company to hold office from the conclusion of 5th AGM till the conclusion of the 10th AGM of the Company to be held in the year 2022 pursuant to provisions of Section 139 of the Companies Act, 2013 and Rules thereto.

M/s S. R. Batliboi & Co. LLP, Chartered Accountants, Statutory Auditors of the Company, have provided a certificate that their appointment, if made by the members of the Company, will be within the limits specified under Section 141 of the Companies Act, 2013.

There are no audit qualifications or reporting of fraud in the Statutory Auditors Report given by M/s S. R. Batliboi & Co. LLP, Statutory Auditors of the Company for the FY 2016-17 as annexed to this Annual Report.

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Act, your Company had appointed M/s Sanjay Grover & Associates, Practicing Company Secretaries, Delhi as its Secretarial Auditors to conduct the secretarial audit of the Company for the FY 2016-17. The Company provided all assistance and facilities to the Secretarial Auditor for conducting the audit. The Report of Secretarial Auditor for the FY 2016-17 is annexed to this report as 'Annexure – 4'. There are no Audit Qualifications in the aforesaid Secretarial Audit Report.

COST AUDIT

Pursuant to Section 148 of the Act, the Board of Directors of your company appointed M/s Balwinder Singh & Associates, Cost Accountants (Firm Registration Number 000201), as the Cost Auditors of the Company for the financial year 2017-18 at a remuneration of Rs. 1,50,000 (Rupees One Lakh and Fifty Thousand only) plus applicable taxes and reimbursement of out of pocket expenses.

Your Directors recommend to the members the ratification of the remuneration of the Cost Auditors in the ensuing Annual General Meeting of the Company.

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 were observed.

RISK MANAGEMENT POLICY

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

VIGIL MECHANISM

The Company has a vigil mechanism pursuant to which a Whistle Blower Policy is in place. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

The Policy covering all employees, Directors and other persons having association with the Company is hosted on the Company's website www.maxspecialtyfilms.com.

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

Your Company has requisite policy, in place, for Prevention of Sexual Harassment of Women at workplace. The comprehensive policy ensures gender equality and the right to work with dignity. The Internal Complaints Committee (ICC) has been constituted as per provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review and till the date of this report, no complaint under the said Act has been reported to ICC

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 forms part of this report as 'Annexure – 5'.

EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return as at March 31, 2017 forms part of this report as 'Annexure – 6'.

PARTICULARS OF EMPLOYEES

The information required under section 197 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in 'Annexure – 7'.

MANAGEMENT DISCUSSION & ANALYSIS

A review of the performance of Company is provided in the Management Discussion & Analysis section which is attached elsewhere in this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, it is hereby confirmed that:

(a) In the preparation of the annual accounts, the applicable

accounting standards had been followed along with proper explanation relating to material departures;

- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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.

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks the co-operation and assistance received from various agencies of the Central and State Governments, the Regulatory Authorities, Financial Institutions and Banks, Shareholders and all business associates.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff for their performance during the year.

For and on behalf of the Board of Directors
For **Max Specialty Films Limited**

Mohit Talwar
Chairman
DIN: 02394694

Place: New Delhi
Date: August 01, 2017

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. PREAMBLE

- 1.1 Corporate Social Responsibility has been an area of focus for the Max Group and Max Speciality Films Limited, ("**MSFL**" or the "**Company**") since inception. Max Group being in the "*Business of Life*", there has been a conscious effort to make a difference in the lives of the less privileged through its CSR initiatives. MSFL by giving due priority to CSR has and will attempt to effect positive change in the quality of life of the underserved in line with the Group philosophy.
- 1.2 The Companies Act, 2013 brings an even greater emphasis on CSR with Rules that provide guidance on minimum CSR spend, reporting mechanism, review structure and reporting to the shareholders of the Company. A CSR Committee has been formed at the Board level to oversee CSR activities of the Company.
- 1.3 Further to the above stated, the Board will approve the CSR Policy as formulated and proposed by the CSR Committee with an objective to outline its CSR focus areas, recommending the amount of CSR Expenditure, execution process, review & monitoring mechanism, and, reporting process to the Management and the Board of Directors of the Company.

II. PHILOSOPHY & OBJECTIVES

MSFL has the vision to be India's most admired and preferred global supplier of speciality polymer films. Care for the environment and community is MSFL's Core Value to bring about strong social relevance. Our objective is to make a meaningful and sustained impact on the lives of the beneficiaries of our programs.

III. DEFINITIONS AND INTERPRETATIONS

"**CSR**" means corporate social responsibility.

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

"**CSR Activities**" shall mean the permissible CSR activities as per Schedule VII of the Companies Act.

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

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

"**CSR Expenditure**" shall mean the CSR expenditure proposed under this Policy and providing the corpus amount in furtherance of this Policy.

"**Estimated CSR Expenditure**" shall mean the actual estimate of the CSR Expenditure for each year as has been approved for each year.

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

"**MSFL CSR Activities**" shall mean the services rendered in the MSFL CSR Identified Sectors.

"**MSFL CSR Identified Sectors**" mean the following sectors, as have been identified under this CSR Policy, (i) Health & Hygiene, (ii) Sanitation, (iii) Education and (iv) Rural Development .

"**Max Group**" shall mean Max India Limited and the other Group companies of Max India: i.e. Max Financial Services Limited, Max Ventures and Industries Limited and Max Speciality Films Limited, a subsidiary of Max Ventures and Industries Ltd.

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

"**Primary and Secondary Education**" shall mean the primary and secondary education system, as is recognised in India.

"**Proposed Implementation Plan**" shall mean the annual proposed implementation plan in respect of the MSFL CSR Activities to be provided each year

"**Quarter**" shall mean an annual quarter for each Financial Year.

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

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

"**Village**" shall mean rural villages, urban villages, slum clusters, cluster of villages and geographies covered by Gram Panchayats.

IV. CSR IDENTIFIED SECTORS AND CSR ACTIVITIES

MSFL shall undertake CSR activities in all or any of the CSR activities as per the Companies Act, However, it shall give primary importance to the MSFL CSR Identified Sectors, as follows.

4.1 Health, Hygiene & Sanitation

- a. Preventive healthcare to underprivileged in identified geographies
- b. Supporting and facilitating medical care by providing consultation and medicines in Max Health Centre
- c. Supporting and facilitating surgeries and other treatment.
- d. Personal hygiene training and support in the village which has been adopted by the Company and in those locations where Health camps are organized by the Company
- e. To organize health education lectures
- f. Waste management awareness and proper waste disposal support

- g. Cancer awareness
- h. Providing pure drinking water
- i. Environmental awareness and care in and around the selected areas of operations of the Company. Propagation of a clean healthy environment to ensure good health
- j. Anti littering campaigns
- k. Vocational Training
- l. Sports facilities

4.2 Education

Providing support to schools in the nearby areas of MSFL operations by providing teachers, computers, pure & hygienic drinking water, hygiene training cum awareness, woollens and sports equipment to facilitate improvement in academic results and overall development of students.

4.3 Livelihood

- a. Vocational training and creating & supporting Self Help Groups for women, adolescent girls and youth in village adopted by the Company. The vocations for which training will be provided will be identified basis the inherent skill sets and commercial opportunities for those vocations in and around the village.

V. MODALITIES OF EXECUTION AND IMPLEMENTATION SCHEDULES

- 5.1 **Independent Implementing Agency:** The Company shall work with Max India Foundation which will in turn work with relevant credible NGOs and organisations to execute work on the ground.
- 5.2 **NGO Support:** Max India Foundation will execute projects with the help of NGOs and employee engagement. Max India Foundation may seek the support of NGOs who are working on ground on issues decided upon. Max India Foundation will also provide requisite training support to volunteers to carry out / support in CSR activities.
- 5.3 **Volunteering:** MSFL and Max India Foundation should work together to create a comprehensive Employee Volunteering programme to ensure greater participation of employees in CSR activities. This programme should also include the recognition programme for CSR volunteers. MSFL Management will encourage volunteer programmes / participation of the MSFL employees.
- 5.4 **Modality of Execution of MSFL CSR Activities:** The Company shall execute and undertake the MSFL CSR activities as follows:
 - 5.4.1. Healthcare which will cover health camps, medicinal support, health awareness, cancer awareness, surgeries and treatments, environmental awareness and protection, support for artificial limbs & polio callipers and other disability.
 - 5.4.2 Village Adoption in which the Company will focus on:

- i. Health, Hygiene and sanitation in the village
- ii. Supporting school children to improve academics and overall development of the students
- iii. Pure drinking water
- iv. Spreading awareness about a healthy environment and activities to protect environment and waste management
- v. Children & Women related issues in the areas of health, health-education and nutrition
- vi. Community Development and introduction of sports & vocational training to encourage youth to stay away from drugs

5.5 Geographical Areas for MSFL CSR Activities:

- 1. **Health, Hygiene & Sanitation :** In the nearby areas or as may be identified in consultation with Max India Foundation.
- 2. **Environment:** In and around the areas of operations of Max Speciality Films Limited

5.6 Beneficiaries for the MSFL CSR Activities:

- 1. Children (0-18 years)
- 2. Women
- 3. Youth (18-25 years)
- 4. Senior citizens
- 5. Others – society at large

VI. CSR FUNDING AND CSR EXPENDITURE

- 6.1 **CSR Budget:** In order to ensure funding for the CSR Activities, MSFL shall strive to allocate 2% (two per cent) of the average net profits made by the Company (Shareholders' Profit) in its immediately preceding three financial years.
- 6.2 **CSR Expenditure Funds:** The CSR Committee will present the Proposed Implementation Plan to the Board, detailing the action steps, modalities and the Estimated CSR Expenditure to the Company, for the Board's approval. The CSR Committee shall prepare the Proposed Implementation Plan together with Max India Foundation.
- 6.3 **Implementation Plan.** The Board shall approve the Final Implementation Plan and the CSR Expenditure Funds shall be allocated for implementation in partnership with Max India Foundation.
- 6.4 **Declaration.** The Company hereby declares that any surplus arising and/or additional revenue generated out of CSR Activities undertaken by the Company shall not form part of the business profit of the Company and same shall be spent for undertaking any CSR Activities only.

VII. Monitoring Process of CSR Activities

- 7.1 **Approval of CSR Plan.** MSFL Management shall present and get approval on a quarterly activity plan from

competent authority at MSFL. The plan should be in line with MSFL CSR Policy approved by the CSR Committee. This plan will form the basis for progress report to CSR Committee.

- 7.2 **Reporting to CSR Committee.** MSFL Management in consultation with Max India Foundation shall provide a detailed progress report on the Key Performance Indicators to the CSR Committee every Quarter, or, at such intervals and at such times as the CSR Committee shall require to do so. The progress on CSR issues selected by the Company will be reported in the Annual Report in the format prescribed by the CSR Rules.
- 7.3 **Reporting to the Board.** The CSR Committee shall submit its report giving status of the CSR Activities undertaken, CSR Expenditure incurred and such other details as may be required by the Board, in accordance with applicable laws.
- 7.4 **Key Performance Indicators:** MSFL will attempt to make a sustainable impact through our CSR Programs and the key performance indicators for assessment would be :-

Issues	Key Performance Indicators
Water & Sanitation Infrastructure	
Water	i) Improvement in the quality of Drinking water
Sanitation	i) Introduction of waste management program ii) Improvement in sanitation observed
Academic Infrastructure	
Education	i) Improvement in the Annual result of Class-X. ii) Improvement in school infrastructure
Community Infrastructure	
Skill development	i) Vocational training especially for Wome
Youth engagement	i) Introduction of sports facilities
Healthcare	
Medical Centre	i) Improvement in Health with focus on Women and Senior Citizens ii) No. of people provided immediate solutions / referred for further treatment
Enhanced Medical Facilities and Services	i) Services of need based Medical Specialists
Medical camps	i) Improvement in health ii) No. of locations covered / Health Camps organized iii) No. of people treated by sponsoring eye surgeries / correction in low vision by providing specs
Miscellaneous	
	i) Any other parameters as the CSR Committee may require

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

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs : The Corporate Social Responsibility (CSR) Committee of Max Speciality Films Limited has formulated and adopted CSR Policy and the same is enclosed as "Annexure-I" to the Board's Report. Further, The CSR Policy of your Company has been posted on <http://www.maxspecialityfilms.com/>
2. The Composition of the CSR Committee : (a) Mr. Ashok Kacker - Chairman (Independent Director)
(b) Mr. K. Narasimha Murthy - Member (Independent Director)
(c) Dr. Subash Bijlani - Member (Independent Director)
(d) Mr. Chiharu Komachi - Member (Non- Executive Director)
(e) Mr. Sahil Vachani - Member (Non- Executive Director)
3. Average net profit of the Company for last three financial years : Rs.13,18,81,245 (Rupees Thirteen Crores Eighteen Lakhs Eighty One Thousand Two Hundred and Forty Five only)
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above) : Rs. 26,37,625 (Rupees Twenty Six Lacs Thirty Seven Thousand Six Hundred and Twenty Five only)
5. Details of CSR spent during the financial year
- a) Total amount to be spent for the financial year : Rs. 26,37,625 (Rupees Twenty Six Lacs Thirty Seven Thousand Six Hundred and Twenty Five only)
- b) Amount spent during the FY 2016-2017 towards CSR obligation : Rs. 26,57,053 (Rupees Twenty Six Lakhs Fifty Seven Thousand and Fifty Three only)
- c) Amount unspent, if any : Not Applicable
- d) Manner in which the amount spent during the financial year is detailed below : Refer table below
6. Reasons for not spending the prescribed amount : Not Applicable
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company : Yes, in compliance with CSR objectives & policy

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local area or Other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs.)	Amount spent on the projects or programs (Rs.) Sub heads: 1. Direct expenditure on projects or programs. 2. Overheads	Cumulative expenditure up to the reporting period (Rs.)	Amount spent (Rs.): Direct or through implementing agency
1.	(a) Health Care (b) Promoting Education	(a) Health, Hygiene, Sanitation, drinking water in schools etc. (b) Vocational training, academic support to schools	1. Local area 2. Punjab, Nawanshahr	26,37,625	26,57,053 (Direct Expenditure)	27,13,823	a. Direct Expenditure : 7,27,053 b. Implementing agency through Max India Foundation: 19,30,000
	TOTAL			26,37,625	26,57,053	27,13,823	

Place: New Delhi
Date: August 01, 2017

Sd/-
Mr. Ramneek Jain
Chief Executive Officer

Sd/-
Mr. Ashok Kacker
(Chairman of the CSR Committee)

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

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

Appointment Criteria and Qualification

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

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

Remuneration Policy

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

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-term performance 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 /Wholetime 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.

SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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 Speciality Films Limited
(CIN: U24100PB2012PLCO36981)
419, Bhai Mohan Singh Nagar, Village Railmajra,
Tehsil Balachaur, Nawan Shehar
Punjab-144533

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Max Speciality Films Limited (hereinafter called the Company), which is an Unlisted 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, regulations and standards 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, minutes 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, 2017 ("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, 2017 according to the provisions of:-

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (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 the Secretarial Standards on Meetings of the Board of Directors and on General Meetings issued by the Institute of Company Secretaries of India, 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 carrying on the business of manufacturing and sale of Biaxially Oriented Polypropylene ("BoPP") metallised films, BoPP unmetallised films, thermal lamination films and leather finishing foils. As informed by the Management, following are some of the laws specifically applicable to the Company:-

- Legal Metrology Act, 2009 and Rules made thereunder;
- Petroleum Act, 1934 and Rules made thereunder;

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 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, standards and guidelines which can be further strengthened.

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

New Delhi
July 24, 2017

Neeraj Arora
Partner
CP No. 16186

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

a) Energy Conservation measure taken

The Company has taken several steps to conserve energy and conservation continues to be a high priority in operating as well as capital investment evaluations. Various steps taken to bring about savings include;

- Energy Audit conducted by an External Agency.
- Thermal Insulation of Extruders.
- Temperature Control of Cooling Tower.
- Conservation of Fuel through Waste Heat Recovery system.
- Low energy illumination and use of Natural light.
- Optimization of pump sizes in chilled and cooling tower water systems.
- Synchronization of exhaust and machine blowers with BOPP film line speed.
- Implemented Green Purchase Policy.
- Lighting and Air-condition Automation through IRD (Infra-Red Detector)

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy

- Energy Re-Audit by External Agency.
- Use of Energy Efficient motors & pumps in all the new upcoming projects.
- Creation of an Energy Cell to conduct energy audits & identify as well as implement energy saving projects/measures .

B) Research & Development, Technology absorption, Adaption and Innovation

1. Research & Development

- Investment in R&D, strategic partnerships as well as technology sourcing for specialty products to create differentiators and offset commoditization.
- Collaboration with machine supplier to design a first of its kind New BOPP production line to support the Specialty product portfolio.
- Ventured into coatings, developing coated labels

as well as flexible packaging films with enhanced properties

- Working on strengthening product portfolio & benchmarking against portfolio of global Competitors.
- Focus on Value selling, increased training on new products and applications to marketing team & Customers.
- Participation in international fairs, conferences and exhibitions to understand market & technology trends as well as to identify specific market & customer requirements.

2. Benefits Derived

- Won world star 2016 award 2nd time in three years for innovative design & development in packaging.
- MSFL's R & D Lab recognition by DSIR, a wing of Ministry of Science and Technology of the Government of India
- MSFL's test facilities are the first in India to have won the coveted NABL accreditation.
- Focus on new products & Speciality portfolio enabled partnerships with Flexible Packaging Manufacturers and brands on joint developments to serve new applications.
- Focus on high end films has supported a change in the portfolio, creating opportunities for high margin films and strategic partnerships with major customers.

3. Future Plan of Action

- Strengthening of Research & Development as well as Technical Services functions.
- Further upgrading infrastructure, facilities, equipment of R&D Lab
- Strengthening of customer interface and ideation processes to develop high margin films
- Investment in process engineering and rheological study of polymers.

4. Expenditure in Research & Development

Capital	:	NIL
Recurring	:	222 (Rs in lacs)
Total	:	222 (Rs in lacs)
R & D Expenditure as % of Net Sales	:	0.3%

5. Technology Absorption, Adaption and Innovation

- **Efforts made towards Technology Absorption, Adaption and Efforts made towards Technology Absorption, Adaption**

Company has an in-house product development function that develops new products and works with subject matter experts on different technologies and manufacturing processes. The products so developed are commercialized only after successful trials with selected customers.

- **Benefits Derived as a result of above efforts**

The structured and formal Stage Gate product development efforts enables the company to better meet customer's requirements which further translates into better realization and margins for the company. During FY '17 the company improved share of its Speciality %age from 34% to 38% in large part due to Innovation & technology absorption.

- **Information about imported technology in last 5 Years**

Business did not import any technology in the last 5 years.

C) Foreign Exchange Earnings and Outgo

I. Activities Relating to Exports

- Enhanced focus on specialty products
- Developed business in new geographies such as the Americas, in underserved parts of existing markets such as Europe as well as for new products
- Increased exports of Thermal films by 12%.

II. TOTAL FOREIGN EXCHANGE EARNED AND USED

(Rs. in Lacs)

	Year ended March 31, 2017	Year ended March 31, 2016
Earning (FOB)	16569.37	21,997.06
Outgoing (CIF)	14738.47	13,857.54

FORM MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS

- i) CIN : U24100PB2012PLC036981
 ii) Registration Date : December 28, 2012
 iii) Name of the Company : Max Speciality Films Limited
 iv) Category / Sub-Category of the Company : Public Company Limited by Shares / Indian Non-Government Company
 v) Address of the Registered office and contact details : 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar – 144533, Punjab
 vi) Whether listed company : No
 vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10% or more of the total turnover of the Company are as below:

Sl. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	BOPP Films	222.2220.22201	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Max Ventures and Industries Limited 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab – 144 533	L85100PB2015PLC039204	Holding Company	99%	2(46)

The company does not have any subsidiary or associate company.

IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)

i) Category-wise shareholding

Sl. No.	Category of Shareholders	No. of Shares held on April 1, 2016				No. of Shares held on March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
a)	Individual/HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	33,449,500	33,449,500	99.00	-	33,449,500	33,449,500	99.00	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	-	33,449,500	33,449,500	99.00	-	33,449,500	33,449,500	99.00	-
2	Foreign									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-

Sl. No.	Category of Shareholders	No. of Shares held on April 1, 2016				No. of Shares held on March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter & Promoter Group [(A) = (A)(1)+(A)(2)]	-	33,449,500	33,449,500	99.00	-	33,449,500	33,449,500	99.00	-
B.	Public Shareholding									
1	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i)	Any other (FDI)	-	-	-	-	-	-	-	-	-
	Any other (Foreign Institutional Investor)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	-	338,350	338,350	1.00	-	338,350	338,350	1.00	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	holding shares upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii)	holding shares above Rs.1 lakh	-	-	-	-	-	-	-	-	-
c)	NBFCs Registered with RBI	-	-	-	-	-	-	-	-	-
d)	Employees Trusts	-	-	-	-	-	-	-	-	-
c)	Any Others	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2)	-	338,350	338,350	1.00	-	338,350	338,350	1.00	-
	Total Public Shareholding [(B)=(B)(1)+(B)(2)]	-	338,350	338,350	1.00	-	338,350	338,350	1.00	-
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	-	33,787,850	33,787,850	100	-	33,787,850	33,787,850	100%	-

(ii) Shareholding of Promoters

SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged / encumbered to total shares	
1	Max Ventures and Industries Limited	33,449,440	99%	-	33,449,440	99%	-	-
2	Mr. Sahil Vachani#	10	0.00	-	10	0.00	-	-
3	Mr. Alok Goel#	10	0.00	-	10	0.00	-	-
4	Mr. Nitin Kumar Kansal#	10	0.00	-	10	0.00	-	-
5	Mr. Navneet Narayan Malhotra#	10	0.00	-	10	0.00	-	-
6	Mr. Manohar Kumar#	10	0.00	-	0	0.00	-	(0.00)
7	Mr. Amit Jain#	10	0.00	-	20	0.00	-	0.00
	Total	33,449,500	99.00	-	33,449,500	99.00	-	-

Shares held as nominees of Max Ventures and Industries Limited

(iii) Change in Promoters' Shareholding :

S. No.	Name of the Promoter	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1.	Mr. Manohar Kumar#				
	At the beginning of the year	10	0.00		
	Date wise increase / decrease				
2.	Mr. Amit Jain#				
	At the beginning of the year	10	0.00		
	Date wise increase / decrease				
	- Transfer of shares on May 09, 2016	10	0.00	20	0.00
	At the end of year	20	0.00		

Shares held as nominees of Max Ventures and Industries Limited.

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

SI. No.	Name of the 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.	PHARMAX CORPORATION LIMITED						
	At the beginning of the year	01-04-2016	338,350	1.00	NA	338,350	1.00
	At the end of the year	31-03-2017	338,350	1.00			

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Director / Key Managerial Personnel	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1.	Mr. Sahil Vachani#				
	At the beginning of the year	10	0.00		
	Date wise increase / decrease	-	-	10	0.00
	At the end of year	10	0.00		
2.	Mr. Amit Jain#*				
	At the beginning of the year	10	0.00		
	Date wise increase / decrease				
	- Transfer of shares on May 09, 2016	10	0.00	20	0.00
	At the end of year	20	0.00		

Shares held as nominees of Max Ventures and Industries Limited.

* Appointed as Chief Financial Officer of the Company w.e.f. February 04, 2017.

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

(Rs. in Lacs)

	Secured Loans excluding deposits				Unsecured Loans	Deposits	Total Indebtedness
	Term loan	Buyers credit - Capex	Cash Credit	Car Loan			
Indebtedness at the beginning of the financial year							
i) Principal Amount	16,895.09	2,964.95	6,407.28	95.92	2,347.49	-	28,710.73
ii) Interest due but not paid	-	-	-	-	-	-	-
iii) Interest accrued but not due	1.07	6.55	-	-	101.38	-	109.00
Total (i+ii+iii)	16,896.16	2,971.50	6,407.28	95.92	2,448.87	-	28,819.73
Change in Indebtedness during the financial year							
Addition	1,546.20	332.76	35.53	68.85	-	-	1,983.34
Reduction	883.83	-	-	76.67	2,347.59	-	3,308.09
Net Change	662.37	332.76	35.53	(7.82)	(2,347.59)	-	(1,324.75)
Indebtedness at the end of the financial year							
i) Principal Amount	17,557.46	3,297.71	6,442.81	88.10	-	-	27,386.08
ii) Interest due but not paid	-	-	-	-	158.55	-	158.55
iii) Interest accrued but not due	110.23	45.42	5.36	-	-	-	161.01
Total (i + ii + iii)	17,667.69	3,343.13	6,448.17	88.10	158.55	-	27,705.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- A. **Remuneration to Managing Director, Whole-time Directors and/or Manager:** The Company does not have any Managing Director, Whole-time Director or a Manager.

B. Remuneration to other directors:

(in Rs.)

Sl. No.	Particulars of remuneration	Name of Directors			Total Amount
		Mr. K. Narasimha Murthy	Dr. S. K. Bijlani	Mr. Ashok Kacker	
1.	Independent Directors				
	a) Fee for attending Board/ Committee meetings	21,00,000	12,00,000	9,00,000	42,00,000
	b) Commission	-	-	-	-
	c) Others	-	-	-	-
	TOTAL (1)	21,00,000	12,00,000	9,00,000	42,00,000
2.	Other Non-Executive Directors				
	a) Fee for attending Board/ Committee meetings	-	-	-	-
	b) Commission	-	-	-	-
	c) Others	-	-	-	-
	TOTAL (2)	-	-	-	-
	TOTAL B = (1+2)				4,200,000
	TOTAL MANAGERIAL REMUNERATION (A+B)				4,200,000
	Overall ceiling as per the Act				NA

Notes:

1. The sitting fee excludes service tax 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:

(Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Name of KMP				TOTAL
		Mr. Jaideep Wadhwa (CEO)*	Mr. Dalbir Singh (CFO)	Ms. Rupali Sharma (CS)	Mr. Amit Jain (CFO)^	
1.	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	180.55	95.82	6.38	7.34	290.09
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	20.73	14.53	0.23	0.85	36.34
	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	201.28	110.35	06.61	8.19	326.42

*Resigned as a CEO of the Company w.e.f. February 13, 2017.

Retired as a CFO of the Company w.e.f. January 31, 2017.

^ Appointed as a Key Managerial Personnel (CFO) of the Company w.e.f. February 04, 2017.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NONE

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/- : Nil
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 :

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	Mr. Jaideep Wadhwa*	Chief Executive Officer	52	25,825,496	BA (Hons) Mathematics, MBA	29	17.02.2014	Actis Advisors Pvt. Ltd.
2.	Mr. Dalbir Singh#	Sr. Vice President - Finance & Commercial	57	12,559,559	B. Com., ACA, Licentiate- CS	34	26.09.1989	Swaraj Majda Limited

C. Other employees :

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	Mr. K. Manohar	Vice President - Operations	50	8,492,965	BE (Chemical)	29	01.06.1989	Ester India Limited
2.	Mr. Sanjeev Yadav	Head - Product, Application & Business Development	51	5,739,908	B.Sc., Diploma-Marketing Management, Graduate Diploma-Packaging Tech, B.Tech. (Industrial Engg & Mgt)	31	19.06.1989	Polyplex Corporation Ltd.
3.	Mr. Amit Jain	Chief Financial Officer	46	5,704,652	B.Com, CA	22	16.05.2002	Owens Brockways (I) Ltd.
4.	Mr. Anil Kant Yadav	Head - National Sales	44	5,262,895	B.Sc., MBA	19	29.02.2016	Wifag-Polytype India Marketing (P) Ltd
5.	Mr. Gidugu Venkata Sita Rama Mohan	Head - International Sales	50	5,502,471	BE (Mechanical), MBA	29	05.06.1989	Polyplex Corporation Ltd.
6.	Mr. Navneet Narayan Malhotra	Head - Projects, Engineering & IT	51	4,678,687	BE (Electrical)	27	17.07.1991	Escorts Yamaha Ltd
7.	Prabhat Khare	Head - Projects	53	4,245,409	BE (Electrical), PGD - Business Management	33	25.04.2016	Jaypee Cement
8.	Satishkumar H Mahant^	Head - Research & Development	52	3,686,711	Ph.D, University of Massachusetts	23	16.08.2016	Sabic Research & Technology Pvt Ltd

Notes:

- 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.
- None of the employees mentioned above is related to any Director of the Company.
- All appointments are contractual on rolls of the Company and in accordance with the terms and conditions as per Company Rules / Policies.
- *Resigned as a CEO of the Company w.e.f. February 13, 2017.
- # Retired as a CFO of the Company w.e.f. January 31, 2017.
- ^ denotes the employee joined during the year.

FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Members of Max Speciality Films Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Max Speciality Films Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, 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 and the Companies (Accounting Standards) Amendment Rules, 2016. 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, 2017, its profit, and its cash flows for the year ended on that date.

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;
 - (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 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in Note 38 to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and

December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our enquiries, test check of the books of account and other details maintained by the Company and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 11, 2017

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

Re:Max Speciality Films Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Biaxially Oriented Poly Propylene (BOPP) film, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, , service tax, duty of custom, duty of excise ,value added tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of the dues	Amount (Rs. in Lacs)	Period (FY) to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Excise duty (Captive use of waste & scrap)	2,987.89	2005-06 to 2014-15	Commissioner, Chandigarh
Finance Act, 1994 (service tax)	Service tax (Refund claim of service tax paid on THC charges)	1.11	2009-10	CESTAT, New Delhi
Finance Act, 1994 (service tax)	Service tax cenvat credit (Input credit claimed against marine insurance)	0.18	2007-08	CESTAT, New Delhi
Finance Act, 1994 (service tax)	Service tax (GTA liability paid through input credit)	0.02	2006-07	Commissioner Appeals, Chandigarh
Finance Act, 1994 (service tax)	Service tax (GTA liability paid through input credit)	5.93	2006-07	Joint Commissioner, Chandigarh
Central Excise Act, 1944	Excise duty (Job Work)	11.76	2014-15	Additional Commissioner, Chandigarh
Finance Act, 1994 (service tax)	Cenvatcredit (Civil Work)	5.15	2011-12	Joint Commissioner, Chandigarh

- (viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution, bank, debenture holders or government.
- (ix) In our opinion and according to information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purpose for which they were raised. The Company has not raised any monies through initial public offer.
- (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 no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (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) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act 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 year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (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

perAtul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 11, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAX SPECIALITY FILMS LIMITED

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

We have audited the internal financial controls over financial reporting of Max Speciality Films Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 11, 2017

BALANCE SHEET

AS AT MARCH 31, 2017

		(Rs. in Lacs)	
	Notes	As at March 31, 2017	As at March 31, 2016
Equity and liabilities			
Shareholders' funds			
Share capital	4	3,378.79	3,378.79
Reserves and surplus	5	16,282.05	15,783.52
		19,660.84	19,162.31
Non-current liabilities			
Long-term borrowings	6	19,517.26	18,646.16
Deferred tax liabilities (Net)	8	699.17	787.98
Other long-term liabilities	7	2.91	103.10
Long-term provisions	9	559.18	464.22
		20,778.52	20,001.46
Current liabilities			
Short-term borrowings	10	6,442.81	7,724.04
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	11	18.62	89.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	11	6,782.02	5,429.24
Other current liabilities	11	2,492.69	3,115.96
Short-term provisions	9	111.56	121.56
		15,847.70	16,480.04
TOTAL		56,287.06	55,643.81
Assets			
Non-current assets			
Fixed assets			
Tangible assets	12	31,317.25	26,514.52
Intangible assets	12	448.67	439.87
Capital work-in- progress (refer Note 34)		1,373.99	2,179.15
Long-term loans and advances	13	1,881.14	3,524.61
		35,021.05	32,658.15
Current assets			
Inventories	14	7,524.41	5,584.47
Trade receivables	15	11,374.14	14,850.26
Cash and bank balances	16	69.85	163.04
Short-term loans and advances	13	1,733.33	1,931.59
Other current assets	17	564.28	456.30
		21,266.01	22,985.66
TOTAL		56,287.06	55,643.81
Summary of significant accounting policies	3		
The accompanying notes are integral part of the financial statements			
As per our report of even date			

For SR.Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:301003E / E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place : Gurgaon

Date : 11 May 2017

For and on behalf of the Board of Directors of Max Speciality Films Limited

K. Narasimha Murthy

(Director)

DIN - 00023046

Amit Jain

(Chief Financial Officer)

Sahil Vachani

(Director)

DIN - 00761695

Rupali Sharma

(Company Secretary)

Place : New Delhi

Date : 11 May 2017

STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED MARCH 31, 2017

		(Rs. in Lacs)	
	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016 (Rs. in Lacs)
Income			
Revenue from operations (gross)	18	71,228.81	76,177.62
Less: excise duty		5,808.50	6,131.11
Revenue from operations (net)		65,420.31	70,046.51
Other income	19	1,179.03	946.91
Total revenue (I)		66,599.34	70,993.42
Expenses			
Cost of raw materials consumed	20	44,649.68	45,361.43
(Increase)/decrease in inventories of finished goods and work-in-progress	21	(1,032.33)	22.82
Employee benefit expenses	22	3,366.34	3,783.79
Finance cost	25	3,078.13	3,516.49
Depreciation and amortisation expense	24	2,056.10	1,912.66
Other expenses	23	14,203.12	13,659.72
Total expenses (II)		66,321.04	68,256.91
Profit before tax (I - II)		278.30	2,736.51
Tax expenses/(credit)			
Current tax		95.09	596.99
Tax related to previous years		4.61	0.26
Less: MAT credit entitlement			
- current year		(95.09)	(239.29)
- earlier years (refer Note 13)		(136.03)	-
Deferred tax expense/(credit)		(88.81)	393.09
Total tax expense/(credit)		(220.23)	751.05
Profit for the year		498.53	1,985.46
Earnings per equity share			
[Nominal value of shares Rs.10 (Previous year Rs.10)]	26		
Basic (Rs.)		1.48	5.88
Diluted (Rs.)		1.48	5.88
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 Atul Seksaria

Partner

Membership Number: 086370

Place : Gurgaon

Date : 11 May 2017

For and on behalf of the Board of Directors of Max Speciality Films Limited

K. Narasimha Murthy

(Director)

DIN - 00023046

Amit Jain

(Chief Financial Officer)

Sahil Vachani

(Director)

DIN - 00761695

Rupali Sharma

(Company Secretary)

Place : New Delhi

Date : 11 May 2017

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash flow from operating activities		
Net Profit before tax	278.30	2,736.51
Adjustments to reconcile profit before tax to net cash flows		
Depreciation / amortisation	2,056.10	1,912.66
Interest expense	2,688.08	3,071.39
Interest income	(147.29)	(130.91)
Gain/(loss) on sale of fixed assets, net	(2.97)	290.40
Provision for doubtful debts	186.58	7.18
Provision for doubtful advances	8.26	-
Bad debts written off	202.15	23.12
Liability/ provisions no longer required written back	(16.48)	(32.64)
Unrealised foreign exchange (gain) / loss	(208.01)	(51.42)
Operating profit before working capital changes	5,044.71	7,826.29
Movement in working capital :		
Increase/ (decrease) in trade payables	1,363.75	353.48
Increase/ (decrease) in long-term provisions	94.96	160.12
Increase/ (decrease) in other long-term liabilities	1.19	1.72
Increase/ (decrease) in short-term provisions	(4.38)	(164.01)
Increase/ (decrease) in other current liabilities	(117.21)	(27.38)
Decrease / (increase) in trade receivables	3,000.70	16.46
Decrease / (increase) in inventories	(1,939.94)	(14.48)
Decrease / (increase) in long-term loans and advances	(82.29)	(605.48)
Decrease / (increase) in short-term loans and advances	592.03	(146.22)
Decrease / (increase) in other current assets	(24.89)	(121.86)
Cash generated from operations	7,928.64	7,278.64
Direct taxes paid	(267.97)	(676.13)
Net cash flow from operating activities (A)	7,660.67	6,602.51
Cash flow from investing activities		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(4,297.98)	(5,171.40)
Proceeds from sale of fixed assets	52.49	180.35
Interest received	141.67	133.74
Net cash flow from investing activities (B)	(4,103.82)	(4,857.31)
Cash flow from financing activities		
Dividend paid	-	(337.88)
Proceeds from long -term borrowings	3,038.72	3,332.68
Repayment of long -term borrowings	(2,761.42)	(536.19)
Repayment of short -term borrowings(net)	(1,281.23)	(1,382.84)
Interest paid	(2,646.11)	(2,830.13)
Net cash flow used in financing activities (C)	(3,650.04)	(1,754.36)
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(93.19)	(9.16)
Effect of exchange differences on cash and cash equivalents held in foreign currency	-	0.41
Cash and cash equivalents at the beginning of the year	163.04	171.79
Cash and cash equivalents at the end of the year	69.85	163.04

Standalone Financial Statements

Cash Flow Statement

	For the year ended March 31, 2017	For the year ended March 31, 2016
Components of cash and cash equivalent		
Cash on hand	133	186
Balances with banks		
On current account	63.60	159.79
Stamps in hand	0.04	0.15
Margin money deposits	4.88	1.24
Total cash and cash equivalents	69.85	163.04
Summary of significant accounting policies		

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 Atul Seksaria

Partner

Membership Number: 086370

Place : Gurgaon

Date : 11 May 2017

For and on behalf of the Board of Directors of Max Speciality Films Limited

K. Narasimha Murthy

(Director)

DIN - 00023046

Amit Jain

(Chief Financial Officer)

Sahil Vachani

(Director)

DIN - 00761695

Rupali Sharma

(Company Secretary)

Place : New Delhi

Date : 11 May 2017

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2017

1. Corporate information

Max Speciality Films Limited (the Company) is a public Company domiciled in India.

The Company is engaged in manufacturing and selling of a wide range of sophisticated packaging unmetallised BOPP films and metallised BOPP films including High Barrier films, Thermal Lamination films and Leather finishing foils. It caters to the needs of diverse packaging industries including food packaging, overwrapping, consumer products, labels and textile industries, both in domestic and international market. The Company has its manufacturing factory located at Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District SBS Nagar(Nawanshar), Punjab -144533.

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 and the Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in preparation of financial statements are consistent with those of previous year.

3. Summary of significant accounting policies

3.1 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.

3.2 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 Company 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.

3.3 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.

3.4 Depreciation & Amortization

- a) In respect to tangible and intangible assets acquired under the business transfer agreement, the Company 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 Company 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
Leasehold improvements	3 or the life based on lease period, whichever is lower

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

3.5 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.

3.6 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.

3.7 Impairment of tangible and intangible 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.

3.8 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.

3.9 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:

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 Company 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.

Job work income

Revenue from job work services is recognized as and when services are rendered.

3.10 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.

3.11 Employee Benefits

Provident Fund

Retirement benefit in the form of Provident Fund is a defined benefit obligation as the Company and its employees are contributing to a provident fund trust "Max India Limited Employees Provident Fund Trust" and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. The Company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service.

The cost of providing benefit under this plan are determined on the basis of actuarial valuation at end of each year end 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.

Superannuation fund

Retirement benefit in the form of superannuation fund is a defined contribution scheme. The Company 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 Company'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 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.

Compensated Absences

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

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

3.12 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.

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

3.13 Earnings per share

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

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

3.14 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.

3.15 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.

3.16 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, 2017	As at March 31, 2016
Authorised shares (Nos.) 50,000,000 (March 31, 2016: 50,000,000) equity shares of Rs. 10/- each	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, subscribed and fully paid-up shares (Nos.) 33,787,850 (March 31, 2016: 33,787,850) equity shares of Rs. 10/- each fully paid up	3,378.79	3,378.79
Total issued, subscribed and fully paid-up capital	3,378.79	3,378.79

4.1 Reconciliation of the shares outstanding as at beginning and at the end of reporting year

	(Rs. in Lacs)			
	March 31, 2017		March 31, 2016	
	No. of shares	Rs. in Lacs	No. of shares	Rs. in Lacs
Equity Shares				
At the beginning of the year	33,787,850.00	3,378.79	33,787,850.00	3,378.79
Outstanding at the end of the year	33,787,850.00	3,378.79	33,787,850.00	3,378.79

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 proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31 March 2017, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (March 31, 2016: Rs. 1)

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 Shares held by holding company (refer note no 41)

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Max Ventures and Industries Limited (erstwhile Capricorn Ventures Limited), the holding Company (w.e.f April 1, 2015) 33,449,500 (March 31, 2016: 33,449,500) equity shares of Rs 10 each fully paid	3,344.95	3,344.95
	3,344.95	3,344.95

4.4 Details of shareholder holding more than 5% shares in the Company (refer note no 41)

(Rs. in Lacs)

Name of the Shareholder	March 31, 2017		March 31, 2016	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paidup				
Max Ventures and Industries Limited (erstwhile Capricorn Ventures Limited)	33,449,500	99.00%	33,449,500	99.00%

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.

5. Reserves and surplus

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Securities premium account		
Balance as per last financial statements	13,456.54	13,456.54
Closing balance	13,456.54	13,456.54
Surplus/ (deficit) in the statement of profit and loss		
Balance as per last financial statements	2,326.98	750.10
Profit for the year	498.53	1,985.46
Less: Appropriations		
Interim dividend [amount per share Rs.Nil (March 31, 2016: Rs. 1)]	-	337.88
Tax on interim dividend	-	70.70
Net surplus in the statement of profit and loss	2,825.51	2,326.98
Total reserves and surplus	16,282.05	15,783.52

6. Long term borrowings

(Rs. in Lacs)

	Non-current portion		Current maturities	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Term loans				
From banks (secured)	13,647.46	13,048.75	947.50	846.34
Non-banking financial institution (secured)	2,887.50	2,962.50	75.00	37.50
Loans and advances from related party				
Inter corporate loan (unsecured)	-	550.06	-	-
Other loan and advances				
Buyers credit foreign currency (secured)	2,933.90	2,026.19	363.81	1,250.84
Vehicle loans from banks (secured)	48.40	58.66	39.70	37.26
	19,517.26	18,646.16	1,426.01	2,171.94
The above amount includes				
Secured borrowings	19,517.26	18,096.10	1,426.01	2,171.94
Unsecured borrowings	-	550.06	-	-
Amount disclosed under the head "other current liabilities" (refer note 11)	-	-	(1,426.01)	(2,171.94)
	19,517.26	18,646.16	-	-

- i) Term loan from Yes Bank Limited amounting to Rs. 8,393.75 Lacs (March 31, 2016: Rs. 8,500.00 Lacs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 32 structured quarterly instalments commenced from 3rd December 2016 carrying interest rate ranging from 8.80% p.a. to 13.00% p.a.
- ii) Term loan from Yes Bank Limited amounting to Rs. 4,655.00 Lacs (March 31, 2016: Rs. 4,900.00 Lacs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 20 structured quarterly instalments commenced from 3rd December 2016 carrying interest rate ranging from 8.80% p.a. to 12.35% p.a.

- iii) Term loan from Yes Bank Limited amounting to Rs. 1,546.21 Lacs (March 31, 2016: Rs. Nil) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 20 structured quarterly instalments commenced from 3rd December 2016 carrying interest rate ranging from 8.80% p.a. to 9.30% p.a..
- iv) Term loan from Yes Bank Limited amounting to Rs. Nil (March 31, 2016: Rs. 495.09 Lacs) was secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan was repayable in 12 equal quarterly instalments commenced from 1st April 2014 carrying interest rate of 12.75% p.a.
- v) Term loan from Tourism Finance Corporation of India Limited amounting to Rs. 2,962.50 Lacs (March 31, 2016: Rs. 3,000.00 Lacs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 32 structured quarterly instalments commenced from 3rd December 2016 carrying interest rate ranging from 12.30% p.a. to 13.00% p.a..
- vi) Loan from Max Ventures and Industries Limited (erstwhile Capricorn Ventures Limited), the holding Company amounting to Rs. Nil (March 31, 2016: Rs. 550.06 Lacs). The loan has been repaid to the Holding company during the year on March 28, 2017 carried interest rate ranging from 11.00% p.a. to 13.00% p.a..
- vii) Buyer credit foreign currency facility from Yes Bank Limited amounting to Rs. 3,297.70 Lacs (March 31, 2016: Rs. 3,277.03 Lacs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable next 2-3 years carrying interest rate ranging from 0.61% p.a. to 2.40% p.a..
- viii) Vehicle loans amounting to Rs. 88.10 Lacs (March 31, 2016: Rs. 95.92 Lacs) are secured by way of hypothecation of respective vehicles. The loans are repayable in 3 to 5 years. The rate of interest varies between 10.00% p.a. to 11.50% p.a.

7. Other long term liabilities

	(Rs. in Lacs)	
	Non-current	
	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on inter corporate loan	-	101.38
Rent equalisation	2.91	1.72
	2.91	103.10

8. Deferred tax liabilities (net)

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortisation charged for the financial reporting	2,442.02	1,265.33
Gross deferred tax liability	2,442.02	1,265.33
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowable for tax purposes on payment basis	335.27	463.82
Provision for doubtful debts and advances	75.99	13.53
Unabsorbed depreciation	1,331.59	-
Gross deferred tax assets	1,742.85	477.35
Net deferred tax liabilities	699.17	787.98

9. Provisions

(Rs. in Lacs)

	Long - term		Short - term	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Provision for employee benefits				
Provision for gratuity (refer note 22.1)	444.46	350.30	90.83	90.53
Provision for leave benefits	114.72	113.92	20.73	25.41
Other provisions				
Provision for income tax (net of advance tax Rs. 601.27 Lacs) (March 31, 2016: Rs. 591.37 Lacs)	-	-	-	5.62
	559.18	464.22	111.56	121.56

10. Short term borrowings

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Cash credit from banks (secured)	6,442.53	5,701.46
Packing credit foreign currency (secured)	0.28	225.15
Packing credit (unsecured)	-	1,500.00
Bills discounted from banks (unsecured)	-	297.43
	6,442.81	7,724.04
The above amount includes		
Secured borrowings	6,442.81	5,926.61
Unsecured borrowings	-	1,797.43
	6,442.81	7,724.04

- (i) Cash credit facilities from Citi Bank NA, Yes Bank Limited, Kotak Mahindra Bank Limited, Ratnakar Bank Limited, Indusind Bank Limited, HDFC Bank Limited and IDFC Bank Limited are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company, both present and future. The rate of interest on cash credit varies between banks ranging from 8.75% p.a. to 13.85% p.a. and are repayable on demand. The rate of interest on working capital demand loans varies between 9.30% p.a. to 11.15% p.a.
- (ii) Packing credit foreign currency facility from Yes Bank Limited is repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company, both present and future. The rate of interest on packing credit foreign currency varies between 1.50% p.a. to 2.79% p.a.
- (iii) Packing credit facility from Deutsche Bank is repayable on demand carried interest rate of 9.50%.

11. Other current liabilities

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	18.62	89.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,782.02	5,429.24
	6,800.64	5,518.48
Other liabilities		
Current maturities of Long-term borrowings (Refer Note 6)	1,426.01	2,171.94
Interest accrued and due on borrowings	273.15	168.59
Interest accrued but not due on borrowings	46.41	7.62
Advance from customers	100.30	162.69
Others		
Bank overdraft	-	0.32
Security deposits received	143.38	127.19

	As at March 31, 2017	As at March 31, 2016
Statutory dues payable	218.92	219.14
Capital creditors	268.26	171.74
Dividend distribution tax payable	-	70.70
Unexpired premium on forward contracts	16.26	16.03
	2,492.69	3,115.96
	9,293.33	8,634.44

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

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	Nil	22.58
The interest due on unpaid principal amount remaining as at the end of each accounting year.	Nil	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	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and,	0.17	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	0.28	0.01

12. Tangible and intangible assets (refer note 34)

(Rs. in Lacs)

	Tangible assets									Intangible assets		
	Land (Freehold)	Building	Leasehold improvements	Plant & Equipment	Furniture & Fixture	Office Equipments	Computers	Vehicles	Total	Computer Software	Goodwill	Total
Cost												
At March 31, 2015	1,685.81	4,389.93	-	22,779.06	133.48	228.78	247.47	182.68	29,647.21	319.36	278.49	597.85
Additions	-	85.14	47.29	948.84	80.09	26.76	57.03	66.33	1,311.48	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	47.29	23,157.38	213.27	233.93	303.71	235.45	30,351.91	436.21	278.49	714.70
Additions	17.97	364.53	-	6,124.29	36.84	25.98	88.98	82.85	6,741.44	175.72	-	175.72
Deletions	-	-	-	(1.99)	(23.29)	(33.54)	(6.62)	(82.78)	(148.22)	(4.66)	-	(4.66)
Adjustments*	-	-	-	81.96	(81.96)	-	-	-	-	-	-	-
At March 31, 2017	1,703.78	4,839.60	47.29	29,361.64	144.86	226.37	386.07	235.52	36,945.13	607.27	278.49	885.76
Depreciation												
At March 31, 2015	-	113.20	-	1,847.61	21.09	85.74	91.48	50.95	2,210.07	69.82	55.70	125.53
Charge for the year	-	114.01	2.59	1,466.18	23.06	42.28	54.79	60.44	1,763.35	93.61	55.70	149.31
Deletions	-	-	-	(122.12)	(0.12)	(5.80)	(0.68)	(7.31)	(136.03)	-	-	-
At March 31, 2016	-	227.21	2.59	3,191.67	44.03	122.22	145.59	104.08	3,837.39	163.43	111.40	274.84
Charge for the year	-	122.44	15.76	1,560.22	18.83	35.81	76.68	59.68	1,889.42	110.98	55.70	166.68
Deletions	-	-	-	(1.44)	(15.87)	(31.03)	(6.28)	(44.31)	(98.93)	(4.43)	-	(4.43)
Adjustments*	-	-	-	7.20	(7.20)	-	-	-	-	-	-	-
At March 31, 2017	-	349.65	18.35	4,757.65	39.79	127.00	215.99	119.45	5,627.88	269.99	167.10	437.09
Net Block												
At March 31, 2016	1,685.81	4,247.86	44.70	20,047.66	87.29	111.71	158.12	131.37	26,514.52	272.78	167.09	439.87
At March 31, 2017	1,703.78	4,489.95	28.94	24,603.99	105.07	99.37	170.08	116.07	31,317.25	337.28	111.39	448.67

13. Loans and advances

(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Capital advances				
Unsecured, considered good	233.10	1,950.60	-	-
Doubtful	8.26	-	-	-
	241.36	1,950.60	-	-
less: Provision for doubtful advances	(8.26)	-	-	-
A	233.10	1,950.60	-	-
Security deposits				
Unsecured, considered good	321.08	295.43	-	-
B	321.08	295.43	-	-
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	976.93	952.25
C	-	-	976.93	952.25
Other loans and advances (unsecured, considered good unless stated otherwise)				
Balances with statutory/government authorities	-	-	262.74	650.31
Prepaid expenses	626.55	807.26	314.66	309.37
Loans to employees	1.77	3.80	16.01	19.66
MAT credit entitlement*	698.64	467.52	-	-
Advance income tax {(net of provision Rs. 95.09 Lacs) (March 31, 2016: Rs. Nil Lacs)}	-	-	162.99	0.00
D	1,326.96	1,278.58	756.40	979.34
Total (A+B+C+D)	1,881.14	3,524.61	1,733.33	1,931.59

*Including MAT credit recognised for earlier years amounting to Rs. 136.03 lacs (March 31, 2016: Rs.Nil lacs)

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

(Rs. in Lacs)

	As at March 31, 2017	As at March 31, 2016
Raw materials [(including stock in transit Rs. 1,100.37 Lacs) (March 31, 2016: Rs.582.50 Lacs)]	3,456.25	2,581.59
Packing materials	85.20	54.79
Stores and spares	1,229.45	1,226.91
Work in progress	1,929.72	1,040.80
Finished goods [(including in transit Rs. 648.47 Lacs (March 31, 2016: Rs. 319.94 Lacs)), (including trial run stock of Rs. Nil (March 31, 2016: Rs. 3.27 lacs))]	823.79	680.38
	7,524.41	5,584.47

15. Trade receivables

(Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good unless stated otherwise Outstanding for a period exceeding six months from the date amount is due				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	178.17	531.37
Doubtful	-	-	219.58	39.80
	-	-	397.75	571.17
Less: Provision for doubtful receivables	-	-	(219.58)	(39.80)
	-	-	178.17	531.37
Other receivables				
Secured, considered good	-	-	-	-
Unsecured, considered good	-	-	11,195.97	14,318.89
	-	-	11,195.97	14,318.89
	-	-	11,374.14	14,850.26

16. Cash and cash equivalents

(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents				
Balances with banks				
On current accounts	-	-	63.60	159.79
Cash on hand	-	-	1.33	1.86
Stamps on hand	-	-	0.04	0.15
Margin money deposits	-	-	4.88	1.24
	-	-	69.85	163.04

Margin money deposits given as security

Margin money deposits with a amount of Rs 4.88 Lacs (March 31, 2016: Rs. 1.24 lacs) are subject to first charge to secure the Company's bill discounted.

17. Other assets

(Rs. in Lacs)

	Non - Current		Current	
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good unless stated otherwise				
Interest accrued on deposits	-	-	36.83	31.21
Export benefits receivables	-	-	433.72	336.85
Forward recoverable	-	-	93.73	88.24
	-	-	564.28	456.30

18. Revenue from operations

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Sale of products		
Finished goods		
Bi-axially oriented polypropylene film	70,496.45	75,122.14
Soft leather finishing foil	-	143.30
	70,496.45	75,265.44
Other operating revenue		
Export benefits	284.98	590.43
Job work charges	-	20.09
Scrap - waste of plastic sale	447.38	301.66
Total Other operating revenue	732.36	912.18
Revenue from operations (gross)	71,228.81	76,177.62
Less: Excise duty (refer note 18.1)	5,808.50	6,131.11
Revenue from operations (net)	65,420.31	70,046.51

18.1. Excise duty on sales amounting to Rs. 5,808.50 Lacs (March 31, 2016: 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.11.89 Lacs (March 31, 2016: Rs. (38.02) Lacs) has been considered as expense in note 23 of financial statements.

19. Other Income

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest income	147.29	130.91
Liabilities/provisions no longer required written back	16.48	32.64
Gain on foreign exchange fluctuation (net)	782.74	547.61
Gain on sale of fixed assets (net)	2.97	-
Scrap sale	207.04	223.58
Miscellaneous income	22.51	12.17
	1,179.03	946.91

20. Cost of raw materials consumed

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Inventories at beginning of year	2,581.59	2,646.88
Add: Purchases	45,524.34	45,296.14
Less: inventory at the end of year	3,456.25	2,581.59
Cost of raw materials consumed	44,649.68	45,361.43

20.1 Details of raw materials consumed

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Polypropylene	37,516.40	38,713.26
Polypropylene compounds	4,698.03	5,059.32
Others	2,435.25	1,588.85
	44,649.68	45,361.43

20.2 Details of raw materials inventory

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Polypropylene	2,374.73	1,150.74
Polypropylene compounds	838.86	613.07
Others	242.66	817.78
	3,456.25	2,581.59

21. (Increase)/ decrease in work-in-progress and finished goods

	(Rs. in Lacs)		
	For the year ended March 31, 2017	For the year ended March 31, 2016	(Increase) / decrease
Inventories at end of the year			
Work-in-progress	1,929.72	1,040.80	(888.92)
Finished goods*	823.79	680.38	(143.41)
	2,753.51	1,721.18	(1,032.33)
Inventories at beginning of the year			
Work-in-progress	1,040.80	985.16	(55.64)
Finished goods*	680.38	758.84	78.46
	1,721.18	1,744.00	22.82
Net (Increase)/ decrease in work-in-progress and finished goods	(1,032.33)	22.82	

*including trial run stock of Rs. Nil (March 31, 2016: Rs. 3.27 lacs)

Details of inventory

Work-in-progress

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
BOPP Film	1,929.72	1,040.80
	1,929.72	1,040.80
Finished goods		
BOPP Film	823.79	680.38
	823.79	680.38

22. Employee benefit expenses

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries, wages and bonuses (Refer to note 40)	2,918.07	3,352.73
Contribution to provident and other funds	157.73	150.30
Gratuity expense	94.46	102.46
Staff welfare expenses	196.08	178.30
	3,366.34	3,783.79

22.1. Gratuity

The Company 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 is funded with Life Insurance Company of India in form of a qualifying insurance policy.

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, 2017	As at March 31, 2016
Current service cost	49.38	49.56
Interest cost on benefit obligation	52.09	49.82
Expected return on plan assets	(19.86)	(22.47)
Net actuarial(gain) / loss recognized in the year	12.85	25.55
Net benefit expense	94.46	102.46
Actual return on plan assets	14.62	7.35

Balance sheet

Benefit asset/ liability

(Rs. in Lacs)

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Defined benefit obligation	666.10	667.79
Fair value of plan assets	130.81	226.96
Funded Status	(535.29)	(440.83)
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	(535.29)	(440.83)

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

(Rs. in Lacs)

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Opening defined benefit obligation	667.79	638.75
Interest cost	52.09	49.82
Current service cost	49.38	49.56
Benefits paid by employer	-	(43.55)
Benefits paid through fund	(110.77)	(37.22)
Actuarial (gains) / losses on obligation	7.61	10.43
Closing defined benefit obligation	666.10	667.79

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

(Rs. in Lacs)

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Opening fair value of plan assets	226.96	256.83
Expected return	19.86	22.47
Contributions by employer	-	-
Benefits paid	(110.77)	(37.22)
Actuarial gains / (losses)	(5.24)	(15.12)
Closing fair value of plan assets	130.81	226.96

The Company expects to contribute Rs. 90.83 Lacs (March 2016: 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:

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
Life Insurance Corporation of India	%	%
	100	100

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

	Gratuity	
	As at March 31, 2017	As at March 31, 2016
	%	%
Discount rate	7.30%	7.80%
Expected rate of return on assets	8.25%	8.75%
Retirement Age	58 years	58 years
Increase in compensation cost	9%	9%
Employee turnover	5%	5%
- Upto 30 years	5%	5%
- 31 to 44 years	5%	5%
- Above 44 years	5%	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.

Details of provision for gratuity benefit as at 31st March, 2017: (Refer Note 41)

	(Rs. in Lacs)		
	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
Defined benefit obligation	666.10	667.79	638.75
Plan assets	130.81	226.96	256.83
Surplus / (deficit)	535.29	(440.83)	(381.92)
Experience adjustments on plan liabilities	18.42	(10.43)	(34.66)
Experience adjustments on plan assets	(5.24)	(15.12)	0.43

22.2. Provident Fund

The Company deposits contribution in the "Max Financial Services Limited Employees Provident Trust Fund" which is managed by the Max Financial Services Limited (erstwhile Max India Limited). This is a common fund for Max Financial Services Limited (erstwhile Max India Limited) and its group entities. 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 Financial services Limited Limited Employees Provident Trust Fund" which is a common fund for Max Financial Services Limited (erstwhile Max India Limited) and its group entities based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2017 as per the actuarial valuation of active members are as follows:

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Plan assets at year end at fair value	2,480.71	2,279.04
Present value of defined benefit obligation at year end	(2,443.48)	(2,263.56)
Excess value of plan assets as at year end	37.23	15.48
Active members as at year end (Nos)	420	442

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

	As at March 31, 2017	As at March 31, 2016
Discount rate for the term of the obligation	7.51%	7.72%
Average historic yield on the investment portfolio	8.79%	9.06%
Discount rate for the remaining term to maturity of the investment portfolio	7.51%	7.72%
Expected investment return	8.79%	9.06%
Guaranteed rate of return	8.65%	8.75%

23. Other expenses

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Consumption of stores and spares	812.32	809.99
Consumption of packing materials	2,286.96	2,295.00
(Increase) / decrease of excise duty on inventories	11.89	(38.02)
Power and fuel	4,432.47	4,260.30
Processing charges	21.71	4.43
Recruitment and training expenses	48.46	93.92
Rent expense (refer note no 39)	142.32	58.89
Insurance expenses	178.24	171.04
Rates and taxes	226.35	215.38
Repairs and maintenance:		
Building	51.29	76.36
Plant and equipments	462.07	659.92
Others	260.91	330.84
Electricity and water expenses	4.54	5.09
Printing and stationery expenses	30.78	29.82
Travelling and conveyance expenses	447.33	410.98
Communication expenses	57.80	52.69
Legal and professional expenses (refer note no 23.1)	1,010.15	760.27
Directors' fee	42.42	33.06
Sales promotion expenses	145.37	87.99
Product development expenses	312.60	168.16
Commission to other than sole selling agents	86.03	126.78
Cash discounts	228.82	225.64
Freight and forwarding expenses	2,422.93	2,445.17
Advertisement and publicity expenses	-	0.05
Provision for doubtful debts	186.58	7.18
Loss on sale of fixed assets (net)	-	290.40
Provision for doubtful advances	8.26	-
Bad debts written off	202.15	23.12
Charity and donation	0.40	0.79
CSR expenditure (refer note no 37)	26.57	10.03
Miscellaneous expenses	55.40	44.45
	14,203.12	13,659.72

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

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
As auditor:		
Audit fee		
Audit fee	16.50	16.50
Limited review	9.00	9.00
	25.50	25.50

24. Depreciation and amortisation

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of tangible assets	1,889.42	1,763.35
Amortisation of intangible assets	166.68	149.31
	2,056.10	1,912.66

25. Finance cost

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on term loan	1,871.72	2,239.36
Interest on others	816.27	826.02
Interest on late deposit of advance tax	0.09	6.01
Bank charges	390.05	445.10
	3,078.13	3,516.49

26. Calculation of earnings per share (EPS) - Basic and diluted

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Basic EPS		
Profit/(loss) after tax (Rs. in Lacs)	498.53	1,985.46
Less: dividends on convertible preference shares & tax thereon	-	-
Net profit/(loss) for calculation of basic EPS	498.53	1,985.46
Weighted average number of equity shares outstanding during the year (Nos.)	33,787,850	33,787,850
Basic earnings per share (Rs.)	148	5.88
Dilutive EPS		
Equivalent weighted average number of employee stock options outstanding	-	-
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)*	33,787,850	33,787,850
Diluted earnings per share (Rs.)	148	5.88

27. Segment Reporting

(a) Primary segment

As the Company's business activity falls within a single primary business segment, viz "packaging films", no separate segment is disclosed. Secondary segment information is reported geographically.

(b) Geographical segments

The analysis of geographical segment is based on the geographical location of the customers. The Company 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 Company's consolidated revenue by geographical market, regardless of where the goods were produced.

Gross Revenue

	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
In India	53,503.89	52,639.94
Outside India	16,992.56	22,625.50
Total	70,496.45	75,265.44

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

Trade receivables

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
In India	8,120.78	10,298.98
Outside India	3,472.94	4,591.08
Total Trade receivables (Gross)	11,593.72	14,890.06
Less: Provision for doubtful receivables	219.58	39.80
Trade receivables	11,374.14	14,850.26

The Company 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.

28. Capital and other commitments
a) Capital commitments

	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	12,769.93	14,000.12
Less: Capital advances	233.10	1,950.60
Net capital commitment for acquisition of capital assets	12,536.83	12,049.52

29. Related parties disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Holding company (refer note no 41)	Max Ventures and Industries Limited (erstwhile Capricorn Ventures Limited)
Name of related parties with whom transactions have taken place during the year	
Key management personnel and their relatives	1. Mr. Jaideep Wadhwa (Chief Executive Officer) (resigned w.e.f February 14, 2017) 2. Mr. Dalbir Singh (Chief Financial Officer) (retired w.e.f January 31, 2017) 3. Mr. Amit Jain (Chief Financial Officer) (w.e.f February 4, 2017) 4. Rupali Sharma (Company Secretary) 5. Piya Singh 6. Veer Singh
Fellow Subsidiary	1. Max Estates Limited
Enterprises owned or significantly influenced by key management personnel or their relatives	1. New Delhi House Services Limited 2. Max India Foundation 3. Max Ventures Private Limited 4. Lakeview Enterprises
Enterprises owned or significantly influenced by key management personnel or their relatives (Ceased to be Related Party w.e.f March 7th 2016)	1. Max Life Insurance Company Limited 2. Max Healthcare Institute Limited 3. Max Bupa Health Insurance Company Limited 4. Max Financial Services Limited 5. Pharmax Corporation Limited
Employee benefit funds	1. Max Financial Services Limited Employees' Provident Fund Trust (Ceased to be Related Party w.e.f March 7th 2016) 2. Max Speciality Films Limited Employees Group Superannuation Trust

29.1. Transactions with related parties during the year:

Particulars	Holding company		Key management personnel		Fellow subsidiary companies (refer note 41)		Enterprises owned or significantly influenced by key management personnel or their relatives (refer note 41)		Employee benefit funds		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	(Rs. in Lacs)											
Reimbursement of expenses (Received from)												
Max Life Insurance Company Limited **	-	-	-	-	-	-	-	0.05	-	-	-	0.05
Max Healthcare Institute Limited **	-	-	-	-	-	-	-	1.37	-	-	-	1.37
New Delhi House Services Limited	-	-	-	-	-	-	-	-	-	-	-	-
Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	4.31	0.88	-	-	-	-	-	-	-	-	0.29	0.88
Max Ventures Private Limited	-	-	-	-	-	-	-	0.11	-	-	0.03	0.11
Reimbursement of expenses (Paid to)												
Max Financial Services Limited (erstwhile Max India Limited) **	-	5.41	-	-	-	-	-	-	-	-	-	5.41
Max Ventures Private Limited	5.47	-	-	-	-	-	-	62.23	-	-	-	62.23
Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	-	-	-	-	-	-	-	-	-	-	5.47	-
New Delhi House Services Limited	-	-	-	-	-	-	-	-	-	-	4.51	-
Legal and professional expense												
Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	727.11	496.58	-	-	-	-	-	-	-	-	727.11	496.58
Insurance expense												
Max Life Insurance Company Limited **	-	-	-	-	-	-	-	-	-	-	-	10.31
Max Bupa Health Insurance Company Limited **	-	-	-	-	-	-	-	44.58	-	-	-	44.58
Rent expense												
Pharmax Corporation Limited **	-	-	-	-	-	-	-	-	-	-	-	1.56
Veer Singh	-	-	-	-	-	-	-	29.28	-	-	29.28	0.44
Lakeview Enterprises	-	-	-	-	-	-	-	52.56	-	-	52.56	0.27
Piya Singh	-	-	-	-	-	-	-	58.56	-	-	58.56	-
Expenditure on corporate social responsibility												
Max India Foundation	-	-	-	-	-	-	-	19.30	-	-	19.30	-
Purchase of fixed assets												
Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	-	47.29	-	-	-	-	-	-	-	-	-	47.29
Interest expense												
Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	63.52	71.70	-	-	-	-	-	-	-	-	63.52	71.70

Particulars	Holding company		Key management personnel		Fellow subsidiary companies (refer note 41)		Enterprises owned or significantly influenced by key management personnel or their relatives (refer note 41)		Employee benefit funds		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Repair and maintenance												
New Delhi House Services Limited	-	-	-	-	-	-	-	5.35	-	-	-	5.35
Key managerial remuneration												
Jaideep Wadhwa	-	-	201.28	304.01	-	-	-	-	-	-	201.28	304.01
Dalbir Singh	-	-	110.35	111.54	-	-	-	-	-	-	110.35	111.54
Amit Jain*	-	-	8.19	-	-	-	-	-	-	-	8.19	-
Rupali Sharma*	-	-	6.61	0.73	-	-	-	-	-	-	6.61	0.73
Contribution to Max Financial Services Limited Employees' Provident Fund Trust **	-	-	-	-	-	-	-	-	71.02	-	-	71.02
Contribution to Max Speciality Films Limited Employees Group Superannuation Trust	-	-	-	-	-	-	-	-	16.46	14.85	14.85	16.46
Loans repayment												
Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	550.06	-	-	-	-	-	-	-	-	-	550.06	-
Dividend Paid												
Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	-	334.50	-	-	-	-	-	-	-	-	-	334.50
Pharmax Corporation Limited **	-	-	-	-	-	-	3.38	-	-	-	-	3.38
Security deposit												
Lakeview Enterprises	-	-	-	-	-	-	25.56	-	-	-	25.56	-
Balance outstanding as at the year end												
Statutory dues payable												
Max Speciality Films Limited Employees Group Superannuation Trust	-	-	-	-	-	-	-	-	1.17	0.97	0.97	1.17
Max Financial Services Limited Employees' Provident Fund Trust **	-	-	-	-	-	-	-	-	6.11	-	-	6.11
Interest accrued but not due on long term borrowings												
Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	158.70	101.38	-	-	-	-	-	-	-	-	158.70	101.38
Long term borrowings												
Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	-	550.06	-	-	-	-	-	-	-	-	-	550.06

Particulars	Holding company		Key management personnel		Fellow subsidiary companies (refer note 41)		Enterprises owned or significantly influenced by key management personnel or their relatives (refer note 41)		Employee benefit funds		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Trade payables												
Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	118.11	375.58	-	-	-	-	-	-	-	-	118.11	375.58
Max Ventures Private Limited	-	-	-	-	-	-	19.19	19.19	-	-	-	19.19
Lakeview Enterprises	-	-	-	-	-	-	7.19	7.19	-	-	-	7.19
Max Life Insurance Company Limited **	-	-	-	-	-	-	6.72	6.72	-	-	-	6.72
New Delhi House Services Limited	-	-	-	-	-	-	0.94	0.94	-	-	0.89	0.94
Lakeview Enterprises	-	-	-	-	-	-	11.71	11.71	-	-	11.71	-
Piya Singh	-	-	-	-	-	-	52.57	52.57	-	-	52.57	-
Advances recoverable in cash or kind												
Max Estate Limited	-	-	-	-	2.16	-	-	-	-	-	2.16	-
Max Bupa Health Insurance Company Limited **	-	-	-	-	-	-	-	1.64	-	-	-	1.64
Max Healthcare Institute Limited **	-	-	-	-	-	-	-	1.24	-	-	-	1.24
Max India Foundation	-	-	-	-	-	-	-	-	-	-	0.37	-
Security deposit	-	-	-	-	-	-	-	-	-	-	-	-
Lakeview Enterprises	-	-	-	-	-	-	25.56	25.56	-	-	25.56	-

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

** Ceased to be related party w.e.f March 7th, 2016

30. Derivative instruments and unhedged foreign currency exposure
a) Particulars of forward contract

(Rs. in Lacs)

Particulars of derivatives	As at March 31, 2017	As at March 31, 2016	Purpose
Forward contracts (Sell) outstanding at Balance Sheet date (in Lacs)	USD 8.45 (Rs. 539.63) EURO 14.94 (Rs. 1,011.31) GBP 0.84 (Rs. 66.97)	USD 17.47 (Rs. 1,135.87) EURO 12.59 (Rs. 925.71) GBP 1.57 (Rs. 146.39)	To hedge the outstanding trade receivables.

b) Particulars of unhedged foreign currency exposure

(Rs. in Lacs)

Particulars	Currency	As at March 31, 2017			As at March 31, 2016		
		Foreign currency (in Lacs)	Exchange rate (Rupee)	Indian Rupee (in Lacs)	Foreign currency (in Lacs)	Exchange rate (Rupee)	Indian Rupee (in Lacs)
Import trade payables	EUR	3.90	70.77	275.70	3.99	76.59	305.59
Import trade payables	GBP	0.50	82.79	41.34	0.14	97.03	13.58
Import trade payables	USD	20.69	65.82	1,362.14	15.36	67.61	1,038.49
Export trade receivables	USD	11.80	63.89	753.93	23.31	65.02	1,515.62
Export trade receivables	EUR	3.39	67.71	229.79	7.59	73.54	558.17
Export trade receivables	GBP	-	79.17	-	3.32	93.17	309.32
Buyers credit-Short term borrowings	USD	1.58	65.82	104.18	2.87	67.61	194.04
Buyers credit-Short term borrowings	EUR	-	70.77	-	13.80	76.59	1,056.94
Buyers credit-Short term borrowings	GBP	3.14	82.79	259.63	-	-	-
Buyers credit-Long term borrowings	EUR	14.96	70.77	1,058.72	2.70	76.59	206.79
Buyers credit-Long term borrowings	USD	28.49	65.82	1,875.18	26.91	67.61	1,819.26
Buyers credit-Long term borrowings	GBP	-	-	-	-	97.03	-
Packing credit	EUR	-	70.77	-	0.64	76.59	49.02
Packing credit	GBP	-	82.79	-	1.82	97.03	176.09
Packing credit	USD	0.00	65.82	0.28	-	67.61	-
Bank balance	USD	-	63.89	-	0.00	65.02	0.04
Interest Accrued but not due on Buyers Credit	EUR	0.06	70.77	4.58	0.07	76.59	5.30
Interest Accrued but not due on Buyers Credit	USD	0.07	65.82	4.51	0.02	67.61	1.47
Interest Accrued but not due on Buyers Credit	GBP	0.04	82.79	3.44	-	-	-
Total				5,973.42			7,249.72

31. Contingent liabilities not provided for

Particulars	(Rs. in Lacs)	
	As at March 31, 2017	As at March 31, 2016
Bank Guarantees submitted with (Refer note (a))	246.50	524.75
Claims against the Company not acknowledged as debts (Refer note (b))	1,414.78	1,469.00
- Excise duty demands		
- Service tax demands		
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))	382.55	530.26
Contingent liability for pending C form's from customers	677.30	762.27

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

Claims against the Company 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 Company 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.

The export obligation undertaken by the Company for import of capital equipment and 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.

32. Imported and indigenous raw materials and spare parts consumed

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	% of Consumption	Value (Rs. in Lacs)	% of Consumption	Value (Rs. in Lacs)
Raw materials				
- Imported	24.59	10,980.55	24.32	11,031.84
- Indigenous	75.41	33,669.13	75.68	34,329.59
	100.00	44,649.68	100.00	45,361.43
Stores and spares				
- Imported	10.95	88.96	19.88	161.05
- Indigenous	89.05	723.36	80.12	648.94
	100.00	812.32	100.00	809.99

33. Earnings in foreign currency (Accrual basis)

Particulars	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Exports on FOB basis	16,569.37	21,997.06
Total	16,569.37	21,997.06

34. Capitalization of expenditures

During the year, the Company has capitalized the following preoperative direct expenses to the cost of fixed assets/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Particulars	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening balance	353.26	-
Opening stock of trial run		
- Finished Goods (Refer Note 21)	3.27	
Add: Expenses incurred during the year		
Legal and professional	59.93	33.72
Interest cost	119.92	55.72
Bank charges	107.00	58.44
Salaries, wages and bonuses	149.49	104.37
Cost of raw materials consumed	305.85	70.51
Consumption of packing material	9.23	0.57
Travelling and conveyance	16.04	16.42
Power and fuel	32.78	9.38
Freight and forwarding expenses	9.49	6.43
Insurance	13.57	1.69
Rates and taxes	25.49	-
Miscellaneous expenses	1.87	5.81
Less: Disposal of tested material	(226.29)	(6.53)
Less: Closing stock of trial run		
- Finished Goods (Refer Note 21)	-	(3.27)
Less: Stock transferred on account of trial run		
- Finished Goods	(39.60)	-
Total	941.30	353.26
Less: Allocated to fixed assets	607.25	-
Closing balance included in capital work in progress	334.05	353.26

35. Value of imports calculated on CIF basis

Particulars	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Raw materials	10,824.80	10,942.26
Store and spares	201.85	365.20
Capital goods	3,036.49	1,997.11
Packing material	74.95	17.79
Total	14,138.09	13,322.36

36. Expenditure in foreign currency

Particulars	(Rs. in Lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Legal and professional	255.33	185.88
Salaries, wages and bonuses	12.53	96.96
Commission to other than sole selling agents	72.18	80.02
Repair and maintenance	158.44	106.10
Travelling and conveyance	63.84	48.83
Sale promotion expenses	18.88	6.03
Others	19.18	11.33
Total	600.38	535.15

37.0 Expenditure on corporate social responsibility activities :

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been framed by the Company. 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.

(a) Gross amount required to be spent by the Company for the year ended March 31, 2017 is Rs.26.38 Lacs (March 31, 2016: Rs. 8.07 Lacs).

(b) Amount spent during the year on :

Particulars		For the year ended March 31, 2017			For the year ended March 31, 2016		
		In cash (Rs in lacs)	Yet to be paid in cash	Total (Rs in lacs)	In cash (Rs in lacs)	Yet to be paid in cash	Total (Rs in lacs)
i)	Construction/acquisition of any asset	-	-	-	-	-	-
ii)	On Purposes other than (i) above :	26.57	-	26.57	10.03	-	10.03
	a) Promoting education	4.88	-	4.88	6.57	-	6.57
	b) Ensuring environment sustainability and protection of flora and fauna	0.34	-	0.34	1.67	-	1.67
	c) Health care services	0.20	-	0.20	1.19	-	1.19
	d) Rural development projects	19.30	-	19.30	0.25	-	0.25
	e) Training to promote rural sports	1.74	-	1.74	0.13	-	0.13
	f) Promoting gender equality and empowering women	-	-	-	0.08	-	0.08
	g) Others	0.11	-	0.11	0.14	-	0.14

38.0 Reconciliation of cash in hand

Particulars	(Rs. in Lacs)		
	SBNs	Other Denomination Notes	Total
Closing Cash in Hand as on 08.11.2016	1.06	0.02	1.08
(+) Permitted Receipts	-	2.38	2.38
(-) Permitted Payments	-	(1.20)	(1.20)
(-) Amount deposited in Banks	(1.06)	-	(1.06)
Closing Cash in Hand as on 30.12.2016	0.00	1.20	1.20

39.0 Leases

Operating lease - company as lessee

The Company has entered into operating lease arrangement for guest house premises. These leases have an average life of three year.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	(Rs. in lacs)	
	Year ended March 31, 2017	Year ended March 31, 2016
Within one year	154.61	129.91
After one year but not more than five years	170.07	271.74

40.0 The Company had introduced Voluntary Retirement Scheme which was availed by 34 employees having an additional expense being included in Salaries, wages & bonuses amounting to Rs. Nil (March 31, 2016: Rs. 330.31 lacs).

41.0 During the previous year, the Company has become subsidiary of Max Ventures and Industries Limited (erstwhile Capricorn Ventures Limited) on account of transfer of shares by Max Financial Services Limited (erstwhile Max India Limited) as 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 Ventures Industries

Limited (erstwhile Capricorn Ventures Limited), Max Financial Services Limited (erstwhile Max India Limited) and Max India Limited (erstwhile Taurus Ventures Limited) pursuant to the Scheme and their respective shareholders and creditors for transfer of all the assets and liabilities pertaining to each of the demerged undertakings (i.e. Taurus Ventures Limited and Capricorn Ventures Limited) with effect from April 1, 2015 (Appointed date). 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.

42.0 The Company, pursuant to the approval of Board of directors entered into Share Purchase and Share Subscription Agreement ("Agreement") dated February 10, 2017 with (i) Toppan Printing Co., Limited ("Toppan") and (ii) the Holding company. The Agreement was also approved by the shareholders of the Company in the Extra-ordinary General Meeting held on March 17, 2017.

On April 06, 2017; the Company issued and allotted 51,18,407 equity shares (representing 13.16% on fully diluted basis of equity shares as at March 31, 2017) of face value of Rs. 10/- each at a premium of Rs. 94.27/, i.e. at an aggregate price of Rs. 104.27/- to Toppan, for an aggregate consideration of Rs. 5336.96 lacs on a private placement basis, free of all liens or other encumbrances or rights of third parties. Further, the holding company, also transferred 1,39,45,659 equity shares (representing 35.84% on fully diluted basis of equity shares as at March 31, 2017) of the Company to Toppan, thereby Toppan holding 19,064,066 equity shares representing 49% (on a fully diluted basis) of the equity shares of the Company post share issuance.

43.0 Previous year figures have been regrouped / reclassified, wherever necessary, to conform to current year's classification.

For S.R.Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number:301003E / E300005

per Atul Seksaria

Partner

Membership Number: 086370

Place : Gurgaon

Date : 11 May 2017

For and on behalf of the Board of Directors of Max Speciality Films Limited

K. Narasimha Murthy

(Director)

DIN - 00023046

Amit Jain

(Chief Financial Officer)

Sahil Vachani

(Director)

DIN - 00761695

Rupali Sharma

(Company Secretary)

Place : New Delhi

Date : 11 May 2017



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the First Annual Report of the Company together with the Audited Financial Statements for the period from March 22, 2016 to March 31, 2017.

FINANCIAL REVIEW

Financial Performance

(Rs. in Lakhs)

Particulars	Period Ended March 31, 2017
Income	
Revenue from Operations (Net)	92.15
Total Revenues	92.15
Expenses	
Employee benefits expense	183.79
Finance cost	14.40
Depreciation	7.64
Other expenses	173.94
Total Expenses	379.77
PBT	(287.62)
Tax expenses	
Deferred tax	(5.08)
Total tax expense	(5.08)
Net Profit After Tax	(282.54)
No. of equity Shares (Nos.)	80,00,000
EPS (in Rupees)	(7.72)
Balance brought forward from previous year	-
Balance Carried forward	(282.54)

Dividend

The year under review was the first financial year of the Company. Since there were no profits during the period, the Board of Directors did not recommend any dividend for the period ended March 31, 2017 on the Equity Share Capital of the Company.

Transfer to Reserves

Since there were no profits during the period, the Company did not transfer any amount to the General Reserve.

OPERATIONS REVIEW

Operational performance

The Company was incorporated on March 22, 2016 and is engaged in the business of Real Estates development. During the period under review, the operational revenue of the Company was Rs. 92.15 Lakhs. During the year, the Company progressed its construction and site development activities on its project in Dehradun, Uttarakhand. The project represents 0.15 million sq. feet of residential and 0.01 million sq. feet of commercial developable space. Phase- I of the project, which includes 14 Townhouses, 5 Courtyard Villas and 3 Forest Villas, is on the track and targeted to be completed by FY 2018. The Project has obtained all requisite regulatory approvals and initiated sales in FY 2017, with 20% of the inventory already sold.

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

The Company has allotted 2,165 Zero Coupon Compulsory Convertible Debentures aggregating to Rs. 21,65,00,000 (Rupees Twenty One Crores Sixty Five Lacs) to Max Ventures and Industries Limited, holding company on May 04, 2017.

SHARE CAPITAL

The Authorized Share Capital of the Company as on March 31, 2017 was Rs. 10,00,00,000/- (Rupees Ten Crores only) comprising of 1,00,00,000 (One Crore) equity shares of face value of Rs. 10/- (Rupees Ten only) each.

The Paid-up Capital of the Company as on March 31, 2017 was Rs. 8,00,00,000/- (Rupees Eight Crores only) comprising of 80,00,000 (Eighty Lacs) equity shares of face value of Rs. 10/- (Rupees Ten only) each.

HOLDING COMPANY

Your Company is a wholly owned subsidiary of Max Ventures and Industries Limited.

SUBSIDIARY COMPANY(S) / ASSOCIATE(S) / JOINT VENTURE(S)

Your Company did not have any Subsidiary Company, Associate or Joint Venture during the period under review.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONS

The Board of your Company consist of three (3) Directors as on March 31, 2017 viz. Mr. Sahil Vachani, Mrs. Tara Singh Vachani and Mr. Arjunjit Singh.

Mr. Arjunjit Singh was appointed as the Whole Time Director and Chief Operating Officer of the Company w.e.f April 01, 2016. Mr. Alok Goel was appointed as Company Secretary of the Company w.e.f. November 30, 2016.

In terms of Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013 (Act) Mr. Sahil Vachani, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer himself for re-appointment. The Board of Directors recommend his re-appointment for the consideration of the members of the Company at the ensuing AGM.

The Board met twelve times during the period under review which are as follows:

S. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	April 01, 2016	3	3
2.	May 11, 2016	3	3
3.	July 18, 2016	3	3
4.	August 08, 2016	3	3
5.	August 29, 2016	3	3
6.	September 15, 2016	3	2
7.	September 26, 2016	3	2
8.	September 30, 2016	3	3
9.	November 12, 2016	3	2
10.	November 30, 2016	3	2
11.	January 16, 2017	3	3
12.	February 04, 2017	3	2

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

Name of Directors	Designation	Board Meetings	
		Held during tenure	Attended
Mr. Sahil Vachani	Director	12	11
Mrs. Tara Singh Vachani	Director	12	8
Mr. Arjunjit Singh	Whole Time Director	12	12

COMMITTEE OF BOARD OF DIRECTORS

The Company is not required to constitute any committee of Board of Directors in terms of provisions of the Companies act, 2013 and the rules made there under.

PUBLIC DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees and investments, if any, made under the provisions of Section 186 of the Act have been disclosed in Notes to the Financial Statements forming integral part of the Annual Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the period under review, all transactions entered by the Company 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 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.

AUDITOR & AUDITORS' REPORT

Pursuant to Section 139 of the Act, M/s. K.K Mankeshwar & Co., Chartered Accountants, (FRN – 106009W) were appointed as the Statutory Auditors of the Company in the First board Meeting held on April 01, 2016. A resolution proposing appointment of M/s. K.K Mankeshwar & Co., Chartered Accountants as the Statutory Auditors of the Company for a period of Five (5) years from the conclusion of 1st AGM till the conclusion of 6th AGM of the Company, forms part of the Notice of the 1st AGM of the Company.

The Company has received the consent & eligibility certificate from M/s. K.K Mankeshwar & Co., Chartered Accountants under Section 139(1) and 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

There are no audit qualifications or reporting of fraud in the Statutory Auditors Report given by M/s K.K Mankeshwar., Statutory Auditors of the Company for the period ended March 31, 2017 as annexed to this Annual Report.

INTERNAL AUDITORS

During the year under review, M/s. Singhi & Co., Chartered Accountants was appointed as Internal Auditors of the Company for FY 2016-17.

INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT FRAMEWORK

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

CORPORATE SOCIAL RESPONSIBILITY

The Company doesn't fall within the purview of Section 135(1) of the Act, therefore is not required to constitute a Corporate Social Responsibility (CSR) Committee and to formulate any policy on CSR.

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 applicable Rules forms part of this Report as '**Annexure – 1**'.

EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Act read with applicable Rules, the extracts of the Annual Return as at March 31, 2017 forms part of this Report as '**Annexure – 2**'.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with applicable Rules, is given in '**Annexure – 3**'.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks the co-operation and assistance received from various agencies of the Central and State Governments, the Regulatory Authorities, Financial Institutions and Banks, Shareholders and all business associates.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff for their performance during the period.

For and on behalf of the Board of Directors
For **Max Estates Limited**

Arjunjit Singh
Whole time Director
DIN: 06893703

Sahil Vachani
Director
DIN: 00761695

Date: August 01, 2017
Place: Noida, U.P.

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 outgo	: Rs. 222.88 Lacs

FORM MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS

i) CIN	:	U70200PB2016PLC040200
ii) Registration Date	:	March 22, 2016
iii) Name of the Company	:	Max Estates Limited
iv) Category / Sub-Category of the Company	:	Public Company Limited by Shares / Indian Non-Government Company
v) Address of the Registered office and contact details	:	419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar – 144533, Punjab
vi) Whether listed company	:	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The business activities contributing 10% or more of the total turnover of the Company are as below:

Sl. No.	Name and description of main products / services	NIC code of the product / service	% to total turnover of the Company
1	Real Estates Activities	681.6810.68100	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Max Ventures and Industries Limited 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab – 144 533	L85100PB2015PLC039204	Holding Company	100	2 (46)

The company does not have any subsidiary or associate company.

IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)

i) Category-wise shareholding

Sl. No.	Category of Shareholders Particulars	No. of Shares held on March 22, 2016				No. of Shares held on March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
a)	Individual/HUF	-	6	6	0.00	-	6	6	0.00	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	49,994	49,994	100.00	-	79,99,994	79,99,994	100.00	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	-	50,000	50,000	100.00	-	80,00,000	80,00,000	100.00	-
2	Foreign									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-

Sl. No.	Category of Shareholders Particulars	No. of Shares held on March 22, 2016				No. of Shares held on March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	-	80,00,000	80,00,000	100.00	-
B.	Public Shareholding									
1	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i)	Any other (FDI)	-	-	-	-	-	-	-	-	-
	Any other (Foreign Institutional Investor)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	holding shares upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii)	holding shares above Rs.1 lakh	-	-	-	-	-	-	-	-	-
c)	NBFCs Registered with RBI	-	-	-	-	-	-	-	-	-
d)	Employees Trusts	-	-	-	-	-	-	-	-	-
c)	Any Others	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding [(B)=(B)(1)+(B)(2)]	-	-	-	-	-	-	-	-	-
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	-	50,000	50,000	100	-	80,00,000	80,00,000	100	-

(ii) Shareholding of Promoters

Sl. No	Shareholder's Name	Shareholding at the beginning of the period			Shareholding at the end of the period			% change in shareholding during the period
		No. of Shares	% of total Shares	% 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 Ventures and Industries Limited	49,994	100	-	79,99,994	100	-	-
2	Mr. Sahil Vachani#	01	0.00	-	01	0.00	-	-
3	Mr. Arjunjit Singh#	01	0.00	-	01	0.00	-	-
4	Mr. Nitin Kumar Kansal#	01	0.00	-	01	0.00	-	-
5	Mr. Amit Jain#	01	0.00	-	01	0.00	-	-
6	Mr. Navneet Narayan Malhotra#	01	0.00	-	01	0.00	-	-
7	Mr. Manohar Kumar#	01	0.00	-	01	0.00	-	-
	Total	50,000	100.00	-	80,00,000	100.00	-	-

Shares held as nominees of Max Ventures and Industries Limited

(iii) Change in Promoters' Shareholding:

S. No.	Name of the Promoter	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares
1	Max Ventures and Industries Limited				
	At the beginning of the year	49,994	100		
	Date wise increase / decrease				
	- Allotment of shares on September 15, 2016	20,00,000	100	20,49,994	100
	- Allotment of shares on September 26, 2016	25,00,000	100	45,49,994	100
	- Allotment of shares on September 30, 2016	11,50,000	100	56,99,994	100
	- Allotment of shares on November 30, 2016	23,00,000	100	79,99,994	100
	At the end of year	79,99,994	100		
2	Mr. Sahil Vachani#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		
3	Mr. Arjunjit Singh #				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		
4	Mr. Nitin Kumar Kansal#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		
5	Mr. Amit Jain#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		
6	Mr. Navneet Narayan Malhotra#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		
7	Mr. Manohar Kumar#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		

Shares held as nominees of Max Ventures and Industries Limited.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable.

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Director / Key Managerial Personnel	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1.	Mr. Sahil Vachani#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		
2.	Arjunjit Singh#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		

Shares held as nominees of Max Ventures and Industries Limited

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

(Rs. in Lakhs)

	Secured Loans excluding deposits		Unsecured Loans	Deposits	Total Indebtedness
	Term loan	Car Loan			
Indebtedness at the beginning of the financial year					
i) Principal Amount	-	-	-	-	-
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-
Total (i+ii+iii)	-	-	-	-	-
Change in Indebtedness during the financial year					
Addition	-	10.5	897.05	-	907.55
Reduction	-	0.58	-	-	0.58
Net Change	-	9.92	897.05	-	906.97
Indebtedness at the end of the financial year					
i) Principal Amount	-	9.92	897.05	-	906.97
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	-	15.76	-	15.76
Total (i + ii + iii)	-	9.92	912.81	-	922.73

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Mr. Arjunjit Singh (Whole Time Director and COO)
1.	Gross Salary	(Amount in Rs.)
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	54,25,552
	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	
	• Other, specify	
5.	Others (Variable Pay)	20,00,000
	Total	74,25,552

B. Remuneration to other Directors: Nil

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

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: None

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/-:

Sl. No	Name	Designation	Age (Yrs.)	Remuneration Paid (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
NIL								

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:

Sl. No	Name	Designation	Age (Yrs.)	Remuneration Paid (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
NIL								

C. Other Employees:

Sl. No	Name	Designation	Age (Yrs.)	Remuneration Paid (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1	Arjunjit Singh	Chief Operating Officer	30	74,25,552*	Bachelor of Science (Applied Economics & Mgt.) with Cornell University	9	1-Apr-16	Siva Reality Ventures Pvt. Ltd.
2.	Anil Malhotra	Senior General Manager	51	42,72,059	BE (Civil)	26	1-Apr-16	Siva Reality Ventures Pvt. Ltd.
3.	Pankaj Singh	Head - IT	42	30,06,182	Graduate, CPGME	20	25-Apr-16	ATS Infrastructure Ltd.
4.	Anil Kumar Misra	General Manager	46	28,58,755	B.Tech	22	1-Apr-16	Siva Reality Ventures Pvt. Ltd.
5.	Subhadeep Paul	Senior Manager	32	24,85,201	Bachelor of Planning	9	1-Apr-16	Siva Reality Ventures Pvt. Ltd.
6.	Rachna Mohan	Senior Manager	42	23,63,652	PGDBA	15	1-Apr-16	Siva Reality Ventures Pvt. Ltd.
7.	Yamin Ali Chaudhary	General Manager	49	23,52,272	BE (Civil)	25	1-Apr-16	Siva Reality Ventures Pvt. Ltd.
8.	Puneet Sood	Deputy General Manager	43	20,24,456	B.Com	21	1-Apr-16	Siva Reality Ventures Pvt. Ltd.
9.	Sharad Kumar	Manager	43	19,70,351	CA	15	1-Apr-16	Piveta Estates Pvt. Ltd.
10.	Vikas Manhas	General Manager	37	4,38,422	Executive Post Graduate Diploma in International Business	14	1-Feb-17	Vatika Ltd.

*Inclusive of variable pay of Rs. 20 Lakhs.

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. None of the employees mentioned above is related to any Director of the Company.
3. All appointments are contractual on rolls of the Company and in accordance with the terms and conditions as per Company Rules / Policies.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M/S MAX ESTATES LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Max Estates Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the period then ended, 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, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 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 the 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 the 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 aforesaid 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 31st March, 2017, and its loss, its cash flows for the period ended on that date.

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 A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
 - e. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - vi) The Company has provided requisite disclosures in its financial statements as to the holding as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016 and these are in accordance with the books of account maintained by the Company. Refer Note 29 to the financial statements.

For and on Behalf of
K. K. MANKESHWAR & CO.
 Chartered Accountants
 FRN: 106009W

DINESH KUMAR BACHCHAS
 Partner
 Membership No. 097820

Place: New Delhi
 dated: 16th May 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our Independent Auditors' Report to the members of the Company on the financial statements for the period ended March 31, 2017, we report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The fixed assets were physically verified during the period by the Management. No material discrepancies were noticed on such physical verification.
- c) As the Company does not hold any immovable property, accordingly the clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.
2. The inventory (excluding stocks with third parties) has been physically verified by the management during the period. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of Companies Act. Accordingly the clause (iii) of paragraph 3 of the Order is not applicable to the Company.
4. According to the information and explanation given to us, the Company has complied with the provision of section 185 and 186 of the Act in respect of loans, guarantees, investments and securities made.
5. According to the information and explanation given to us, the Company has not accepted any deposits during the period.
6. According to the information and explanation given to us, we are informed that the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013.
7. According to the information and explanation given to us, in respect of statutory dues:
 - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
 - b) According to the information and explanations given to us and the records of the Company, there is no due in respect of income tax, sales tax, service tax, duty of

customs, duty of excise and value added tax as on 31st March 2017 which have not been deposited on account of disputes.

8. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to bank. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or debenture holders or to government during the period.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments). However, the money raised by way of term loan which were applied for the purpose for which those were obtained.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company/ the Company has paid / provide for managerial remuneration in accordance with requisite approvals mandated by provision of Section 197 read with Schedule-v to the Act.
12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company
13. According to the information and explanation given to us, all transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statement etc., as required by the applicable accounting standards.
14. According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement or shares during the period. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For and on Behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820

Place: New Delhi
dated: 16th May 2017

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAX ESTATES LIMITED

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

We have audited the internal financial controls over financial reporting of M/s Max Estates Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on

the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For and on Behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

DINESH KUMAR BACHCHAS
Partner
Membership No. 097820

Place: New Delhi
dated: 16th May 2017

BALANCE SHEET

FOR THE YEAR ENDED MARCH 31, 2017

	Notes	(Rs. in lacs) As at March 31, 2017
Equity and liabilities		
Shareholders' funds		
Share capital	4	800.00
Reserves and surplus	5	(282.54)
		517.46
Non-current liabilities		
Long-term borrowings	6	6.85
Long-term provisions	11	27.96
		34.81
Current liabilities		
Short-term borrowings	9	897.05
Trade payables	10	-
total outstanding dues of micro enterprises and small enterprises		1,345.66
total outstanding dues of creditors other than micro enterprises and small enterprises		845.37
Other current liabilities	10	0.45
Short-term provisions	11	
		3,088.52
TOTAL		3,640.79
Assets		
Non-current assets		
Fixed assets		
Tangible assets	7	33.28
Intangible assets	7	12.02
Capital work-in- progress (Refer note 28)		273.06
Deferred tax assets (Net)	8	5.08
Long-term loans and advances	12	14.87
		338.31
Current assets		
Inventories	13	2,618.30
Trade receivables	14	9.38
Cash and bank balances	15	55.41
Short-term loans and advances	12	619.38
		3,302.48
TOTAL		3,640.79
Summary of significant accounting policies & notes.	3-31	

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For and on behalf of

K.K. Mankeshwar & Co.

Chartered Accountants

ICAI Firm Registration Number: 106009W

For and on behalf of the Board of Directors of Max Estates Limited

Dinesh Kumar Bachchas

Partner

Membership Number: 097820

Sahil Vachani

(Director)

(DIN 00761695)

Arjunjit Singh

(Director)

(DIN 06893703)

Place : New Delhi

Date : 16 May, 2017

Alok Goel

(Company Secretary)

STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD MARCH 22ND, 2016 TO MARCH 31, 2017

(Rs. in lacs)

	Notes	For the period March 22, 2016 to March 31, 2017
Income		
Revenue from operations	16	92.15
Total revenue (I)		92.15
Expenses		
Cost of material consumed, construction & other related project cost	17	2,510.16
(Increase)/decrease in inventories of finished goods and work-in-progress	18	(2,510.16)
Employee benefits expense	19	183.79
Finance cost	20	14.40
Depreciation	7	7.64
Other expenses	21	173.93
Total expenses (II)		379.77
Profit/(Loss) before tax (I - II)		(287.62)
Tax expenses		
Deferred tax		(5.08)
Total tax expense		(5.08)
Profit/(Loss) for the period		(282.54)
Earnings per equity share	22	
[Nominal value of shares Rs.10 (Previous year Rs.10)]		
Basic (Rs.)		(7.72)
Diluted (Rs.)		(7.72)
Summary of significant accounting policies & notes.	3-31	

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For and on behalf of

K.K. Mankeshwar & Co.

Chartered Accountants

ICAI Firm Registration Number: 106009W

For and on behalf of the Board of Directors of Max Estates Limited

Dinesh Kumar Bachchas

Partner

Membership Number: 097820

Sahil Vachani

(Director)

(DIN 00761695)

Arjunjit Singh

(Director)

(DIN 06893703)

Place : New Delhi

Date : 16 May, 2017

Alok Goel

(Company Secretary)

CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2017

(Rs. in Lacs)

	For the period ended March 31, 2017
Cash flow from operating activities	
Net Profit / (loss) before tax	(287.62)
Adjustments to reconcile profit / (loss) before tax to net cash flows	
Depreciation / amortisation	7.79
Interest expense	130.20
Operating profit before working capital changes	(149.63)
Movement in working capital :	
Increase/ (decrease) in trade payables	1,345.66
Increase/ (decrease) in long-term provisions	27.96
Increase/ (decrease) in short-term provisions	0.45
Increase/ (decrease) in other current liabilities	829.61
Decrease / (increase) in trade receivables	(9.38)
Decrease / (increase) in inventories	(2,618.30)
Decrease / (increase) in short-term loans and advances	(619.38)
Cash generated from/(used in) operations	(1,193.03)
Direct taxes paid	(14.87)
Net cash flow from /(used in) operating activities (A)	(1,207.90)
Cash flow from investing activities	
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(326.15)
Net cash flow from /(used in) investing activities (B)	(326.15)
Cash flow from financing activities	
Proceeds from Equity share capital	800.00
Proceeds from long -term borrowings	6.85
Proceed from short-term borrowings	897.05
Interest paid	(114.44)
Net cash flow from /(used in) financing activities (C)	1,589.46
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	55.41
Impact of Foreign Exchange Fluctuations	
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	55.41
Components of cash and cash equivalent	
Cash on hand	0.03
Balances with banks	
on current account	55.38
Total cash and cash equivalents	55.41

Summary of significant accounting policies & notes.

3-31

The accompanying notes are integral part of the financial statements

As per our report of even date attached

For and on behalf of

K.K. Mankeshwar & Co.

Chartered Accountants

ICAI Firm Registration Number: 106009W

For and on behalf of the Board of Directors of Max Estates Limited**Dinesh Kumar Bachchas**

Partner

Membership Number: 097820

Sahil Vachani

(Director)

(DIN 00761695)

Arjunjit Singh

(Director)

(DIN 06893703)

Place : New Delhi

Date : 16 May, 2017

Alok Goel

(Company Secretary)

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2017

1. Corporate information

Max Estates Limited (the Company) is a company registered under Companies Act, 2013 and incorporated on 22nd March 2016.

The Company is engaged in the business of Real Estates development.

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.

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost

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	3
Furniture & Fixtures	10
Office Equipments	5
Vehicles	8
Intangible Assets	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) 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.

f) Revenue Recognition

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

(i) Revenue from constructed properties

Revenue from constructed properties is recognized on the "Percentage of Completion method". Total sale consideration as per duly executed agreements to sell is recognized as revenue based on the percentage of actual project costs incurred thereon to total estimated project cost, subject to such actual cost incurred being 25 percentage or more of the total estimated project cost as per the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by The Institute Of Chartered Accountants of India.

(ii) Revenue from shared services

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

(iii) Revenue from project management consultancy / secondment

Revenue from project management consultancy / secondment is recognized as per the terms of the agreement on the basis of services rendered.

(iv) Interest and direct expenditure attributable to specific projects are capitalized in the cost of project, other interest and indirect costs are treated as 'Period Cost' and charged to Profit & Loss account in the period in which it is incurred.**(v) All other incomes and expenditures except mentioned above are accounted for on accrual basis.****g) Inventories**

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

(A) Completed Unsold inventory is valued at lower of cost and net realizable value. Cost is determined by including cost of

land, materials, services and related overheads.

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

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

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.

Compensated Absences

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

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

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.

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

k) 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.

l) 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.

m) 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.

n) 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, 2017
Authorised share capital	
10,000,000 equity shares of Rs.10/- each	1,000.00
	1,000.00
Issued, subscribed and fully paid-up share capital	
80,00,000 equity shares of Rs.10/- each fully paid up	800.00
Total issued, subscribed and fully paid-up capital	800.00

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

	(Rs. in lacs)	
	March 31, 2017	
	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	7,950,000	795.00
Outstanding at the end of the period	8,000,000	800.00

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 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 shares held by holding Company

Name of the Shareholder	March 31, 2017	
	No. of shares	% held
Max Ventures & Industries Limited	7,999,994	99.9999%

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

Name of the Shareholder	March 31, 2017	
	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up		
Max Ventures & Industries Limited	7,999,994	99.9999%

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.

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

5 Reserves and surplus

	(Rs. in lacs)
	As at March 31, 2017
Surplus in the statement of profit and loss	
Balance as at beginning of the period	-
Profit/(Loss) for the period	(282.54)
Net surplus in the statement of profit and loss	(282.54)
Total reserves and surplus	(282.54)

6. Long term borrowings

	(Rs. in lacs)	
	Non-current portion	Current maturities
	As at March 31, 2017	As at March 31, 2017
Vehicle Loans from banks (secured)	6.85	3.07
The above amount includes	6.85	3.07
Secured borrowings	6.85	3.07
Amount disclosed under the head "other current liabilities" (refer note 10)	6.85	3.07

i) Vehicle loans amounting to Rs. 10.50 Lacs are secured by way of hypothecation of respective vehicles. The loans are repayable in 3 years.

7. Tangible and intangible assets

	Tangible Assets				Intangible Assets	Total
	Office Eq.	Vehicles	F & F	Computers		
At March 22, 2016	-	-	-	-	-	-
Additions during the period	1.19	21.06	0.18	17.30	13.36	53.08
Deletions during the period	-	-	-	-	-	-
At March 31, 2017	1.19	21.06	0.18	17.30	13.36	53.08
Accumulated Depreciation						
At March 22, 2016	-	-	-	-	-	-
Charge for the period	0.15	1.24	0.01	5.05	1.34	7.78
Deletions during the period	-	-	-	-	-	-
At March 31, 2017	0.15	1.24	0.01	5.05	1.34	7.78
Net block						
At March 31, 2017	1.03	19.82	0.17	12.25	12.02	45.30

Note: Depreciation for the year includes Rs.0.14 lacs related to project cost shown under Note 17

8. Deferred tax liabilities (net)

	(Rs. in lacs)
	As at March 31, 2017
Deferred tax liability	
Fixed Assets: Impact of difference between tax depreciation and depreciation/amortisation charged for the period	(3.70)
Gross deferred tax liability	(3.70)
Deferred tax assets	
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	8.78
Gross deferred tax assets	8.78
Net deferred tax assets	(5.08)

9. Short term borrowings

	(Rs. in lacs)
	As at March 31, 2017
Loans and advances from related party	
Inter corporate loan	897.05
	897.05
The above amount includes	
Unsecured borrowings	897.05
	897.05

10 Trade payables & Other current liabilities

	(Rs. in lacs)
	As at March 31, 2017
Trade payables	
Total outstanding dues of micro enterprises and small enterprises*	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,345.66
Other liabilities	
Current maturities of long-term borrowings (refer note 6)	3.07
Interest accrued but not due on short term borrowings	15.76
Others	
Advance from Customers	763.27
Other liabilities	
Security deposit received	3.32
Statutory dues payable	59.94
	2,191.02

* 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.

11 Provisions

	(Rs. in lacs)	
	Long - term	Short - term
	As at March 31, 2017	As at March 31, 2017
Provision for employee benefits		
Provision for gratuity	9.58	0.02
Provision for leave benefits	18.38	0.43
	27.96	0.45

12. Loans and advances

	(Rs. in lacs)	
	Non - Current	Current
	As at March 31, 2017	As at March 31, 2017
Loans and advances (unsecured, considered good unless stated otherwise)		
Balances with statutory/government authorities	-	83.92
Prepaid expenses	-	5.86
Advances Recoverable in Cash or in kind	-	119.07
Security Deposit	-	410.53
Advance income tax (net of provisions)	14.87	-
	14.87	619.38
Total	14.87	619.38

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

	(Rs. in lacs)
	As at March 31, 2017
Construction Materials	108.14
Work in process	2,510.16
Total	2,618.30

14. Trade receivables

	(Rs. in lacs)
	Current
	As at March 31, 2017
Unsecured, considered good unless stated otherwise	
Outstanding for a period exceeding six months from the date they are due for payment	-
Others :	
Unsecured, considered good	9.38
Total	9.38

15. Cash and bank balances

	(Rs. in lacs)
	As at March 31, 2017
Cash and cash equivalents	
Cash on hand	0.03
Balances with banks	
On current accounts	55.38
Total	55.41

16. Revenue from operations

	(Rs. in lacs)
	For the period March 22, 2016 to March 31, 2017
Revenue from Project Management Consultancy	46.46
Other operating revenue	
Secondment Fees	39.71
Income from Shared Services	5.98
Total Other operating revenue	45.69
Revenue from operations	92.15

17. Cost of material consumed, construction & other related project cost

	(Rs. in lacs)
	For the period March 22, 2016 to March 31, 2017
Inventories at beginning of year	-
Add: Purchases	
Development Cost (Initial Capex Pay Back)	1,010.00
Construction Materials	315.20
Civil Construction Work	618.48
Construction Expenses	25.66
Employees Cost	163.89
Marketing Cost	3.42

	For the period March 22, 2016 to March 31, 2017
Approval Expenses	14.67
Legal & Professional Charges (Incl. Architects)	155.11
Business Support Services	75.78
Establishment Expenses	30.29
Administrative Expenses	89.86
Depreciation	0.14
Finance Cost	115.80
	2,618.30
Less: inventory at the end of year	108.14
Cost of material consumed, construction & other related project cost	2,510.16

18. (Increase)/ decrease in work-in-progress and finished goods

	For the period March 22, 2016 to March 31, 2017	For the Period	(Rs. in lacs) (Increase) / Decrease
Inventories at end of year			
Work-in-process	2,510.16	2,510.16	(2,510.16)
	2,510.16	2,510.16	(2,510.16)
Inventories at beginning of the year			
Work-in-process	-	-	-
(Increase)/ decrease in work-in-progress and finished goods	(2,510.16)	(2,510.16)	2,510.16

19. Employee benefits expense

	(Rs. in lacs) For the period March 22, 2016 to March 31, 2017
Salaries, wages and bonus	171.00
Contribution to provident and other funds	6.58
Staff welfare expenses	6.21
	183.79

19.1. The disclosure required under Accounting Standard 15 "Employee Benefits" are given below:

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, 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 and Project Cost/CWIP

	(Rs. in lacs) Gratuity As at March 31, 2017
Current service cost	9.60
Interest cost on benefit obligation	-
Expected return on plan assets	-
Net actuarial(gain) / loss recognized in the year	-
Past service cost	-
Net benefit expense	9.60
Actual return on plan assets	

Balance sheet

Benefit asset/ liability

	(Rs. in lacs)
	Gratuity As at March 31, 2017
Defined benefit obligation	9.60
Fair value of plan assets	-
Funded Status	-
Less: Unrecognized past service cost	-
Plan asset / (liability)	(9.60)

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

	(Rs. in lacs)
	Gratuity As at March 31, 2017
Interest cost	-
Current service cost	9.60
Benefits paid	-
Actuarial (gains) / losses on obligation	-
Closing defined benefit obligation	9.60

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

	Gratuity As at March 31, 2017
Discount rate	7.5%
Expected rate of return on assets	
Retirement Age	60 Years
Employee turnover	1%
- Upto 30 years	5%
- 31 to 44 years	3%
- Above 44 years	2%

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.

Statement of profit and loss

Net employee benefit expense recognized in employee cost and Project Cost/CWIP

	(Rs. in lacs)
	Leave Encashment As at March 31, 2017
Current service cost	18.81
Interest cost on benefit obligation	-
Expected return on plan assets	-
Net actuarial(gain) / loss recognized in the year	-
Past service cost	-
Net benefit expense	18.81
Actual return on plan assets	

Balance sheet

Benefit asset/ liability

	(Rs. in lacs)
	Leave Encashment
	As at March 31, 2017
Defined benefit obligation	18.81
Fair value of plan assets	-
Funded Status	-
Less: Unrecognized past service cost	-
Plan asset / (liability)	(18.81)

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

	(Rs. in lacs)
	Leave Encashment
	As at March 31, 2017
Interest cost	-
Current service cost	18.81
Benefits paid	-
Actuarial (gains) / losses on obligation	-
Closing defined benefit obligation	18.81

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

	(Rs. in lacs)
	Leave Encashment
	As at March 31, 2017
Discount rate	7.5%
Expected rate of return on assets	
Retirement Age	60 Years
Employee turnover	1%
- Upto 30 years	5%
- 31 to 44 years	3%
- Above 44 years	2%

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.

20. Finance Cost

	(Rs. in lacs)
	For the period March 22, 2016 to March 31, 2017
Interest on Vehicle Loan	0.20
Interest on Unsecured Loan	13.98
Interest Others	0.22
	14.40

21. Other expenses

	(Rs. in lacs)
	For the period March 22, 2016 to March 31, 2017
Legal and professional	117.21
Telephone & Communications	1.30
Vehicle Running & Maintenance	2.40
Insurance	2.05
Membership & Subscription	5.24
Website Development Charges	4.37
Business Promotion	0.12
Repair & Maintenance - Others	0.59
Establishment Expenses	21.14
Rates & Taxes	8.71
Travelling & Conveyance	10.02
Printing and stationery	0.60
Loss on discard of fixed assets	0.18
	173.93
Payment to auditor (excluding service tax) (included in legal and professional)	
As auditor:	
Audit Fees	0.50
Limited Review	0.45
	0.95

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

	(Rs. in lacs)
	For the period March 22, 2016 to March 31, 2017
Basic EPS	
Profit after tax (Rs. in Lacs)	(282.54)
Net profit/(loss) for calculation of basic EPS	(282.54)
Weighted average number of equity shares outstanding during the year (Nos.)	3,662,133
Basic earnings per share (Rs.)	(7.72)
Dilutive EPS	
Profit after tax (Rs. in Lacs)	(282.54)
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	3,662,133
Diluted earnings per share (Rs.)	(7.72)

23. Related parties disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Holding Company	Max Ventures & Industries Limited
Fellow Subsidiary Company	Max Speciality Films Limited
	Max I Limited
	Max Learning Limited
Names of other related parties with whom transactions have taken place during the year	
Key management personnel & relatives of KMP	Mr. Arjunjit Singh (Whole time Director) Mr. Alok Goel - Company Secretary
Enterprises owned or significantly influenced by key management personnel or their relatives	Trophy Estates Pvt. Ltd. Mr Analjit Singh HUF Piveta Estates Pvt. Ltd. Siva Realty Ventures Pvt. Ltd. Icare Health Projects & Research Pvt. Ltd. Four Season Foudantion
Individual owning an interest in the voting power	Mr. Analjit Singh

231.

(Rs. In lacs)

Particulars	Holding Company	Fellow Subsidiary Company	Key Management personnel & Relatives of KMP	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
Transactions with related parties during the period:					
Reimbursement of expenses (Paid to)					
Max Ventures & Industries Limited	20.61				20.61
Max Speciality Films Limited		1.78			1.78
Piveta Estates Pvt. Ltd.				1.54	1.54
Icare Health Projects & Research Pvt. Ltd.				82.23	82.23
Interest on Unsecured Loan (Paid)					
Max Ventures & Industries Limited	37.66				37.66
					-
Services rendered (from)					
Shared Services					
Max Ventures & Industries Limited	227.96				227.96
Services rendered (to)					
Shared Services					
Max Ventures & Industries Limited	5.98				5.98
Purchases of Materials					
Siva Realty Ventures Pvt. Ltd.				15.61	15.61
Purchase of Tangible Assets					
Max Ventures & Industries Limited	4.48				4.48
Siva Realty Ventures Pvt. Ltd.				16.94	16.94
Trophy Estates Pvt. Ltd.				0.18	0.18
Security Deposit Given					
Trophy Estates Pvt. Ltd.				149.19	149.19
Mr Analjit Singh			222.88		222.88
Mr Analjit Singh HUF				30.23	30.23
Interest on Initial capex pay back					
Trophy Estates Pvt. Ltd.				37.95	37.95
Mr Analjit Singh			44.29		44.29
Mr Analjit Singh HUF				7.69	7.69
Development Cost (Initial Pay Back)					
Trophy Estates Pvt. Ltd.				426.22	426.22
Mr Analjit Singh			497.43		497.43
Mr Analjit Singh HUF				86.36	86.36
Key managerial remuneration*					
Arjunjit Singh			74.25		74.25
Loan taken (Net)					
Max Ventures & Industries Limited	897.05				897.05
Balance outstanding as at the period end					
Interest Accrued on Unsecured Loan					
Max Ventures & Industries Limited	15.76				15.76
Unsecured Loan					
Max Ventures & Industries Limited	897.05				897.05
Security Deposit (Receivable)					
Trophy Estates Pvt. Ltd.				149.19	149.19
Mr Analjit Singh			222.88		222.88
Mr Analjit Singh HUF				30.23	30.23
Interest liability on Initial capex pay back					
Trophy Estates Pvt. Ltd.				34.16	34.16
Mr Analjit Singh			28.55		28.55
Mr Analjit Singh HUF				6.92	6.92

Particulars	Holding Company	Fellow Subsidiary Company	Key Management personnel & Relatives of KMP	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
Trade payables					
Max Ventures & Industries Limited	39.81				39.81
Max Speciality Films Limited				1.78	1.78
Siva Realty Ventures Private Limited				8.77	8.77
Icare Health Projects & Research Pvt. Ltd.				75.08	75.08
Piveta Estates Private Limited				0.64	0.64
Four Season Foundation				0.18	0.18
Development Cost (Initial Pay Back) Payable					
Trophy Estates Pvt. Ltd.				426.22	426.22
Mr Analjit Singh			497.43		497.43
Mr Analjit Singh HUF				86.36	86.36

* 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.

24. The Company has entered into Joint Development Agreement (JDA) with Land Owners (i.e. Trophy Estates Pvt. Ltd., Mr. Analjit Singh, Analjit Singh(HUF) for development of 1,11,060 Sq. Ft. (Built up area) vide agreement date 25th July 2016.

25. Segment Reporting

The Company is a one segment company in the business of real estates development. All its operations are located in India , accordingly 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.

26. Expenditure in foreign currency

Particulars	(Rs. in lacs)
	For the period ended March 31, 2017
Security Deposit given	222.88
Total	222.88

27. Earnings in foreign currency : Nil

28. Capital Work-in-progress

Particulars	(Rs. in lacs)
	For the period ended March 31, 2017
Employees benefit expenses	122.48
Establishment Expenses	24.29
Legal & professional charges	117.15
Other administrative Expenses	9.14
Total	273.06

29. During the year, the Company had specified bank notes or other denomination note as defined in th MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Specified Bank notes*	(Rs. in lacs)	
		Other denomination notes	Total
Closing cash in hand as on 8.11.2016	0.17	0.03	0.20
(+) Permitted receipts	-	1.50	1.50
(-) Permitted Payments	-	1.50	1.50
(-) Amount deposited in Banks	0.17	-	0.170
Closing cash in hand as on 30.12.2016	-	0.03	0.03

* For the purposes of htis clause, the term 'Specified Bank Notes' shal have the same meaning provided in the notification of the Government of India, in hte Ministry of Finance, Department of Economic Affairs S.O. 3407(E) dated the 8th November, 2016

30. In the view of losses provision for tax has not been recognised. Further the defined tax asset arising out of the timing defference has been recognised to the extent of reasonable certainty of sufficient taxable income being available against which such deferred tax asset can be realised.

31. Being the first year of the Company, the accounts have been drawn up for a period of March 22, 2016 (i.e. Date of Incorporation) to March 31, 2017. Accordingly, there are no comparatives previous period figures.

As per our report of even date attached

For and on behalf of

K.K. Mankeshwar & Co.

Chartered Accountants

ICAI Firm Registration Number: 106009W

For and on behalf of the Board of Directors of Max Estates Limited

Dinesh Kumar Bachchas

Partner

Membership Number: 097820

Sahil Vachani

(Director)

(DIN 00761695)

Arjunjit Singh

(Director)

(DIN 06893703)

Place : New Delhi

Date : 16 May, 2017

Alok Goel

(Company Secretary)

MAX LEARNING LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the First Annual Report together with the Audited Financial Statements for the period from August 23, 2016 to March 31, 2017.

FINANCIAL REVIEW

Financial Performance

(Rs. in '000)

Particulars	Period Ended March 31, 2017
Income	
Revenue from Operations (Net)	-
Other Income	-
Total Revenues	-
Expenses	
Employee benefits expense	11,035
Finance cost	166
Depreciation	187
Other Expenses	19,122
Total Expenses	30,510
Net Profit/ (Loss) Before Tax	(30,510)
Tax expense	-
Net Profit/ (Loss) After Tax	(30,510)
No. of equity Shares (Nos.)	20,50,000
EPS (in Rupees)	(47.13)
Balance brought forward from previous year	-
Balance Carried forward	(30,510)

Dividend

The year under review was the first financial year of the Company. Since there was no profits during the period, the Board of Directors did not recommend any dividend for the period ended March 31, 2017 on the Equity Share Capital of the Company.

Transfer to Reserves

Since there was no profits during the period, the Company did not transfer any amount to the General Reserve.

OPERATIONS REVIEW

Operational Performance

The Company was incorporated on August 23, 2016 and the main business of the Company is to carry on educational activities. Max Learning is an extension of the Promoters' long standing association with the cause of quality education and Max's enduring focus on the businesses of social good. With limited high quality resources and poor infrastructure, there is a significant gap in the demand and supply of quality education in the Indian market. The Company seeks to use this opportunity not only in terms of business but also in terms of making a significant positive social impact. During the current financial year, the Company shall finalize its business plans.

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

There are no material changes and commitments, affecting the financial position of the Company which have occurred between the end of the financial year of the Company i.e. March 31, 2017 and the date of this Directors' Report.

SHARE CAPITAL

The Authorized Share Capital of the Company as on March 31, 2017 was Rs. 5,00,00,000/- (Rupees Five Crores only) comprising of 50,00,000 (Fifty Lacs) equity shares of Rs. 10/- (Rupees Ten only) each.

The Paid-up Capital of the Company as on March 31, 2017 was Rs. 2,05,00,000/- (Rupees Two Crores Five lacs only) comprising of 20,50,000 (Twenty Lacs Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten only) each.

HOLDING COMPANY

Your Company is a wholly owned subsidiary of Max Ventures and Industries Limited.

SUBSIDIARY COMPANY(S) / ASSOCIATE(S) / JOINT VENTURE(S)

During the period under review, your Company did not have any subsidiary company, associate or joint venture.

BOARD OF DIRECTORS

The Board of your Company consist of three (3) Directors as on March 31, 2017 viz. Mr. Sahil Vachani, Mrs. Tara Singh Vachani and Mr. Alok Goel.

In terms of Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013 (Act), Mr. Sahil Vachani, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer himself for re-appointment. The Board of Directors recommend his re-appointment for the consideration of the members of the Company at the ensuing AGM.

The Board met ten times during the year under review which are as follows:

S. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	August 29, 2016	3	3
2.	September 29, 2016	3	3
3.	September 30, 2016	3	3
4.	November 12, 2016	3	2
5.	November 22, 2016	3	2
6.	December 2, 2016	3	2
7.	January 9, 2017	3	2
8.	January 16, 2017	3	3
9.	January 25, 2017	3	2
10.	February 4, 2017	3	2

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

Name of Directors	Designation	Board Meetings	
		Held during tenure	Attended
Mr. Sahil Vachani	Director	10	10
Mrs. Tara Singh Vachani	Director	10	4
Mr. Alok Goel	Director	10	10

COMMITTEE OF BOARD OF DIRECTORS

The Company is not required to constitute any committee of Board of Directors in terms of provisions of the Companies act, 2013 and the rules made there under.

PUBLIC DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees and investments, if any, made under the provisions of Section 186 of the Act have been disclosed in Notes to the Financial Statements forming integral part of the Annual Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the period under review, all transactions entered by the Company 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 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.

AUDITOR & AUDITORS' REPORT

Pursuant to Section 139 of the Act, M/s. K.K Mankeshwar & Co., Chartered Accountants, (FRN – 106009W) were appointed as the Statutory Auditors of the Company in the First Board Meeting held on August 29, 2016. A resolution proposing appointment of M/s.

K.K Mankeshwar & Co., Chartered Accountants as the Statutory Auditors of the Company for a period of Five (5) years from the conclusion of 1st AGM till the conclusion of 6th AGM of the Company, forms part of the Notice of the 1st AGM of the Company.

The Company has received the consent & eligibility certificate from M/s. K.K Mankeshwar & Co., Chartered Accountants under Section 139(1) and 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

There are no audit qualifications or reporting of fraud in the Statutory Auditors Report given by M/s K.K Mankeshwar, Statutory Auditors of the Company for the period ended March 31, 2017 as annexed to this Annual Report.

INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT FRAMEWORK

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

CORPORATE SOCIAL RESPONSIBILITY

The Company doesn't fall within the purview of Section 135(1) of the Act, therefore is not required to constitute a Corporate Social Responsibility (CSR) Committee and to formulate any policy on CSR.

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 applicable Rules forms part of this Report as 'Annexure – 1'.

EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Act read with applicable Rules, the extracts of the Annual Return as at March 31, 2017 forms part of this Report as 'Annexure – 2'.

PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with applicable Rules is given in 'Annexure – 3'.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks the co-operation and assistance received from various agencies of the Central and State Governments, the Regulatory Authorities, Financial Institutions and Banks, Shareholders and all business associates.

Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff for their performance during the period.

For and on behalf of the Board of Directors

For **Max Learning Limited**

Alok Goel
Director
DIN: 00145722

Sahil Vachani
Director
DIN: 00761695

Date: August 01, 2017
Place: Noida, U.P.

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 during the period are given below:

Total Foreign Exchange earned	: Nil
Total Foreign Exchange outgo	: Rs. 46.50 Lacs

FORM MGT-9

Extract of Annual Return as on the financial period ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS

- i) CIN : U74999PB2016PLC045648
- ii) Registration Date : August 23, 2016
- iii) Name of the Company : Max Learning Limited
- iv) Category / Sub-Category of the Company : Public Company Limited by Shares / Indian Non-Government Company
- v) Address of the Registered office and contact details : 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar – 144533, Punjab
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The principal business of the Company is to carry out Educational activities (NIC Code: 852.8521.8522.8530) which contribute its 100% of turnover (if any).

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Max Ventures and Industries Limited 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab – 144 533	L85100PB2015PLC039204	Holding Company	100	2 (46)

The company does not have any subsidiary or associate company.

IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)

i) Category-wise shareholding

Sl. No.	Category of Shareholders Particulars	No. of Shares held on August 23, 2016				No. of Shares held on March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
a)	Individual/HUF	-	6	6	0.00	-	6	6	0.00	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	49,994	49,994	100.00	-	20,49,994	20,49,994	100.00	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	-	50,000	50,000	100.00	-	20,50,000	20,50,000	100.00	-
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	-	20,50,000	20,50,000	100.00	-
B.	Public Shareholding									
1	Institutions									

Sl. No.	Category of Shareholders Particulars	No. of Shares held on August 23, 2016				No. of Shares held on March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i)	Any other (FDI)	-	-	-	-	-	-	-	-	-
	Any other (Foreign Institutional Investor)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	holding shares upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii)	holding shares above Rs.1 lakh	-	-	-	-	-	-	-	-	-
c)	NBFCs Registered with RBI	-	-	-	-	-	-	-	-	-
d)	Employees Trusts	-	-	-	-	-	-	-	-	-
c)	Any Others	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding [(B)=(B)(1)+(B)(2)]	-	-	-	-	-	-	-	-	-
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	-	50,000	50,000	100	-	20,50,000	20,50,000	100	-

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the period			Shareholding at the end of the period			% change in shareholding during the period
		No. of Shares	% of total Shares	% 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 Ventures and Industries Limited	49,994	100	-	20,49,994	100	-	-
2	Mr. Sahil Vachani#	01	0.00	-	01	0.00	-	-
3	Mr. Arjunjit Singh#	01	0.00	-	01	0.00	-	-
4	Mr. Nitin Kumar Kansal#	01	0.00	-	01	0.00	-	-
5	Mr. Amit Jain#	01	0.00	-	01	0.00	-	-
6	Mr. Navneet Narayan Malhotra#	01	0.00	-	01	0.00	-	-
7	Mr. Manohar Kumar#	01	0.00	-	01	0.00	-	-
	Total	50,000	100.00	-	20,50,000	100.00	-	-

shares held as nominees of Max Ventures and Industries Limited

(iii) Change in Promoters' Shareholding:

S. No.	Name of the Promoter	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares
1	Max Ventures and Industries Limited				
	At the beginning of the year	49,994	100	49,994	100
	Date wise increase / decrease				
	- Allotment of shares on January 25, 2017	20,00,000	100	20,49,994	100
	At the end of year	20,49,994	100		
2	Mr. Sahil Vachani#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		

S. No.	Name of the Promoter	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares
3	Mr. Arjunjit Singh #				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
4	Mr. Nitin Kumar Kansal#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
5	Mr. Amit Jain#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
6	Mr. Navneet Narayan Malhotra#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
7	Mr. Manohar Kumar#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		

#Shares held as nominees of Max Ventures and Industries Limited.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Director / Key Managerial Personnel	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1.	Mr. Sahil Vachani#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		

Shares held as nominees of Max Ventures and Industries Limited

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

(Rs. in Lakhs)

	Term loan	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
Change in Indebtedness during the financial year				
Addition	23.40	105.00	-	128.40
Reduction	1.97	60.00	-	61.97
Net Change	21.43	45.00	-	66.43
Indebtedness at the end of the financial year				
i) Principal Amount	21.43	45.00	-	66.43
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	21.43	45.00	-	66.43

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- Remuneration to Managing Director, Whole-time Directors and/or Manager: The Company does not have any Managing Director, Whole-time Director or a Manager
- Remuneration to other Directors: Nil.
- Remuneration to Key Managerial Personnel (KMP) other than Managing Director/Manager/Whole-time Directors: Not Applicable.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : None

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 during the period 2016-17:

A. Employees who were employed throughout the year and were in receipt of remuneration of not less than Rs.1,02,00,000/-:

Sl. No	Name	Designation	Age (Yrs.)	Remuneration Paid (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
NIL								

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:

Sl. No	Name	Designation	Age (Yrs.)	Remuneration Paid (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	Dr. Peter Mc Laughlin	Chief Executive Officer	63	69,82,901	BA (Hons), PhD, Post-doctoral Research Fellow	42	14-Oct-16	Doon School

C. Other Top 10 employees:

Sl. No	Name	Designation	Age (Yrs.)	Remuneration Paid (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	Elizabeth Mc Laughlin	Director - Admissions & Marketing	49	23,52,764	BA (Hons), PGDL (Law)	24	14-Oct-16	Doon School
2.	Rahul Rohra	Assistant Manager	31	3,27,636	CA (Inter); B.Com	11	30-Aug-16	Fenesta
3.	Jyoti Sethi	Executive Assistant	37	2,81,995	B. Com plus Professional Secretarial Training Programme from YMCA	15	20-Jan-17	Religare Enterprises 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. None of the employees mentioned above is related to any Director of the Company.
3. All appointments are contractual on rolls of the Company and in accordance with the terms and conditions as per Company Rules / Policies.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M/S MAX LEARNING LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Max Learning Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the period then ended, 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, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 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 the 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 the 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 aforesaid 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 31st March, 2017, and its loss, its cash flows for the period ended on that date.

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 A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
 - e. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016.(Refer Note No.20)

DINESH KUMAR BACHCHAS

Partner
Membership No. 097820

For and on Behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants
FRN: 106009W

Place: Noida
Date: 22nd May, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our Independent Auditors' Report to the members of the Company on the financial statements for the period ended March 31, 2017, we report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The fixed assets were physically verified during the period by the Management. No material discrepancies were noticed on such physical verification.
- c) As the Company does not hold any immovable property, accordingly the clause (i) (c) of paragraph 3 of the Order is not applicable to the Company.
2. As the Company does not have any inventory, accordingly clause (ii) of paragraph 3 of the Order is not applicable to the Company.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of Companies Act. Accordingly the clause (iii) of paragraph 3 of the Order is not applicable to the Company.
4. The Company has not given any loans, investments, and security. Accordingly the clause (iv) of paragraph 3 of the Order is not applicable to the Company.
5. According to the information and explanation given to us, the Company has not accepted any deposits during the period.
6. According to the information and explanation given to us, we are informed that the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013.
7. According to the information and explanation given to us, in respect of statutory dues:
 - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
 - b) According to the information and explanations given to us and the records of the Company, there is no due in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as on 31st March 2017 which have not been deposited on account of disputes.
8. In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to bank. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or debenture holders or to government during the period.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments). The money raised through term loan has been applied for the purpose for which it has raised.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The Company does not paid any managerial remuneration, accordingly clause (xi) of paragraph 3 of the Order is not applicable to the Company.
12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company
13. According to the information and explanation given to us, all transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statement etc., as required by the applicable accounting standards.
14. According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

DINESH KUMAR BACHCHAS

Partner
Membership No. 097820

For and on Behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants
FRN: 106009W

Place: Noida
Date: 22nd May, 2017

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAX LEARNING LIMITED

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

We have audited the internal financial controls over financial reporting of M/s Max Learning Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the

Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

DINESH KUMAR BACHCHAS

Partner
Membership No. 097820
For and on Behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants
FRN: 106009W

Place: Noida
Date: 22nd May, 2017

BALANCE SHEET

AS AT MARCH 31, 2017

(Rs in '000)

		Notes	As at March 31, 2017
A.	Equity and liabilities		
1	Shareholders' funds		
	(a) Share capital	4	20,500
	(b) Reserves and surplus	5	(30,510)
			(10,010)
2	Non-current liabilities		
	(a) Long term Borrowing	6	1,744
	(b) Long-term provisions	7	526
			2,270
3	Current liabilities		
	(a) Short-term borrowings	6	4,500
	(b) Trade payables	8	
	i. Total outstanding dues of micro enterprises and small enterprises		-
	ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		11,110
	(c) Other current liabilities	9	2,159
	(d) Short-term provisions	7	1
			17,770
	TOTAL		10,030
B.	Assets		
1	Non-current assets		
	Fixed assets	10	
	- Tangible assets		3,023
	- Intangible Assets under Development		4,341
			7,364
2	Current assets		
	(a) Cash and bank balances	11	273
	(b) Loans and advances	12	2,393
			2,666
	TOTAL		10,030
	Summary of significant accounting policies	3	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors of Max Learning Limited

DINESH KUMAR BACHCHAS

Partner

Membership No 097820

Sahil Vachani

(Director)

(DIN 00761695)

Alok Goel

(Director)

(DIN 00145722)

For and on behalf of

K .K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

Place : Noida

Date : 22nd May, 2017

Place : Noida

Date : 22nd May, 2017

STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED MARCH 31, 2017

	Notes	(Rs in '000) For the period March 31, 2017
Income		
Other income		-
Total income (I)		-
Expenses		
Employee benefits expense	13	11,035
Finance cost	14	166
Depreciation	10	187
Other expenses	15	19,122
Total expenses (II)		30,510
Loss before tax (I - II)		(30,510)
Tax expenses		
(a) Current tax		-
(b) Deferred tax		-
Total tax expense		-
Loss for the Period		(30,510)
Earnings per equity share	16	
[Nominal value of shares Rs.10]		
Basic (Rs.)		(47.13)
Diluted (Rs.)		(47.13)
Summary of significant accounting policies	3	

The accompanying notes are an integral part of the financial statements

As per our report of even date

For and on behalf of the Board of Directors of Max Learning Limited

DINESH KUMAR BACHCHAS

Partner

Membership No 097820

Sahil Vachani

(Director)

(DIN 00761695)

Alok Goel

(Director)

(DIN 00145722)

For and on behalf of

K .K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

Place: Noida

Date: 22nd May, 2017

Place: Noida

Date: 22nd May, 2017

CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2017

(Rs in '000)

	For the period March 31, 2017
Cash flow from operating activities	
Loss before tax	(30,510)
Non cash adjustments to reconcile profit before tax to net cash flows:	
Depreciation / amortisation	187
Interest expense	166
Operating profit before working capital changes	(30,157)
Movement in working capital :	
Increase in trade payables	11,110
Increase in other current liabilities	1,712
Increase in long-term provisions	526
Increase in short-term provisions	1
Increase in short-term loans and advances	(2,393)
Cash used in operations	(19,201)
Direct taxes paid (net of refunds)	-
Net cash flow used in operating activities (A)	(19,201)
Cash flow from investing activities	
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(7,551)
Net cash flow from investing activities (B)	(7,551)
Cash flow from financing activities	
Proceeds from Equity share capital	20,500
Proceeds from long -term borrowings	2,143
Proceeds of short -term borrowings	4,500
Interest paid	(118)
Net cash flow from financing activities (C)	27,025
Cash and cash equivalents at the beginning of the year	
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	273
Cash and cash equivalents at the end of the year	273
Components of cash and cash equivalent	
Balances with banks	
on current account	273
Total cash and cash equivalents	273
Summary of significant accounting policies	3

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

For and on behalf of the Board of Directors of Max Learning Limited

DINESH KUMAR BACHCHAS

Partner
Membership No 097820

Sahil Vachani

(Director)
(DIN 00761695)

Alok Goel

(Director)
(DIN 00145722)

For and on behalf of

K .K. MANKESHWAR & CO.

Chartered Accountants
FRN: 106009W

Place: Noida

Date: 22nd May, 2017

Place: Noida

Date: 22nd May, 2017

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2017

1. Corporate information

Max Learning Limited (the Company) is a company registered under Companies Act, 2013 and incorporated on August 23, 2016. The Company is exploring opportunities for operating / establishing schools.

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) Intangible assets and amortisation

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the assets will flow to the Group and the cost of the assets can be measured reliably.

(i) Research and development cost:

Research cost :

Revenue expenditure on research is expensed under the respective heads of accounts in the period in which it is incurred.

Development cost:

Development expenditure on new product is capitalised as intangible asset, if all of the following can be demonstrated.

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) the Company has intention to complete the development of intangible asset and use or sell it;
- (c) the Company has ability to use or sell the intangible assets;
- (d) the manner in which the probable future economic benefit will be generated including the existence of a market for output of the intangible asset or the intangible asset itself or if it is to be used internally, the usefulness of the intangible asset;"
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and"
- (f) the Company has ability to measure the expenditure attributable to the intangible asset during the development reliably

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as Intangible Assets under Development where such assets are not yet ready for their intended use.

d) 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)
Furniture and fixtures	10
Office equipment	3 - 5
Computers	3- 6
Vehicles	3 - 8
Computer softwares	3 - 6

e) 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.

f) 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.

g) 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.

h) 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:

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.

i) 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.

j) Employee Benefits

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

k) 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.

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

l) Segment reporting policies

The Company is one segment Company in the education business accordingly, there are no 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 and Companies (Accounting Standards) Amendment Rules, 2016.

m) 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.

n) 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.

o) 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.

p) 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 '000)

	As at March 31, 2017
(a) Authorised shares (Nos.)	
50,00,000 equity shares of Rs.10/- each	50,000
	50,000
(b) Issued, subscribed and fully paid-up shares (Nos.)	
20,50,000 equity shares of Rs.10/- each	20,500
Total issued, subscribed and fully paid-up capital	20,500

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

	March 31, 2017	
	No. of shares	Rs. in '000
Equity Shares		
At the beginning of the period	-	-
Add: Shares issued at incorporation of the Company	50,000	500
Add: Shares subsequently issued	2,000,000	20,000
Outstanding at the end of the period	2,050,000	20,500

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 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, 2017	
	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up		
Max Ventures and Industries Limited & its nominees	2,050,000	100.00%

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 Details of shares held by Holding Company

Name of the Shareholder	March 31, 2017	
	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up		
Max Ventures and Industries Limited & its nominees	2,050,000	100.00%

5 Reserves and surplus

(Rs. in '000)

	As at March 31, 2017
Surplus in the statement of profit and loss	
Balance as at beginning of the period	
Loss for the period	(30,510)
Loss in the statement of profit and loss	(30,510)
Total reserves and surplus	(30,510)

6 Borrowings

(Rs. in '000)

	March 31, 2017	
	Long - term	Short - term
	As at March 31, 2017	As at March 31, 2017
Loans and advances from related party (unsecured)		
Inter corporate loan	-	4,500
Vehicle loans from banks (secured) @	1,744	-
	1,744	4,500
The above amount includes		
Unsecured borrowings	-	4,500
	-	4,500

@ Vehicle loans amounting to Rs. 21.43 lacs are secured by way of hypothecation of vehicle. The loans are repayable in 5 years.

7 Provisions

(Rs. in '000)

	Long - term	Short - term
	As at March 31, 2017	As at March 31, 2017
Provision for employee benefits		
(i) Provision for gratuity(Refer Note 13.1)	428	-
(ii) Provision for leave benefits (Refer Note 13.1)	98	1
	526	1

8 Trade Payables

(Rs. in '000)

	As at March 31, 2017
Trade payables	
(i) Total outstanding dues of micro enterprises and small enterprises*	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises \$	11,110
	11,110

* 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 Other current liabilities

(Rs. in '000)

	As at March 31, 2017
Current maturities of long-term borrowings	399
Interest Accrued	48
Statutory dues payable	1,712
Total	2,159

10. Fixed Assets

(Rs. in '000)

Particulars	Tangible Assets				Total
	Computers	Office equipments	Leasehold Building Developments	Car	
Gross block					
At August 23, 2016	-	-	-	-	-
Additions during the period	168	303	71	2,668	3,210
Deletions during the period	-	-	-	-	-
At March 31, 2017	168	303	71	2,668	3,210
Accumulated depreciation					
At August 23, 2016	-	-	-	-	-
Charge for the period	26	6	-	155	187
Deletions during the period	-	-	-	-	-
At March 31, 2017	26	6	-	155	187
Net block					
At March 31, 2017	142	297	71	2,513	3,023
At August 23, 2016	-	-	-	-	-
Intangible Assets under Development					4,341
Net Block					7,364

11. Cash and bank balances

(Rs. in '000)

	As at March 31, 2017
Cash and cash equivalents	
Balances with banks	
- On current accounts	273
	273

12. Loans and advances

(Rs. in '000)

	Non - Current	Current
	As at March 31, 2017	As at March 31, 2017
Unsecured, considered good unless stated otherwise		
(i) Balances with statutory/government authorities	-	1,218
(ii) Prepaid expenses	-	212
(iii) Advances recoverable in cash or in kind	-	956
(iv) Dues from employess	-	8
	-	2,393
Total	-	2,393

13. Employee benefits expense

(Rs. in '000)

	For the period March 31, 2017
Salaries, wages and bonus	9,228
Contribution to provident and other funds	1,084
Gratuity expense (Refer note no.13.1)	428
Staff welfare expenses	295
	11,035

13.1. Gratuity and Leave Encashment

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 '000)	
	Gratuity As at March 31, 2017	Leave Encashment As at March 31, 2017
Current service cost	428	99
Interest cost on benefit obligation	-	-
Expected return on plan assets	-	-
Net actuarial(gain) / loss recognized in the period	-	-
Past service cost	-	-
Net benefit expense	428	99
Actual return on plan assets		

Balance sheet

Benefit asset/ liability

	(Rs. in '000)	
	Gratuity As at March 31, 2017	Leave Encashment As at March 31, 2017
Defined benefit obligation	428	99
Fair value of plan assets	-	-
Funded Status	-	-
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	428	99

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

	(Rs. in '000)	
	Gratuity As at March 31, 2017	Leave Encashment As at March 31, 2017
Opening defined benefit obligation	-	-
Acquisition on account of demerger	-	-
Acquisition adjustment	-	-
Interest cost	-	-
Current service cost	428	99
Benefits paid	-	-
Actuarial (gains) / losses on obligation	-	-
Closing defined benefit obligation	428	99

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

	Gratuity		Leave Encashment	
	As at March 31, 2017		As at March 31, 2017	
	%	%		
Discount rate	7.35%	7.35%		
Expected rate of return on assets				
Retirement Age	60 Years	60 Years		
Employee turnover				
- Upto 30 years	5.00	5.00		
- 31 to 44 years	3.00	3.00		
- Above 44 years	2.00	2.00		

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.

Amount for the current year is as follows:

	As at March 31, 2017	As at March 31, 2017
Defined benefit obligation	428	99

14 Finance Cost

	For the period March 31, 2017
Interest on Car Loan	98
Interest on Unsecured Loans	66
Bank Charges	3
	166

15 Other expenses

	For the period March 31, 2017
Seminar and training expenses	696
Rent	3,751
Insurance	89
Rates and taxes	521
Travelling and conveyance	5,076
Legal and professional	5,276
Repairs and maintenance	59
Shared service charges	3,374
Preliminary Expenses	43
Printing and stationery	6
Miscellaneous	230
	19,122

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

	For the period March 31, 2017
As auditor:	
Statutory audit fee	30
Limited Review	20
	50

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

	For the period March 31, 2017
Basic EPS	
Profit after tax (Rs. in Lacs)	(30,510)
Less: dividends on convertible preference shares & tax thereon	-
Net profit/(loss) for calculation of basic EPS	(30,510)
Weighted average number of equity shares outstanding during the year (Nos.)*	647,285
Basic earnings per share (Rs.)	(47.13)
Dilutive EPS	
Equivalent weighted average number of employee stock options outstanding	(30,510)
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos.)*	647,285
Diluted earnings per share (Rs.)	(47.13)

17. Related parties disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Holding Company	Max Ventures and Industries Limited
Fellow Subsidiary Companies	Max Speciality Films Limited Max Estates Limited Max I Limited *

* Incorporated on 23rd June, 2016

17.1.

(Rs. in '000)

	For the period from August 23, 2016 to March 31, 2017	For the period from August 23, 2016 to March 31, 2017
	Holding Company	Total
Transactions with related parties during the period:		
Reimbursement of expenses (Paid to)		
Max Ventures and Industries Limited	9,840	9,840
Interest paid (to)		
Max Ventures and Industries Limited	66	66
Establishment Expense		
Max Ventures and Industries Limited	3,283	3,283
Loan taken (net)		
Max Ventures and Industries Limited	4,500	4,500
Balance outstanding as at the period end		
	As at March 31, 2017	As at March 31, 2017
Interest Accrued on ICD's (Payable)		
Max Ventures and Industries Limited	48	48
Trade Payables		
Max Ventures and Industries Limited	3,303	3,303
Loan (Payable)		
Max Ventures and Industries Limited	4,500	4,500

18 Expenditure in foreign currency

(Rs. in '000)

Particulars	For the period March 31, 2017
Legal and professional	4,277
Travel and conveyance	374
Total	4,650

19 Particulars of Unhedged Foreign Currency Exposure

Particulars	As at March 31, 2017		
	Foreign Currency (in '000)	Exchange Rate (Rupee)	Indian Rupee (in '000)
Trade payables (GBP)	10.65	80.90	861.23
Trade payables (Rand)	77.87	4.80	373.78

20. During the year, the Company did not have any holdings or dealings in specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Specified Bank notes*	Other denomination notes	Total
Closing Cash in hand as on 8.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing Cash in hand as on 30.12.2016	-	-	-

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

21 Segment Reporting

The Company is a one segment company in the education business accordingly 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 and Companies (Accounting Standards) Amendment Rules, 2016

22 In the view of losses, provision for tax has not been recognised. Further the deferred tax asset arising out of the timing difference has not been recognised as there is no reasonable certainty of sufficient taxable income being available against which such deferred tax asset can be realised.

23 Being the first year of the Company, the accounts have been drawn up for a period of August 23, 2016 (i.e Date of incorporation) to March 31, 2017. Accordingly, there are no comparatives previous period figures.

As per our report of even date

For and on behalf of the Board of Directors of Max Learning Limited

DINESH KUMAR BACHCHAS

Partner

Membership No 097820

For and on behalf of

Sahil Vachani

(Director)

(DIN 00761695)

Alok Goel

(Director)

(DIN 00145722)

K .K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

Place : Noida

Date : 22nd May, 2017

Place : Noida

Date : 22nd May, 2017

MAX I. LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have great pleasure in presenting the First Annual Report together with the Audited Financial Statements for the financial period from June 23, 2016 to March 31, 2017.

FINANCIAL REVIEW

Financial Performance

(Rs. in '000)

Particulars	Period Ended March 31, 2017
Income	
Revenue from Operations (Net)	500
Other Income	36
Total Revenues	536
Expenses	
Other Expenses	631
Total Expenses	631
Net Profit/ (Loss) Before Tax	(95)
Tax expense	-
Net Profit/ (Loss) After Tax	(95)
No. of Equity Shares (Nos.)	50,000
EPS	(190)
Balance brought forward from previous year	-
Balance Carried forward	(95)

Dividend

The year under review was the first financial year of the Company's operation. Since there were no profits during the period, the Board of Directors did not recommend any dividend for the period ended March 31, 2017 on the Equity Share Capital of the Company.

Transfer to Reserves

Since there were no profits during the period, the Company did not transfer any amount to the General Reserve.

OPERATIONS REVIEW

Operational Performance

The Company was incorporated on June 23, 2016. The Company is engaged into the activities to explore and specifically target strategic growth sectors such as Hospitality, Food & Beverages, Healthcare, Technology-based Financial Services, Education, Real Estates and Senior Living. During the year, the Company made its first two investments in FY 2017. Rs. 33.5 Crores in Azure Hospitality Pvt. Ltd. which owns and operates successful F&B brands such as Mamagoto and Dhaba and Rs. 17.55 Crores for 2% stake in FSN E-Commerce Ventures Pvt. Ltd. which owns and operates the leading online beauty destination Nykaa.com.

During the period, the Company has also allotted 5,155 Non- Convertible Debentures aggregating to Rs. 51.55 Crores to Max Ventures & Industries Limited, its holding company.

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

The Company has also allotted 3,700 Non-Convertible Debentures aggregating to Rs. 37 Crores to Max Ventures & Industries Ltd., its holding company on June 23, 2017.

The Company has invested in 86,18,882 Series C Compulsory Convertible Preference Shares aggregating to Rs. 36.99 Crores in M/s. Azure Hospitality Pvt. Ltd. on June 23, 2017.

SHARE CAPITAL

The Authorized and Paid up Share Capital of the Company as on March 31, 2017 was Rs. 5,00,000/- (Rupees Five Lacs only) comprising of 50,000 (Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten only) each.

HOLDING COMPANY

The Company is a wholly owned subsidiary of Max Ventures and Industries Limited.

SUBSIDIARY COMPANY(S) / ASSOCIATE(S) / JOINT VENTURE(S)

Your Company did not have any Subsidiary Company, Associate or Joint Venture during the period under review.

BOARD OF DIRECTORS

Your Company has three (3) Directors as on March 31, 2017 viz. Mr. Sahil Vachani, Mr. Alok Goel and Mr. Nitin Kumar Kansal.

In terms of Articles of Association of the Company and pursuant to the provisions of Section 152 of the Companies Act, 2013 (Act), Mr. Sahil Vachani, Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offer himself for re-appointment. The Board of Directors recommend his re-appointment for the consideration of the members of the Company at the ensuing AGM.

The Board met ten times during the year under review which are as follows:

S. No.	Date of Board Meeting	Board Strength	No. of Directors present
1.	June 24, 2016	3	3
2.	July 8, 2016	3	2
3.	July 18, 2016	3	3
4.	August 29, 2016	3	3
5.	September 29, 2016	3	3
6.	November 12, 2016	3	3
7.	November 21, 2016	3	3
8.	December 7, 2016	3	2
9.	January 30, 2017	3	3
10.	February 4, 2017	3	3

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

Name of Directors	Designation	Board Meetings	
		Held during tenure	Attended
Mr. Sahil Vachani	Director	10	8
Mr. Alok Goel	Director	10	10
Mr. Nitin Kumar Kansal	Director	10	10

COMMITTEE OF BOARD OF DIRECTORS

The Company is not required to constitute any committee of Board of Directors in terms of provisions of the Companies act, 2013 and the rules made there under.

PUBLIC DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees and investments, if any, made under the provisions of Section 186 of the Act have been disclosed in Notes to the Financial Statements forming integral part of the Annual Report.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the period under review, all transactions entered by the Company 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 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.

AUDITOR & AUDITORS' REPORT

Pursuant to Section 139 of the Act, M/s. K.K Mankeshwar & Co., Chartered Accountants, (FRN – 106009W) were appointed as the Statutory Auditors of the Company in the First Board Meeting held on June 24, 2016. A resolution proposing appointment of M/s. K.K Mankeshwar & Co., Chartered Accountants as the Statutory Auditors of the Company for a period of Five (5) years from the conclusion

of 1st AGM till the conclusion of 6th AGM of the Company, forms part of the Notice of the 1st AGM of the Company.

The Company has received the consent & eligibility certificate from M/s. K.K Mankeshwar & Co., Chartered Accountants under Section 139(1) and 141 of the Act and that the appointment, if made, shall be in accordance with the applicable provisions of the Act and rules framed thereunder.

There are no audit qualifications or reporting of fraud in the Statutory Auditors Report given by M/s K.K Mankeshwar, Statutory Auditors of the Company for the period ended March 31, 2017 as annexed to this Annual Report.

INTERNAL FINANCIAL CONTROLS

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

RISK MANAGEMENT FRAMEWORK

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

CORPORATE SOCIAL RESPONSIBILITY

The Company doesn't fall within the purview of Section 135(1) of the Act, therefore is not required to constitute a Corporate Social Responsibility (CSR) Committee and to formulate any policy on CSR.

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 applicable Rules forms part of this Report as 'Annexure – 1'.

EXTRACTS OF ANNUAL RETURN

Pursuant to sub-section 3(a) of Section 134 and sub-section (3) of Section 92 of the Act read with applicable Rules, the extracts of the Annual Return as at March 31, 2017 forms part of this Report as 'Annexure – 2'.

PARTICULARS OF EMPLOYEES

There is no employee in the Company and hence provisions of Section 197 (12) of the Act and applicable Rules made thereunder are not applicable.

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.

DIRECTORS' RESPONSIBILITY STATEMENT

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;
- (e) The directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENT

Your Directors acknowledge with thanks the co-operation and assistance received from various agencies of the Central and State Governments, the Regulatory Authorities, Financial Institutions and Banks, Shareholders and all business associates.

For and on behalf of the Board of Directors
For **Max I. Limited**

Nitin Kumar Kansal
Director
DIN: 03048794

Sahil Vachani
Director
DIN: 00761695

Date: August 01, 2017
Place: Noida, U.P.

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

There was no foreign exchange earnings and outgo during the period under review.

FORM MGT-9

Extract of Annual Return as on the financial year ended on March 31, 2017

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

I. REGISTRATION AND OTHER DETAILS

- i) CIN : U74999PB2016PLC045450
- ii) Registration Date : June 23, 2016
- iii) Name of the Company : Max I. Limited
- iv) Category / Sub-Category of the Company : Public Company Limited by Shares / Indian Non-Government Company
- v) Address of the Registered office and contact details : 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar – 144533, Punjab
- vi) Whether listed company : No
- vii) Name, Address and Contact details of Registrar and Transfer Agent, if any : Nil

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company is engaged in the business of investment and providing consultancy services. 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 NIC Codes of main business activities of the Company are - Management Consultancy Activities (NIC Code: 70200) and Other Financial Services Activities (except insurance and pension funding activities n.e.c.) (NIC Code: 64990). For the period ended March 31, 2017, the 100% revenue was generated from Management Consultancy Activities.

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1.	Max Ventures and Industries Limited 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab – 144 533	L85100PB2015PLC039204	Holding Company	100	2 (46)

The company does not have any subsidiary or associate company.

IV. SHAREHOLDING PATTERN (Equity Share Capital breakup as percentage of Total Equity)

i) **Category-wise shareholding**

Sl. No.	Category of Shareholders Particulars	No. of Shares held on June 23, 2016				No. of Shares held on March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters									
1	Indian									
a)	Individual/HUF	-	6	6	0.00	-	6	6	0.00	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	49,994	49,994	100.00	-	49,994	49,994	100.00	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	-	50,000	50,000	100.00	-	50,000	50,000	100.00	-
2	Foreign									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-

Sl. No.	Category of Shareholders Particulars	No. of Shares held on June 23, 2016				No. of Shares held on March 31, 2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	-	50,000	50,000	100.00	-
B.	Public Shareholding									
1	Institutions									
a)	Mutual Funds	-	-	-	-	-	-	-	-	-
b)	Banks / FI	-	-	-	-	-	-	-	-	-
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Portfolio Investors	-	-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i)	Any other (FDI)	-	-	-	-	-	-	-	-	-
	Any other (Foreign Institutional Investor)	-	-	-	-	-	-	-	-	-
	Sub-total (B)(1)	-	-	-	-	-	-	-	-	-
2	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	holding shares upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii)	holding shares above Rs.1 lakh	-	-	-	-	-	-	-	-	-
c)	NBFCs Registered with RBI	-	-	-	-	-	-	-	-	-
d)	Employees Trusts	-	-	-	-	-	-	-	-	-
c)	Any Others	-	-	-	-	-	-	-	-	-
	Sub-total (B)(2)	-	-	-	-	-	-	-	-	-
	Total Public Shareholding [(B)=(B)(1)+(B)(2)]	-	-	-	-	-	-	-	-	-
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	-	50,000	50,000	100	-	50,000	50,000	100	-

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the period			Shareholding at the end of the period			% change in shareholding during the period
		No. of Shares	% of total Shares	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares	% of Shares Pledged / encumbered to total shares	
1	Max Ventures and Industries Limited	49,994	100	-	49,994	100	-	0.00
2	Mr. Sahil Vachani#	01	0.00	-	01	0.00	-	0.00
3	Mr. Arjunjit Singh#	01	0.00	-	01	0.00	-	0.00
4	Mr. Nitin Kumar Kansal#	01	0.00	-	01	0.00	-	0.00
5	Mr. Amit Jain#	01	0.00	-	01	0.00	-	0.00
6	Mr. Navneet Narayan Malhotra#	01	0.00	-	01	0.00	-	0.00
7	Mr. Manohar Kumar#	01	0.00	-	01	0.00	-	0.00
	Total	50,000	100.00	-	50,000	100.00	-	-

Shares held as nominees of Max Ventures and Industries Limited

(iii) Change in Promoters' Shareholding:

S. No.	Name of the Promoter	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1	Max Ventures and Industries Limited				
	At the beginning of the year	49,994	100	49,994	100
	Date wise increase / decrease	-	-	-	-
	At the end of year	49,994	100		
2	Mr. Sahil Vachani#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		
3	Mr. Arjunjit Singh #				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		
4	Mr. Nitin Kumar Kansal#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		
5	Mr. Amit Jain#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		
6	Mr. Navneet Narayan Malhotra#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		
7	Mr. Manohar Kumar#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		

Shares held as nominees of Max Ventures and Industries Limited

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): Not Applicable.

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Name of the Director / Key Managerial Personnel	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
1.	Mr. Sahil Vachani#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		
2.	Mr. Nitin Kumar Kansal#				
	At the beginning of the year	01	0.00	01	0.00
	Date wise increase / decrease	-	-	-	-
	At the end of year	01	0.00		

Shares held as nominees of Max Ventures and Industries Limited

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

(Rs. in Lacs)

	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year			
i) Principal Amount	-	-	-
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)			
Change in Indebtedness during the financial year			
Addition	5,155.00	-	5,155.00
Reduction	-	-	-
Net Change			
Indebtedness at the end of the financial year			
i) Principal Amount	5,155.00	-	5,155.00
ii) Interest due but not paid	-	-	-
iii) Interest accrued but not due	-	-	-
Total (i + ii + iii)	5,155.00		5,155.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

- A. Remuneration to Managing Director, Whole-time Directors and/or Manager: The Company does not have any Managing Director, Whole-time Director or a Manager.
- B. Remuneration to other Directors: **Nil**
- C. Remuneration to Key Managerial Personnel (KMP) other than Managing Director/Manager/Whole-time Directors: **Not Applicable**.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: None.

INDEPENDENT AUDITORS' REPORT

FOR THE PERIOD ENDED MARCH 31, 2017

TO THE MEMBERS OF M/S MAX I. LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of M/s Max I. Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, Cash Flow Statement for the period then ended, 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, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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 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 the 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 the 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 aforesaid 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 31st March, 2017, and its loss, its cash flows for the period ended on that date.

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 A, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
 - e. On the basis of the written representations received from the directors as on 31st March, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company does not have any pending litigations which would impact its financial position;
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv) The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. (Refer Note No. B-15)

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on Behalf of
K. K. MANKESHWAR & CO.
 Chartered Accountants
 FRN: 106009W

Place : Noida

Date : 22nd May, 2017

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirement" section of our Independent Auditors' Report to the members of the Company on the financial statements for the period ended March 31, 2017, we report that:

1. As the Company does not have any fixed assets, accordingly the clause (i) of paragraph 3 of the Order is not applicable to the Company.
2. As the Company does not have any inventory, accordingly clause (ii) of paragraph 3 of the Order is not applicable to the Company.
3. According to the information and explanation given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of Companies Act. Accordingly the clause (iii) of paragraph 3 of the Order is not applicable to the Company.
4. In our opinion and according to the information and explanation given to us, there are no loans, guarantees and securities granted in respect of which provisions of section 185 of the Companies Act, 2013 are applicable and hence not commented upon. The provisions of section 186 of the Companies Act, 2013 in respect of investments made have been complied with by the Company.
5. According to the information and explanation given to us, the Company has not accepted any deposits during the period.
6. According to the information and explanation given to us, we are informed that the maintenance of cost records has not been prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act 2013.
7. According to the information and explanation given to us, in respect of statutory dues:
 - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
 - b) According to the information and explanations given to us and the records of the Company, there is no due in respect of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax as on 31st March 2017 which have not been deposited on account of disputes.
8. According to the information and explanations given to us and based on our examination of the records of the Company has not defaulted in repayment of dues to any debenture holders. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government during the period.
9. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) and term loan during the period. Accordingly, clause (ix) of the paragraph 3 of the Order is not applicable.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. As the Company does not paid any managerial remuneration, accordingly clause (xi) of paragraph 3 of the Order is not applicable to the Company.
12. As the Company is not a Nidhi Company, accordingly clause (xii) of paragraph 3 of the order is not applicable to the Company
13. According to the information and explanation given to us, all transaction with related parties are in compliance with section 177 and 188 of Companies Act, 2013 wherever applicable and the details have been disclosed in the Financial Statement etc., as required by the applicable accounting standards.
14. According to the information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debenture during the period.
15. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause (xv) of the paragraph 3 of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on Behalf of

K. K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

Place : Noida

Date : 22nd May, 2017

"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAX I. LIMITED

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

We have audited the internal financial controls over financial reporting of M/s Max I. Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on Behalf of
K. K. MANKESHWAR & CO.
Chartered Accountants
FRN: 106009W

Place : Noida

Date : 22nd May, 2017

BALANCE SHEET

AS AT MARCH 31, 2017

(Rs. in '000)

	Notes	As at March 31, 2017
A. Equity and liabilities		
1 Shareholders' funds		
(a) Share capital	B-1	500
(b) Reserves and surplus	B-2	(95)
		405
2 Non-current liabilities		
(a) Long Term Borrowings	B-3	515,500
		515,500
3 Current liabilities		
(a) Trade payables	B-4	
i. Total outstanding dues of micro enterprises and small enterprises		-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		621
(b) Other current liabilities	B-5	43
		664
TOTAL		516,569
B. Assets		
1 Non-current assets		
(a) Non-current investments	B-6	514,478
(b) Long term Loans and advances	B-9	54
		514,532
2 Current assets		
(a) Trade receivables	B-7	450
(b) Cash and bank balances	B-8	1,587
(c) Short term Loans and advances	B-9	-
		2,037
TOTAL		516,569
Significant accounting policies	"A"	
Notes to Financial Statements	"B"	

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

For and on behalf of the Board of Directors of Max I Limited

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

Sahil Vachani

(Director)

(DIN 00761695)

Nitin Kumar Kansal

(Director)

(DIN 03048794)

K. K. Mankeshwar & Co.

Chartered Accountants

FRN : 106009W

Place : Noida

Date : 22nd May, 2017

Place : Noida

Date : 22nd May, 2017

STATEMENT OF PROFIT AND LOSS

FOR THE PERIOD ENDED MARCH 31, 2017

(Rs. in '000)

	Notes	For the Period Ended March 31, 2017
Income		
Revenue from operations	B-10	500
Other Income	B-11	36
Total income (I)		536
Expenses		
Other expenses	B-12	631
Total expenses (II)		631
(Loss)/ Profit before tax (I - II)		(95)
Tax expenses		
(a) Current tax		-
(b) Deferred tax		-
Total tax expense		-
(Loss)/ Profit for the period		(95)
Earnings per equity share	B-13	
[Nominal value of shares Rs.10]		
Basic (Rs.)		(190)
Diluted (Rs.)		(190)
Significant accounting policies	"A"	
Notes to Financial Statements	"B"	

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

For and on behalf of the Board of Directors of Max I Limited**DINESH KUMAR BACHCHAS**

Partner

Membership No. 097820

Sahil Vachani

(Director)

(DIN 00761695)

Nitin Kumar Kansal

(Director)

(DIN 03048794)

For and on behalf of

K. K. Mankeshwar & Co.

Chartered Accountants

FRN : 106009W

Place : Noida

Date : 22nd May, 2017

Place : Noida

Date : 22nd May, 2017

CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2017

(Rs. in '000)

	For the Period Ended March 31, 2017
Cash flow from operating activities	
Loss before tax	(95)
Non cash adjustments to reconcile profit before tax to net cash flows:	
Interest income	36
Operating profit before working capital changes	(59)
Movement in working capital :	
Increase in trade payables	621
Increase in other current liabilities	43
Increase in trade receivables	(450)
Cash used in operations	155
Direct taxes paid (net of refunds)	(54)
Net cash flow from operating activities (A)	101
Cash flow from investing activities	
Purchase of investment	(514,478)
Interest received	(36)
Net cash flow from investing activities (B)	(514,514)
Cash flow from financing activities	
Proceeds from Equity share capital	500
Proceeds from long -term borrowings	515,500
Net cash flow from financing activities (C)	516,000
Cash and cash equivalents at the beginning of the year	
Net Increase in cash and cash equivalents (A + B + C)	1,587
Cash and cash equivalents at the end of the year	1,587
Components of cash and cash equivalent	
Balances with banks	
on current account	1,587
Total cash and cash equivalents	1,587
Significant accounting policies	'A'
Notes to Financial Statements	'B'

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

For and on behalf of the Board of Directors of Max I Limited

DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

Sahil Vachani

(Director)

(DIN 00761695)

Nitin Kumar Kansal

(Director)

(DIN 03048794)

For and on behalf of

K. K. Mankeshwar & Co.

Chartered Accountants

FRN : 106009W

Place : Noida

Date : 22nd May, 2017

Place : Noida

Date : 22nd May, 2017

NOTES TO FINANCIAL STATEMENTS

FOR THE PERIOD ENDED MARCH 31, 2017

1. Corporate information

Max I Limited (the Company) is a company registered under Companies Act, 2013 and incorporated on June 23, 2016. The Company is into investment business.

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) 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.

c) 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.

d) 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.

e) 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.

f) Employee Benefits

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.

g) 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.

h) 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.

i) 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.

j) 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.

k) 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.

B-1 Share capital

	(Rs. in '000)
	As at March 31, 2017
(a) Authorised shares (Nos.)	
50,000 equity shares of Rs.10/- each	500
	500
(b) Issued, subscribed and fully paid-up shares (Nos.)	
50,000 equity shares of Rs.10/- each	500
Total issued, subscribed and fully paid-up capital	500

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

	March 31, 2017	
	No. of shares	Rs. in '000
Equity Shares		
Shares issued at incorporation of the Company	50,000	500
Outstanding at the end of the period	50,000	500

12 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 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.

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

Name of the Shareholder	March 31, 2017	
	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up		
Max Ventures and Industries Limited & its nominees	50,000	100.00%

1.4 Shares held by Holding Company

Name of the Company & Relationship	As at March 31, 2017 No. of shares
Max Ventures and Industries Limited & its nominees - Holding Company	50,000

B-2 Reserves and surplus

	(Rs. in '000)
	As at March 31, 2017
Surplus in the statement of profit and loss	
Loss for the period	(95)
Net surplus in the statement of profit and loss	(95)

B-3 Long -Term Borrowings

	(Rs. in '000)	
	Long - term As at March 31, 2017	Short - term As at March 31, 2017
Debentures		
a 3,400 - 0% Non-Convertible Debentures of Rs. 100,000 each (unsecured)	340,000	-
b 1,755 - 0% Non-Convertible Debentures of Rs. 100,000 each (unsecured)	175,500	-
	515,500	-
The above amount includes		
Secured borrowings	-	-
Unsecured borrowings	515,500	-
	515,500	-

- a The Company has issued 3,400 Redeemable, transferable and non-interest bearing unsecured Non-convertible debenture ('NCD's) of face value Rs.100,000/- each to Max Ventures & Industries Limited. The debentures have a maximum tenor of 60 months from closing date.
- b The Company has issued 1,750 Redeemable, transferable and non-interest bearing unsecured Non-convertible debenture ('NCD's) of face value Rs.100,000/- each to Max Ventures & Industries Limited. The debentures have a maximum tenor of 60 months from closing date.

B-4 Trade Payables

	(Rs. in '000)
	As at March 31, 2017
Trade payables	
(i) Total outstanding dues of micro enterprises and small enterprises*	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	621
	621

*** 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.

B-5 Other current liabilities

	(Rs. in '000)
	As at March 31, 2017
Statutory dues payable	43
Total	43

B-6 Non - current investments

	(Rs. in '000)	
	Non - Current	Current
	As at March 31, 2017	As at March 31, 2017
A) Trade investments (Valued at cost unless stated otherwise)		
a) Investment in equity instruments		
FSN E-Commerce Ventures Private Limited		
269,955 Equity Shares of Nominal Value Rs. 10 each fully paid up	175,471	-
Azure Hospitality Pvt. Ltd.		
- Unquoted equity instruments (valued at cost unless stated otherwise)	4	-
100 Equity Shares of Face Value Rs.10 each fully paid up		
b) Investment in Debentures		
Azure Hospitality Pvt. Ltd.		
- 7,615,947 Series-B Compulsary Convertible Debentures of Nominal Value Rs. 43.9861 each fully paid up	339,003	-
	514,478	-
Aggregate amount of unquoted investments	514,478	-

B-7 Trade receivables

	(Rs. in '000)
	As at March 31, 2017
Outstanding for a period less than six months from the date they are due for payment)	
Secured, considered good	-
Unsecured, considered good*	450
	450

* recoverable from holding company (Refer note no. B-14)

B-8 Cash and bank balances

	(Rs. in '000)
	As at March 31, 2017
A. Cash and cash equivalents	
(a) Balances with banks	1,587
(i) On current accounts	1,587

B-9 Loans and advances

	(Rs. in '000)	
	Non - Current	Current
	As at March 31, 2017	As at March 31, 2017
Tax deducted at Source	54	
Total	54	-

B-10 Revenue from operations

	(Rs. in '000)
	For the Period Ended March 31, 2017
Income from shared services	500
	500

B-11 Other Income

	(Rs. in '000)
	For the Period Ended March 31, 2017
Interest income on fixed deposits	36
	36

B-12 Other expenses

	(Rs. in '000)
	For the Period Ended March 31, 2017
Rates and taxes	15
Travelling and conveyance	16
Legal and professional	528
Printing and stationery	2
Preliminary Expenses	41
Recruitment expenses	13
Miscellaneous	17
	631

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

	(Rs. in '000)
	For the Period Ended March 31, 2017
As auditor:	
Audit fee	30
Limited Review fee	20
	50

B-13 Calculation of earnings per share (EPS) - Basic and Diluted

	For the Period Ended March 31, 2017
Basic EPS	
Profit after tax (Rs. In '000)	(95)
Weighted average number of equity shares outstanding during the year (Nos)*	50,000
Basic earnings per share (Rs.)	(190)
Dilutive EPS	
Profit after tax (Rs. In '000)	(95)
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)*	50,000
Diluted earnings per share (Rs.)	(190)

B-14 Related Party Disclosure**Names of related parties where control exists irrespective of whether transactions have occurred or not**

Holding Company	Max Ventures and Industries Limited
Fellow Subsidiary	Max Speciality Films Limited
	Max Estates Limited
	Max Learning Limited \$

Names of other related parties with whom transactions have taken place during the year

\$ Max Learning Ltd was incorporated on 23rd August 2016

	(Rs. in '000)		
	Holding Company	Enterprises owned or significantly influenced by key management personnel or their relatives	Total
Transactions with related parties during the period:			
Reimbursement of expenses (Received from)			
Max Ventures and Industries Limited	197	-	197
Share Capital Issued			
Max Ventures and Industries Limited	500	-	500
Non-convertible Debentures Issued			
Max Ventures and Industries Limited	515,500	-	515,500
Income from shared services			
Max Ventures and Industries Limited	500	-	500
Balance outstanding as at the period end			
	As at March 31, 2017	As at March 31, 2017	As at March 31, 2017
Trade payables			
Max Ventures and Industries Limited	197	-	197
Trade receivables			
Max Ventures and Industries Limited	450	-	450
Long term borrowings			
Max Ventures and Industries Limited	515,500	-	515,500

B-15 During the year, the Company did not have any holdings or dealings in specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017. The details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	Specified Bank notes*	Other denomination notes	Total
Closing Cash in hand as on 8.11.2016	-	-	-
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing Cash in hand as on 30.12.2016	-	-	-

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

B-16 Segment Reporting

The Company is having investments in various companies 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.

B-17 The Company has received Rs. 5,15,500 thousands against the issue of non-convertible debentures to the holding company i.e Max Ventures and Industries Limited.

B-18 During the year, the Company has incurred preoperative expenses of Rs. 41 thousand which have been charged off.

B-19 Disclosure of section 186 (4) of the Companies Act 2013**Particulars of Investments made:****(Rs. in '000)**

Name of the Investee	Outstanding Balance as on March 31, 2016	Investment made	Investment redeemed/ extinguished	Outstanding Balance as on March 31, 2017	Purpose
Azure Hospitality Pvt Limited	-	3,35,000	-	3,35,000	Strategic investment
FSN E-Commerce Ventures Private Limited	-	1,75,471	-	1,75,471	Strategic investment

B-20 In the view of losses, provision for tax has not been recognised. Further the deferred tax asset arising out of the timing difference has not been recognised as there is no reasonable certainty of sufficient taxable income being available against which such deferred tax asset can be realised.

B-21 Being the first year of the Company, the accounts have been drawn up for a period of June 23, 2016 (i.e Date of incorporation) to March 31, 2017. Accordingly, there are no comparatives previous period figures.

For and on behalf of the Board of Directors of Max I Limited**DINESH KUMAR BACHCHAS***Partner*

Membership No. 097820

For and on behalf of

Sahil Vachani

(Director)

(DIN 00761695)

Nitin Kumar Kansal

(Director)

(DIN 03048794)

K. K. Mankeshwar & Co.*Chartered Accountants*

FRN : 106009W

Place : Noida

Date : 22nd May, 2017

Place : Noida

Date : 22nd May, 2017



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