

September 28, 2018

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 2017-18 pursuant to the provisions of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Madam/ Sir,


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 2017-18.

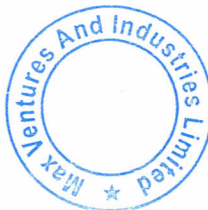
This is for your information and records.

Thanking you,

Yours faithfully

**For Max Ventures and Industries Limited**

  
**Gopalakrishnan Ramachandran**  
Company Secretary



Encl. as above



# LIGHTING UP THE PATH TO GROWTH

ANNUAL REPORT 2017-18







# Annual Report 2018

# CONTENTS

05

## CORPORATE REVIEW

OUR ENTERPRISE  
MEASURES OF SUCCESS  
OUR PATH  
OUR VALUES  
BOARD OF DIRECTORS

53

## CORPORATE GOVERNANCE REPORT

19

## STRATEGIC REVIEW

CHAIRMAN'S LETTER  
MANAGING DIRECTOR'S LETTER

71

## GENERAL SHAREHOLDER INFORMATION

29

## MANAGEMENT DISCUSSION AND ANALYSIS

MAX VENTURES AND INDUSTRIES  
MAX SPECIALITY FILMS  
MAX ESTATES  
BUSINESS RESPONSIBILITY REVIEW

77

## FINANCIAL REVIEW

MAX VENTURES AND  
INDUSTRIES LIMITED  
STANDALONE AND  
CONSOLIDATED  
SUBSIDIARIES



# CORPORATE REVIEW

OUR ENTERPRISE  
MEASURES OF SUCCESS  
OUR PATH  
OUR VALUES  
BOARD OF DIRECTORS



## OUR ENTERPRISE



Max Ventures & Industries Limited (MaxVIL) operates primarily in the areas of manufacturing and real estate, and serves as the Group's entrepreneurial arm to explore the 'wider world of business', especially taking cues from the economic and commercial reforms agenda of the present Government, including 'Make in India', 'Skill India', 'Digital India', among others.



Launched in 1988, Max Speciality Films is a strategic partnership with Japan's Toppan Printing Co. Ltd. in which the Company holds 51%. It is a leading manufacturer of speciality packaging films and is at the forefront of both BOPP and Lamination technology in India.



Established in 2016, Max Estates Limited is the real estate arm of the Max Group. With a team comprising engineers, architects, planners and specialists, and collaborations with global leaders in design, master planning, landscape and sustainability, Max Estates is committed to delivering a truly unique quality of excellence and lifestyle to all our customers.



Max I. Limited is MaxVIL's wholly-owned subsidiary, which facilitates Intellectual & Financial Capital to promising and proven early-stage organizations across identified sunrise sectors. Its investment model is a hybrid of accelerators and venture funding, providing both mentoring and growth capital for the organizations it invests in.



Max Financial Services is the parent company of Max Life Insurance, India's largest non-bank, private life insurance company. MFS actively manages a majority stake in Max Life, making it India's first listed company focused exclusively on life insurance.



Launched in 2000, Max Life is a joint venture with Mitsui Sumitomo Insurance, Japan. It is India's largest non-bank private life insurer, with revenues of ₹ 14,967 Cr. and a customer base of 4.1 million across more than 200 offices across India.



Max India Limited, a multi-business corporate, owns and actively manages a 49.7% 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 ₹ 2,787 Cr. from over 2,500 beds across 14 hospitals.



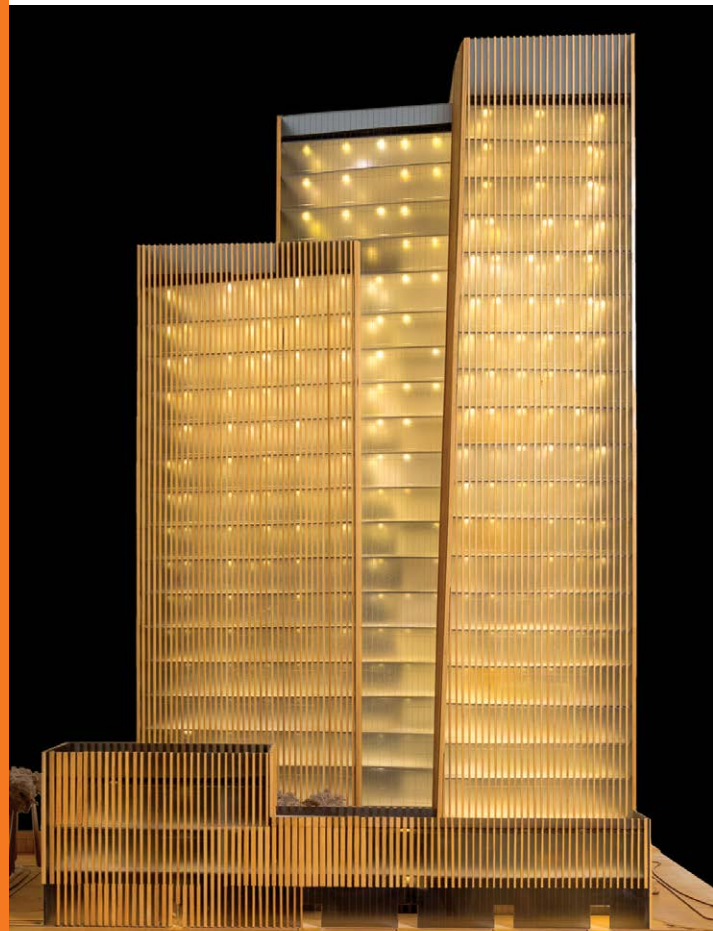
Launched in 2008, Max Bupa is a 51:49 JV with Bupa Finance Plc., UK. It is one of India's leading standalone health insurance companies with revenues of ₹ 755 Cr., about 16,000 agents and tie-ups with over 3,600 quality hospitals across over 350 cities in India.



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.



Launched in 2008, Max India Foundation (MIF) represents the Max Group's social responsibility efforts. The Foundation's work is focussed on healthcare for the underprivileged and has benefitted more than 32 lakh people in over 600 locations since its inception.



## MEASURES OF SUCCESS

CONSOLIDATED  
OPERATING  
REVENUES OF  
**₹ 750 CR.**

RIGHTS ISSUE  
OF **₹ 449.89 CR.**  
SUCCESSFULLY  
COMPLETED IN  
AUGUST 2018 WITH  
ISSUANCE OF **~74  
MILLION NEW  
EQUITY SHARES**

MSFL'S NEW BOPP  
MANUFACTURING  
LINE LAUNCHED,  
INCREASING  
PRODUCTION  
CAPACITY BY **~75%**  
TO **80.85 KTPA**

NEW YORK LIFE  
MAINTAINED  
THEIR  
SHAREHOLDING  
AT **23%** POST THE  
RIGHTS ISSUE



MAX ESTATES'  
FIRST RESIDENTIAL  
DEVELOPMENT  
– **222 RAJPUR**  
– IN DEHRADUN  
SUCCESSFULLY  
COMPLETED

FIRST PROFIT  
MADE UNDER  
MAX I. LIMITED  
THROUGH SALE  
OF **~50% STAKE**  
**AT 100% PROFIT**  
IN A SPAN OF LESS  
THAN 18 MONTHS

MAX ESTATES  
COMMITTED TO  
DELIVERING **~1 MN**  
**SQ. FT.** OF PRIME  
COMMERCIAL REAL  
ESTATE EVERY YEAR  
OVER THE NEXT  
3-YEAR HORIZON

BENEFITTED **32 LAKH**  
LIVES IN MORE THAN  
**600 LOCATIONS**  
ACROSS INDIA  
THROUGH MAX INDIA  
FOUNDATION

## OUR PATH



### Our Vision

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



### Our Mission

Deliver sustainable growth and profitability through entrepreneurial initiatives

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

Maintain cutting edge standards of governance

## OUR VALUES



### Sevabhav

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

### Excellence

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



### Credibility

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

## BOARD OF DIRECTORS



**Mr. Analjit Singh**

Founder & Chairman Emeritus, Max Group  
Chairman, Max Ventures and Industries Limited

Mr. Analjit Singh is the Founder and Chairman Emeritus of The Max Group, a US\$ 3 billion multi-business enterprise, with interests in life insurance (Max Life), health care (Max Healthcare), health insurance (Max Bupa), senior living (Antara), speciality packaging (Max Speciality Films) and real estate (Max Estates). Max Group is renowned for service excellence and has successful joint ventures with some of the pre-eminent firms including Mitsui Sumitomo and Toppan from Japan, Life Healthcare from South Africa and Bupa Plc from the United Kingdom. Earlier partners include DSM, Netherlands; New York Life Insurance Company; Hutchison Whampoa; Motorola; Lockheed Martin and others.

Amongst private family owned businesses, Mr. Analjit Singh is the founder of Leeu Collection, a group of leisure boutique hotels in Franschhoek, South Africa; The Lake District, UK; and soon to come in Florence, Italy. The Leeu Collection also includes a significant presence in wine and viticulture through Mullineux Leeu Family Wines; an active F&B portfolio of restaurants and partnerships with Ritu Dalmia, La Colombe in the Cape SA and the Alajmo Group in Italy. Art and Landscaping are also major pillars with a strong relationship with Everard Read, SA.

A self-made entrepreneur Mr. Analjit Singh was awarded Padma Bhushan, India's third highest civilian honour, by the President of India in 2011.

An alumnus of The Doon School and Shri Ram College of Commerce, University of Delhi, Mr. Analjit Singh holds an MBA from Graduate School of Management, Boston University. He has been conferred with a honorary doctorate by Amity University.

Professionally, he is the non-executive Chairman of Max Ventures and Industries, Vodafone India and a Director on the board of Sofina NV/SA, Belgium.

Mr. Analjit Singh is a member of the Founder Executive Board of the Indian School of Business (ISB), India's top ranked B-School, and has served as Chairman of Board of Governors of the Indian Institute of Technology (IIT), Roorkee- India's oldest and most prestigious engineering college. He also served as Chairman of the Doon School.

Mr. Analjit Singh is a member of the Prime Minister's Indo UK CEO council. In past he has also served on the Prime Minister's Indo US CEO council. Mr. Analjit Singh has also served as the co-chair of Prabodhan, a unique forum for facilitating closer and more effective engagement between European and Indian decision makers and opinion leaders.

He has been felicitated by Senator Hillary Clinton, former US Secretary of State on behalf of Indian American Centre for Political Awareness for his outstanding achievement in presenting the international community with an understanding of a modern and vibrant India and for creating several successful joint ventures with leading American companies and promoting business ties with the USA.

He has been honoured with the Ernst and Young Entrepreneur of the Year Award (Service Category) and the Golden Peacock Award for Leadership and Service Excellence. In 2014 he was awarded with Spain's second highest civilian honour, the Knight Commander of the Order of Queen Isabella and the Distinguished Alumni Award from Boston University.

He also serves as the Honorary Consul General of the Republic of San Marino in India from October 2007 till August 2018.

**Mr. Mohit Talwar**

Vice Chairman

A veteran in the Corporate Finance and Investment Banking industry, Mr. Mohit Talwar has a wealth of experience in Corporate Finance and Investment Banking, having spent 24 years in Wholesale Banking across global organizations such as Standard Chartered, ANZ Grindlays and Bank of Nova Scotia, prior to joining the Max Group.

He is currently the Managing Director of Max Financial Services Limited and Max India Limited, 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 Health Insurance and Antara Senior Living.

In his earlier role 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 and Life Healthcare's entry as JV partner 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. In his new role, 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. Sahil Vachani**

Managing Director and CEO

Mr. Sahil Vachani is the Managing Director and CEO of Max Ventures and Industries Limited (MaxVIL), and was recently appointed as a Director on the Boards of Max Financial Services Limited and its subsidiary Max Life Insurance. He joined the Boards of these companies as a representative of the Owner Sponsor Group led by Mr. Anajit Singh.

Sahil joined the Max Group in 2016 with a focus on creating a powerful Real Estate brand – Max Estates Limited, and steering MaxVIL's other businesses towards growth. He has diverse expertise across various sectors including consumer durables and real estate.

Since assuming his role at MaxVIL, he has successfully completed two key transactions which will have an enduring impact on the Company's growth journey over the next few years. The first is the sale of a 22.5% stake in MaxVIL to a subsidiary of New York Life Insurance Company in January 2017; and second, the induction of Toppan Printing Co. Ltd, Japan (Toppan) as a strategic partner with 49% stake in MaxVIL's legacy manufacturing business – Max Speciality Films Ltd. (MSF).

Besides MSF, he is currently overseeing two new business verticals under MaxVIL – Max Estates and Max I. Max Estates focuses on Grade-A commercial spaces. Its flagship project Max Towers, a prime commercial tower of ~0.6 million sq. ft. located on the Delhi-Noida Direct flyway, will be ready in 2018 and work on the second project, the redevelopment of Max House in Okhla, New Delhi is set to commence in FY2019. The other vertical, Max I., facilitates intellectual & financial Capital to promising and proven early-stage organizations across identified sunrise sectors. So far, it has made investments in Azure Hospitality Pvt. Ltd., which owns and operates successful F&B brands such as Mamagoto and Dhaba, and FSN E-Commerce Ventures Pvt. Ltd, which owns and operates the leading online beauty destination Nykaa.com.





**Mr. Arthur H. Seter**

Director

Mr. Arthur H. Seter, is a 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 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 over 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 designation from the Institute of Chartered Financial Analyst, USA.



**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 Science with specialisation in Physics from the University of Allahabad, India.



**Mr. K. Narasimha Murthy**  
Independent Director

Mr. K. Narasimha Murthy, is a Fellow of the Institute of Cost and Works Accountants of India and the Institute of Chartered Accountants of India. 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 numerous 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 Croma), 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.



**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 35 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 more than a decade 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 that – as Country Head for ANZ Grindlays' consumer banking businesses in India; Head of Retail Assets, Strategy, Finance and Legal at Bank of America; CFO for the American Express TRS businesses for India and South Asia, and as a Business Leader to help set up a pioneering in-house global processing facility for American Express.

Mr. Khosla served as President, NatHealth, India's leading multi-stakeholder platform for healthcare organisations in 2016 and as the Chair of the FICCI Committee on Health Services in 2017. In addition, he serves on the Executive Board of the Indian School of Business (ISB), one of Asia's top B-Schools.

He is a Fellow member of the Institute of Chartered Accountants of India, an Economics graduate from St. Stephens College, Delhi and completed his schooling at St. Xavier's in Delhi.

## Max Speciality Films Limited

Mr. Mohit Talwar	Chairman
Mr. Chiharu Komachi	Director
Mr. K. Narasimha Murthy	Independent Director
Mr. Subash Khanchand Bijlani	Independent Director
Mr. Takao Ikeda	Additional Director
Ms. Sonu Halan Bhasin	Additional Director (Independent)
Mr. Sahil Vachani	Director

## Max Estates Limited

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

## Max Learning Limited

Mr. Sahil Vachani	Director
Mrs. Tara Singh Vachani	Director
Mr. Rohit Rajput	Additional Director

## Max I. Limited

Mr. Sahil Vachani	Director
Mr. Rohit Rajput	Additional Director
Mr. Nitin Kumar Kansal	Director

## Wise Zone Builders Private Limited

Mr. Kishansingh Ramsinghaney	Additional Director
Mr. Rohit Rajput	Additional Director
Mr. Nitin Kumar Kansal	Additional Director



# STRATEGIC REVIEW

CHAIRMAN'S LETTER  
MANAGING  
DIRECTOR'S LETTER

## CHAIRMAN'S LETTER



Dear Fellow Shareholders,

For some, 2017-18 was a challenging year, either because of regulatory changes such as the implementation of the Goods and Sales Tax, or macro-economic concerns such as weakening domestic demand and higher commodity prices, to name a few. We are, by no measure, immune from these external factors at Max Ventures and Industries Limited (MaxVIL). Yet for us, FY2018 has been a year of progress and promise.



While FY2017 was about launching new business verticals, FY2018 was about further sharpening the business models of each of those verticals and establishing a strong foundation for delivering sustained growth.

Some of the earlier steps we took towards creating this foundation in early 2017 were our transactions with New York Life Insurance Company (NYL), whom we brought on board as a key strategic shareholder in MaxVIL with an investment of ₹ 121 crore for 22.51% stake; and the partnership we inked with Toppan Printing Co. Limited, a Japan-based multinational corporation with interests in Information & Communication, Living & Industry, and Electronics, to lead our manufacturing business – Max Speciality Films, to newer heights.

Another seminal initiative in this series of transactions aimed at driving unimpeded growth in our businesses came earlier this year in the form of a Rights Issue of nearly ₹ 450 crore with rights for existing shareholders, leading to the issuance of nearly 74 million new equity shares with a face value of ₹ 10 each. As part of this issue which was concluded in August 2018, the Company's shareholders were entitled to subscribe for new shares with pre-emptive rights at a fair issue price of ₹ 61 per share.

I am pleased to share that the Rights Issue was oversubscribed with New York Life displaying continued confidence by subscribing to their portion of rights entitlement and maintaining their shareholding at 23% post the rights issue. We also had some new domestic anchor investors came on board with a significant increase in shareholding by subscribing to additional shares.

The capital raised through the rights issue will be used to meet MaxVIL's long-term financing needs for capital expenditure and growth plans, especially in our real estate subsidiary Max Estates Limited (MEL). As you are aware, MEL focuses on Grade-A commercial spaces. Its flagship project Max Towers, a prime

**During the year, MaxVIL reported consolidated operating revenues of ₹ 739 crore, primarily through our Speciality Films business. We reported an EBITDA of ₹ 57 crore during the year, ~28% higher compared to the previous year. We also reported a significant improvement in our bottomline with a Net Profit of ₹ 3.4 crore as opposed to a Net Loss of ₹ 6.6 crore in the previous year.**

commercial tower of ~0.6 million sq. ft. located on the Delhi-Noida Direct flyway, will be ready in FY2019 and work on the second project, the redevelopment of Max House in Okhla, New Delhi is set to commence in FY2019.

As you will read in the Managing Director's letter as well as in the specific sections that discuss business performance, we have made significant tangible progress in each of our business verticals. However, allow me to briefly share a few highlights of your Company's financial performance in FY2018. During the year, MaxVIL reported consolidated operating revenues of ₹ 739 crore, primarily through our Speciality Films business. We reported an EBITDA of ₹ 57 crore during the year, ~28% higher compared to the previous year. We also reported a significant improvement in our bottomline with a Net Profit of ₹ 3.4 crore as opposed to a Net Loss of ₹ 6.6 crore in the previous year. The coming year will witness another first for MaxVIL with the unveiling of our signature commercial project Max Towers, which we are hopeful and confident will serve as the benchmark for our credentials as real estate developers. With the launch of Max Towers, we also expect a significant jump in our revenues as a steady flow of annuity-based income starts flowing in.



**India's enduring appeal as a key outsourcing destination will continue to fuel expansion initiatives from corporate real estate occupiers based out of US, Europe and Asia.**

Moving on from our businesses to the larger external context in which we operate, I believe that with ease of business improving, higher transparency and governance levels, the Government led by the Prime Minister has laid a foundation of sustainable growth for the nation and its economy. We are fortunate enough to operate in a country that can withstand the short-term pain arising from the twin reforms of demonetisation and the GST, to continue unhindered on its trajectory as one of the fastest growing economies in the world. This positive climate, I should note, has been a significant motivator behind MaxVIL's plans.

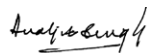
The Indian real estate sector, and specifically the commercial real estate market, presents excellent growth opportunities. India's enduring appeal as a key outsourcing destination will continue to fuel expansion initiatives from corporate real estate occupiers based out of US, Europe and Asia. With an overall positive business sentiment in Corporate India, occupiers having been optimistic in recent times. I firmly believe that India will continue to retain its position in the global economy, with better growth prospects expected to support commercial real estate transactions in 2018-19.

Moreover, at a time when poor planning, lack of attention to detail and a lamentable lack of service excellence have widened the trust gap between consumers and developers more than ever, we are already on a much stronger footing compared to most other existing players. One of the elements underpinning this optimism is the Real Estate (Regulation and Development) Act, 2016 (RERA), which was a welcome development and Max Estates was already fully compliant when it was implemented. RERA is a sign that consumers are increasingly demanding higher quality and paying a premium for trust, authenticity and quality. I am confident that MaxVIL will successfully deliver to the changing needs of the aspirational and discerning Indian buyer.

As for our BOPP business, while the global industry continues to grow at 5%, domestic growth is at a healthy 10%. With a penetration of just 0.3 kg per capita in India, compared to the global average of 1.15 kg, there is immense headroom for growth in the Indian polymer films market. One of the oldest and most respected BOPP specialists in India, Max Speciality Films had been serving more than 30% of domestic demand for speciality films with only 10% of the installed domestic capacity. With the launch of its new manufacturing line earlier this year, MSFL is expected to achieve a growth of approximately ₹ 400 Cr. or 60% in revenues over the next year.

We have spent three years working hard to create not only a portfolio of new businesses, but a new legacy that we can proud of. Wish us harder work and higher growth so that we can continue to progress along our chosen path of service excellence.

With Best Wishes,



**Analjit Singh**

Chairman, Max Ventures and Industries Limited



## MANAGING DIRECTOR AND CEO'S LETTER



Dear Shareholders,

It is a pleasure to welcome you to yet another year in the journey of your Company Max Ventures and Industries Limited (MaxVIL). In the past, I have spoken about how MaxVIL represents the Max of an earlier era and how we aim to recreate its success in establishing and scaling up world class businesses that redefine their category and, in turn, create value for its stakeholders. I am pleased to share that FY 2018 was a year when we took several nascent, but significant steps to move forward in that direction.

One of the most significant of these was our recently concluded Rights Issue. I believe that the issue was a key transaction for our company and reflects our commitment to rapidly growing our real estate portfolio. As our Chairman has already highlighted, the proceeds from the Rights Issue will be used specifically for Max Estates' key upcoming projects – Max Towers, a premium commercial space on the Delhi-Noida Direct flyway and the redevelopment of Max House in Okhla, New Delhi.

It is heartening that the Rights Issue was a great success with participation from new Anchor Investors from India and abroad. I am pleased to share that the Sponsor Group, led by our Chairman Mr. Analjit Singh, also increased their shareholding from ~38% to ~48% through the Rights Issue. The increase in the Sponsors' shareholding represents their unwavering commitment to the Company, and more specifically, their confidence in the immense growth prospects of its underlying businesses.

MaxVIL commenced its journey in an entirely new and evolved socio-economic context. The New India is increasingly aspirational. At MaxVIL, we have consciously created businesses that cater to this aspiration and desire in the minds of the consumer, through our business verticals Max Estates – Premium Real Estate, Max Speciality Films – Packaging Films, and Max I. – Investments.

With specialized teams and leaders in place, a clear vision and financial bandwidth for growth in each of our businesses, we are confident of delivering a truly unique experience to consumers – a hallmark of Brand Max. Allow me to briefly touch upon our various businesses and the progress made in each one of them so far.

- I. **Max Estates** is our real estate business aimed at creating a portfolio of 'Landmark addresses'. The focus in this business is very clear – to create a large portfolio of 'Commercial Annuity'

**MaxVIL commenced its journey in an entirely new and evolved socio-economic context. The New India is increasingly aspirational. At MaxVIL, we have consciously created businesses that cater to this aspiration and desire in the minds of the consumer, through our business verticals Max Estates – Premium Real Estate, Max Speciality Films – Packaging Films, and Max I. – Investments.**

based Real Estate projects. These commercial developments will act as a platform to build upon areas of residential development through a capex light strategy.

With this focus, Max Estates is currently in the process of delivering its first three projects.

- i. **Max Towers** – a next generation office building which aims to redefine the 'Future of Work'. With a premium location on the edge of South Delhi connected with the Delhi-Noida Direct flyway, this luxury tower offers a strategic value proposition. This landmark project has already commences leasing, and is expected to complete in FY2019.
- ii. **222 Rajpur, Dehradun** – a project with **bespoke luxury villas** spread across 5 acres with a limited inventory of 22 residences. This project was delivered before time in FY2018 with no escalations. Even more heartening is the fact that we have sold 50% of the inventory in the project and are on course to sell the balance within FY2019.

With this strategy in place, we have successfully commissioned our 5th manufacturing line of BOPP films in May 2018 increasing our capacity from 46.35 KTPA to 80.85 KTPA.

- iii. **Max House, Okhla** is our second commercial real estate project in a prime South Delhi location. This is a redevelopment project, which will accommodate the offices of the Max Group and other third-party tenants, utilizing a potential built-up area of around 200,000 square feet. It is expected to commence construction in FY2019.

With the above three projects underway, our real estate investment stands at ₹429 crore with an equity investment of ₹58 crore, Compulsory Convertible Debentures of ₹293 Crores and debt investment of ₹78 crore as on August 10, 2018.

In our short journey of 3 years, we have almost completed a lifecycle of projects, turned around a distressed project by obtaining the necessary regulatory approvals, successfully completed project finance, project design and execution and are currently in the process of marketing and sales for our current set of properties.

- II. **Max Speciality Films Limited (MSFL)** is Max Group's legacy manufacturing business and is a strategic partnership with Japan's Toppan Printing Co. Ltd. in which the Company holds 51%. Our aim for Max Speciality films is to create a leadership product portfolio leveraging our strong R&D skills and innovation DNA, paired with Toppan's expertise in managing a global specialty films business, technology transfer and their global sales network.

Over the past several years, MSFL has successfully created a widely respected brand with a portfolio of marquee clients such as HUL, Pepsico, Modelez and ITC, and innovation leaders in their own space. We provide solutions that not only enhance the product but also redefine premium, frequently winning multiple national and international awards for our path-breaking products.

Now with the added benefit of our collaboration with Toppan Group, we expect to play to the Indian advantage of good quality products with competitive prices in international markets. With this strategy in place, we have successfully commissioned our 5th manufacturing line of BOPP films in May 2018 increasing our capacity from 46.35 KTPA to 80.85 KTPA. MSFL's Line 5 is designed to meet trends for recyclability, ultra-high barriers and print receptivity. The line will be able to manufacture thicker films with advanced properties making it environment-friendly since it is conducive to recycling and reducing the usage of plastic per pack.

While both our products and industry potential are positives, the sector is currently hit with excess capacity, which has led to some pricing pressures, which coupled with increasing raw material prices, are certain to hit margins and profitability. At this point, I must note that despite all the pressures, our new line is running at almost full capacity, which speaks to our continued focus on higher quality products. We expect our superior product portfolio and domestic and global demand trends to help us tide through these challenging times.

- III. Finally, **Max I.** is our investment vertical, a wholly-owned subsidiary which facilitates the provision of intellectual and financial capital to promising and proven early-stage organizations across identified sunrise sectors. It is aimed at offering premium experiences to the aspirational Indian through investments in young and vibrant ventures that also complement our existing lines of businesses.

While we do not have a set investment budget to deploy, we continuously evaluate opportunities that are synergistic to our businesses. So far we have invested in two key businesses. The first is **Azure Hospitality**, which focuses on youthful, casual and creative F&B trends is continuously strengthening its brand equity. While the industry faced some short term challenges on account of demonetization and GST in 2017, growth is expected to pick up soon with expansions planned from increasing the number of outlets from 30 to 46 over the next 12-18 months. With brands such as Mamagoto, Mamapaati, Dhaba, Rollmall becoming more popular, we expect Azure to play an important role in our F&B offerings for our commercial real estate projects as well.

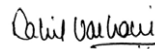
The second, **Nykaa** is India's leading premium beauty destination is growing leaps and bounds. With a strong leadership at the helm of affairs, the Max I.'s investment in Nykaa has turned a very profitable venture. We made our 1st profit in this vertical by selling ~50% of our stake at 100% profit in a span of less than 18 months.

At this juncture, we have committed to invest ₹ 2.5 crore in a venture fund with the aim of further leveraging our expertise in the space of early investing in India.

In the coming months, MaxVIL will continue to evaluate growth bets in all its businesses while also accelerating progress in existing projects. With a strong and highly qualified Board of Directors and a skilled and competent team of specialized professionals MaxVIL is poised for greater successes in the years to come.

I am deeply grateful for your ongoing trust in our Company and I sincerely hope you will accompany us through this wondrous journey of building an enterprise that does the New India proud.

With Best Wishes,



**Sahil Vachani**

Managing Director and CEO

Max Ventures and Industries Limited



# MANAGEMENT DISCUSSION AND ANALYSIS

MAX VENTURES AND  
INDUSTRIES

MAX SPECIALITY FILMS

MAX ESTATES

BUSINESS RESPONSIBILITY  
REVIEW





**Mr. Sahil Vachani**  
Managing Director & CEO



**Mr. Ashish Singla**  
Vice President – Investments –  
Max I. Limited



**Mr. Arjunjit Singh**  
Chief Operating Officer -  
Max Estates Ltd.



**Mr. Gopalakrishnan Ramachandran**  
Head – Legal & Company Secretary



**Mr. Kishansingh Ramsinghaney**  
Senior Advisor – Projects,  
Max Estates Ltd.



**Mr. Nitin Kumar Kansal**  
Chief Financial Officer



**Mr. Rohit Rajput**  
Head – Human Capital &  
Business Strategy





Managing Director & CEO Mr. Sahil Vachani with Hon'ble Minister Sh. Manpreet Singh Badal at the inauguration of MSFL's Line 5

Max Ventures & Industries Limited ('MaxVIL' or 'the Company') is part of the US\$ 3 billion Max Group, and is one of the three listed entities in the Group. MaxVIL operates primarily in the areas of manufacturing and real estate. In addition to these, the Company also serves as the Group's entrepreneurial arm to explore the 'wider world of business'.

MaxVIL manages investments in four key subsidiaries:

1. The first, **Max Speciality Films Limited (MSFL)**, is an innovation leader in the Speciality Packaging Films business.
2. **Max Estates Limited (MEL)**, the real estate arm of the Max Group, was incorporated in 2016 with the vision to bring the Group's values of Sevabhav, Excellence and Credibility to the Indian real estate sector.
3. **Max I. Limited**, a fully owned special purpose vehicle, facilitates Intellectual & Financial Capital to promising and proven early-stage organizations across identified sunrise sectors.
4. **Max Learning Limited** is focused on the education sector.

The latter three subsidiaries are wholly-owned subsidiaries of MaxVIL, while Max Speciality Films Limited is a 51:49 partnership with Japan-based Toppan Printing Co. Ltd. The Company has also a step down wholly owned subsidiary Wise Zone Builders Private Limited under Max Estates Limited.

In FY2018, the Company reported Consolidated Revenues of ₹75,031.49 Lakhs, and a Profit after tax of ₹335.56 Lakhs. For the financials of MSFL and MEL, please refer to their respective sections in Management Discussion & Analysis.

### Corporate Developments

The Company announced the launch of a rights issue of ₹449.89 Cr. with rights for existing shareholders, leading to the issuance of 7,37,53,787 new equity shares with face value of ₹10 each. As part of the issue, the shareholders of the Company were entitled to subscribe for the new shares with pre-emptive rights, whereby 66 fully paid-up equity shares entitled the shareholders to subscription for 67 Rights Equity Shares. The issue price was ₹61 per share. The record date for the purpose of determining eligible shareholders for the rights issue

was 22nd June 2018. The issue opened on July 10, 2018 and closed on July 31, 2018.

The capital raised through the rights issue will be deployed in the real estate construction and development activities being carried out by the subsidiary of the Company Max Estates Limited for further investment in Wise Zone Builders Private Limited, a step down subsidiary of the Company towards prepayment/ repayment of loan availed from IDFC Bank for payment of transfer of rights towards Max Towers as well as undertake purchase of a portion of land and an interest in property at Max House, Okhla. MEL intends to strengthen its focus on the Grade A office space segment. Its flagship project, Max Towers, a prime commercial tower of ~0.6 million sq. ft. located on the Delhi-Noida Direct flyway, will be ready in 2018. Meanwhile, the redevelopment of Max House in Okhla, New Delhi is set to commence in FY2019.

## Employees

As of March 31, 2018, the Company had 10 employees on its rolls.

## Outlook

In addition to the successful and timely execution of its ongoing Grade-A Commercial project in Delhi/NCR, Max Estates will also explore further opportunities in commercial real estate. Max Estates will look for opportunities to innovate the operations of commercial real estate across India.

The Company's vertical 'Pulse' will focus on improving operations of CRE through its 3 pillars –

1. **Design** - To improve occupants' experience and space utilization of the built environment.
2. **Technology** - Creating 'smart offices' to integrate next generation technologies such as AI, Analytics & Machine learning to reduce cost of operations of commercial Real Estate.
3. **Community** - To help companies drive their employees' engagement by creating communities around employees' interests in arts, sports and learning.

Max Speciality Films Limited recently launched its fifth BOPP films manufacturing line (Line 5), significantly increasing its capacity from 46.35 KTPA to 80.85

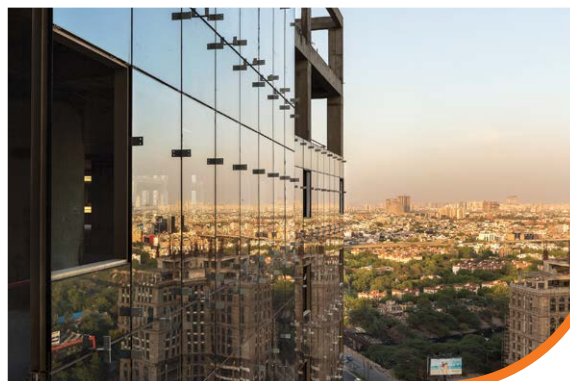
KTPA. MSFL's Line 5 is designed to meet trends for recyclability, ultra high barriers and print receptivity. The line will be able to manufacture thicker films with advanced properties making it environment-friendly since it is conducive to recycling and reducing the usage of plastic per pack. Armed with a significantly augmented production capacity and Toppan's expansive global sales network and cutting-edge technological capabilities, MSFL is ready for a new phase of long-term growth in new and existing markets. Line 5 will also multiply the company's equity in BOPP films to significantly improve its global penetration and achieve economies of scale.

Max I. sees an opportunity to be a strategic investor in two sun-rise sectors

1. **Real Estate as a Service** – This includes capital light model of Real Estate focused on providing access over ownership and the emerging shared and rental economy.
2. **Real Estate Technology** – This includes companies that are at the intersection of Real Estate and Technology that disrupt the way we design, construct and transform the built environment.

Real Estate has been a late adopter of technology. Given its large footprints as an industry – it presents a large potential opportunity. Max I. is also uniquely positioned to adopt some of these technologies in its assets.

Besides the focus on these areas, the Company will continue to scout for opportunities across sectors and geographies.



Max Estates' flagship project Max Towers in Noida



**Mr. Ramneek Jain**  
Chief Executive Officer



**Mr. Amit Jain**  
Chief Financial Officer



**Mr. Anil Kant Yadav**  
Head - National Sales





**Mr. Anil Kumar Bamby**  
Head - Quality



**Mr. Avinash Kumar Singh**  
Operations Lead - Line 5



**Mr. K Manohar**  
Chief Technical Officer



**Mr. Navneet Narayan Malhotra**  
Head - Operations



**Mr. Rishabh Taksali**  
Head - Human Resources & IR



**Mr. Rishi Pathak**  
Head - Materials



**Mr. Ritesh Trikha**  
Head - International Sales  
(BOPP Films)



MSFL's new Line 5 has increased its production capacity ~75% to 80.85 KTPA

Max Speciality Films Limited (MSFL), the pioneer of BOPP films in India is now a niche player in the field of specialty films. Specialty films play a crucial role in flexible packaging of processed foods, confectionery, fast moving consumer goods (FMCG) and industrial goods.

MSFL is also one of the country's leading producers of graphic lamination films for print finishing and luxury packaging and labeling films. The Company will break new ground in the complex areas of packaging and labeling post commissioning of the state-of-the-art BOPP line in Q1 FY2019. The investment of ₹ 250 crores will not only strengthen the company's specialty portfolio, but will also raise capacity by as much as 34,500 tonnes a year.

As one of the oldest and most innovative BOPP specialists in India, Max Speciality Films 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, MSFL has a growing roster of both Indian and international clients.

The ultramodern facility in Railmajra, near Chandigarh has four BOPP lines (one additional line commissioned in Q1 FY2019), three extrusion-coated lines, three cheseal-coated lines and four metallizer lines.

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 and a DSIR certified R&D Lab.

Max Speciality Films is recognized as a producer of quality specialty packaging films and for partnering

with convertors and brands to develop cutting-edge packaging, labeling and graphic lamination solutions. Max Speciality Films 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 8,200 KTA and that of India is 380 KTA. While the BOPP industry continues to expand at 4% globally, growth in India is about 8%. With a penetration of just 4.2 kg per capita in India, the scope for growth in the polymer films market is immense.

Max Speciality Films is recognized as a producer of quality speciality packaging films and for partnering with convertors and brands to develop unique packaging, labeling and graphic lamination solutions.

Food companies have come to realize the value of flexible packaging. It plays a critical role in post-harvest conservation, nutrient preservation, and damage-free distribution. Packaging is now seen as a vital technology-based input as well as a communication link in the value chain. Max Speciality Films supplies films to convertors who laminate, print and process these into ready-to-fill flexible packages for the food companies and national and international 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 and the ever-increasing share of women in the workplace are the main drivers of growth. 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 labeling.

### 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 Max Speciality Films very high on

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

customer satisfaction surveys and a major portion of the Company's domestic revenues continues 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.

### Recyclability

With state of the art technology, MSFL is all set to offer multiple solutions for high barrier requirements with sustainability in its core, focusing on thick mono layer films to support recyclability. Aligned to FMCG majors, with the help of its unique in line coater, MSFL is working towards using 100% recyclable films by 2025.

Max Speciality Films exports approximately 25% of its output. While Europe continues to be the largest overseas market, the company's presence in demanding markets such as Japan and the Americas is on the rise. The fast growing food industry alone accounts for 66% of sales and output.

Though MSFL has only 8% share of India's installed capacity, its market share in the specialty films segment is an impressive 30%. To sustain its strong market position, the Company strives to meet the customer requirements through innovative customized solutions and through Customer engagement initiatives like Technology Day celebration with customer groups.

The recent investment by Toppan, a global market leader, demonstrates the confidence and the respect that Max Speciality Films enjoys internationally. This



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

strategic partnership augurs well and will give a fillip to company's expansion plans – both in reach and technical expertise.

### Performance Highlights

The total revenue earned by the company at the end of FY2018 was ₹ 693 crore, with an EBIDTA (Earnings Before Interest, Depreciation, Tax, and Amortization) of ₹ 45 crore.

While the overall outlook remains positive in the long run, it was a challenging year for the company for these reasons:

- I. **Demonetization:** Liquidity constraints disrupted end-use demand and cash cycle across the value chain. Demand growth dropped to 8% p.a. instead of the projected 10% p.a.
- II. Temporary oversupply in the market due to increased capacities.

### Customer Engagement

Customer satisfaction is the responsibility of every employee in the company. 'Customer comes first' is the mantra followed by everyone without exception. Customer-centric initiatives undertaken during the year included:

- Stage gate innovation process and well-equipped innovation center
- An advanced CRM system to further strengthen customer engagement
- Investments in order and material tracking to improve customer service

- Review of all processes to improve responsiveness
- Comprehensive complaint-handling process that expedites resolutions

### Human Capital

On 31st March 2018, the company had a workforce of approximately 700 employees.

### 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

Max Speciality Films 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, Max Speciality Films contributes generously to local communities in the areas of Healthcare, Nutrition, Education, and Environment. The company has taken steps to improve the sanitation and poor drainage system in the Railmajra neighbourhood.

The Company follows a strict Green Policy and has signed the code for Ecologically Sustainable Business Growth formulated by the 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. In fact, the Punjab Government has presented Max Speciality Films with the Kirti Veer Award 2017 for its exceptional safety record.

### Internal Control System and Adequacy

Max Speciality Films has institutionalized robust internal controls as well as management systems and processes through ERP as well as manual safeguards. These are periodically audited by accrediting agencies. The performance is also reviewed with reference to the company's budget, year-on-year variances and competition. The statutory and internal auditors also review the internal controls every year. Their reports reach the Audit Committee for further evaluation.



MSFL Quality Lab is the first in this industry in India to have won the NABL accreditation

### Risks and Outlook

The Indian economy continues to grow from strength to strength, spurred on by widespread access to banking, technology adoption, structural reforms and 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 twice the pace of 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, Max Speciality Films remains on solid ground supported by ongoing investments and a sharper focus on cost optimization, the growing specialty portfolio, strong customer base and service ethos. The ‘Toppan Partnership’ with Max Speciality Films, 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.



**Mr. Sahil Vachani**

Managing Director & CEO, Max Ventures and Industries Limited



**Mr. Arjunjit Singh**

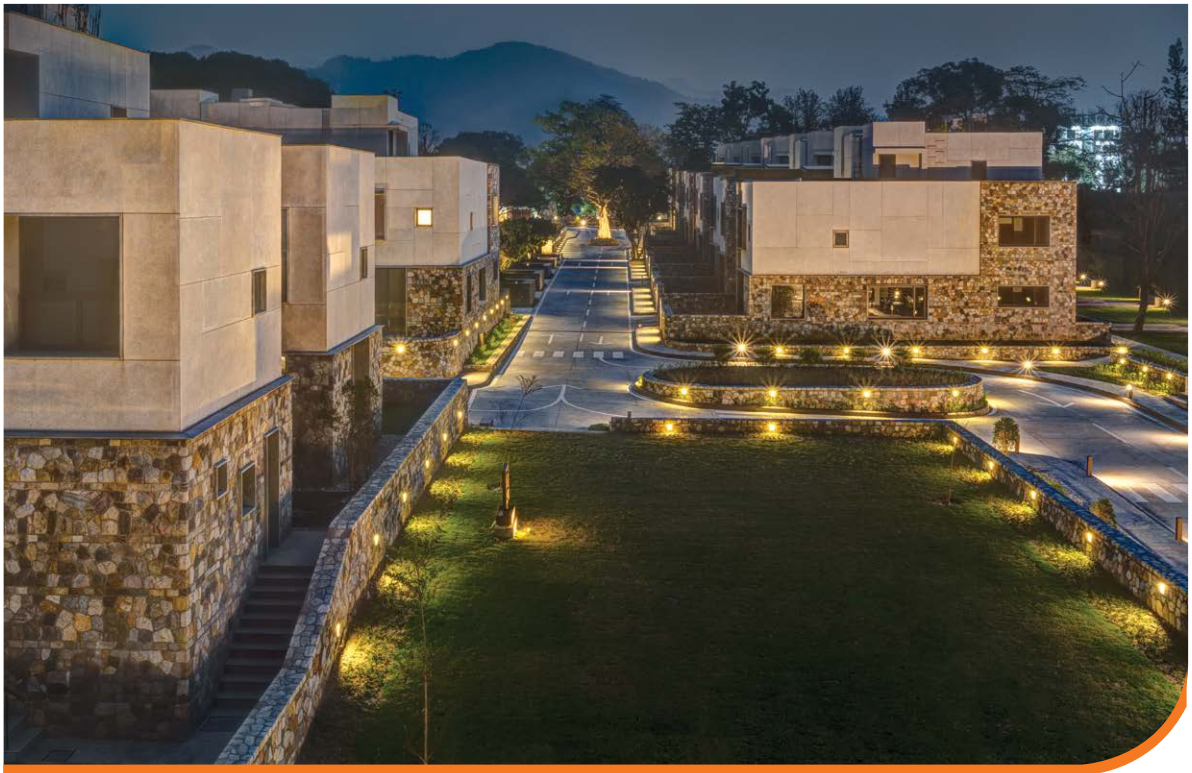
Chief Operating Officer -  
Max Estates Ltd.



**Mr. Kishansingh Ramsinghaney**

Senior Advisor – Projects,  
Max Estates Ltd





222 Rajpur in Dehradun is Max Estates' first project to be completed

### Company Overview

Max Estates Limited (MEL) was formed with the vision to bring the Group's values of Sevabhav, Excellence and Credibility to the Indian real estate sector. Unfortunately, the real estate sector is facing a huge trust deficit owing to lack of regulation and unscrupulous practices. MEL is well positioned to capitalise on these shortcomings, owing to widespread acceptance and recognition of the Max brand, with its in-house expertise in real estate activities and on account of the high standards of corporate governance in place.

MEL has successfully delivered its first residential project - a 5-acre, 22 villas, luxury development in Dehradun. Besides this, Max Towers, Noida - a ~0.6 million sqft luxury commercial structure is built in the most prime region of Noida, set to go live in the first half of FY2019. Max Towers is being designed as a LEED Platinum Green building, setting the bar for sustainable development in the office space sector. The third project, the re-development of Max House in Okhla, New Delhi, is slated to begin in August 2018.

Max House Okhla is located in the heart of New Delhi, with excellent connectivity to the CBD and SBD of NCR.

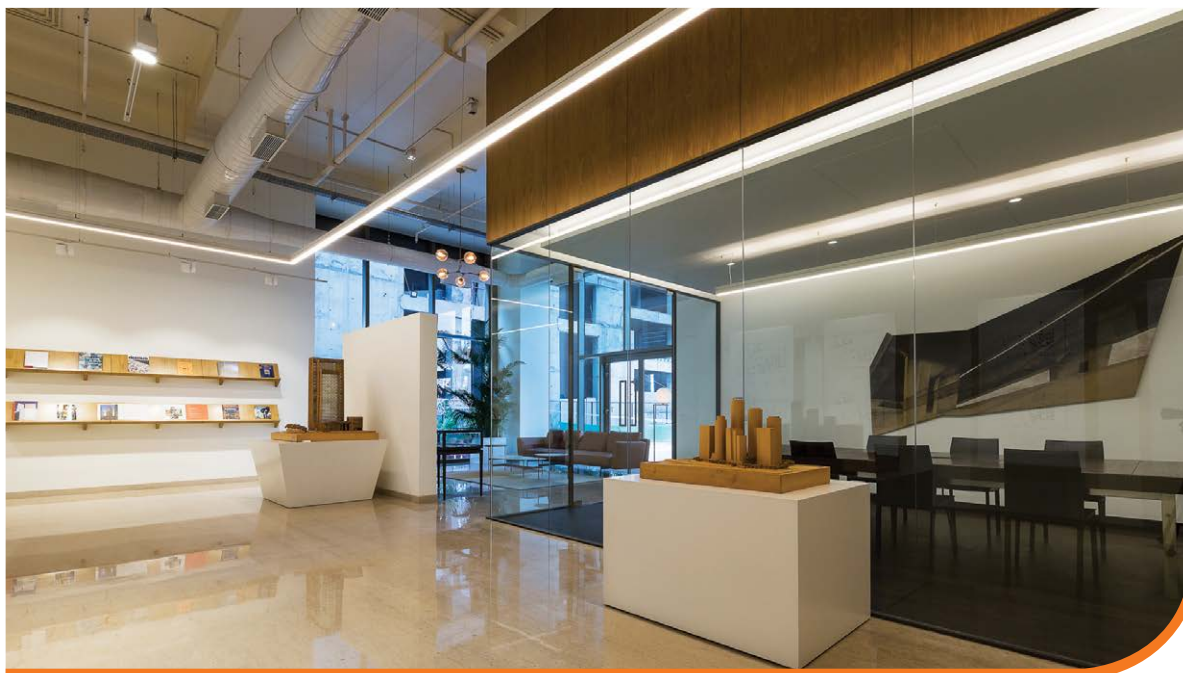
Going forward, MEL will continue to focus on the office space segment, while adopting an asset light approach. The objective will be to develop a diversified portfolio of annuity income-generating assets, while preserving capital.

### Real Estate Sector in India

The growth of the Indian real estate sector is attributed to India's growing population, rising income level and rapid urbanization. However, despite the positive outlook, the sector is battling challenges. The real estate industry is currently witnessing encouraging structural transformation towards becoming a well organized sector, thus uplifting morale.

### Commercial Segment

The Indian Office space market has been plagued by an abject lack of viable office space over the past four years, while demand has been purposefully steady. The overall office stock in the country has more than doubled in the last eight years at the back of increased



The Experience Centre at Max Towers in Noida

investor confidence in this sector. Office has seen a steady increase in inflow of investment, reversing the trend of residential market being a favored target for inbound capital. Consistently falling since 2012, the vacancy levels are at a decadal low. The IT/ITeS sector share in transactions has been showing signs of weakness while that of other services has increased. Rental growth has been strong across markets and has reached double digit figures in certain premium micro-markets.

### Performance Highlights

The total revenue earned by the company during the year was ₹ 27.66 crore, with loss before tax being ₹ 3.91 crore. The Company accrued a loss after tax of ₹ 3.96 crore.

While the overall sentiment in the luxury residential market was poor, the Company has been able to sell ~50% of the inventory in its Dehradun project. The Company has also secured pre-lease commitments of ~50,000 sq ft of office space in Max Towers.

On the construction front, we are ahead of our budgeted timelines for Max Towers, Noida while 222 Rajpur, Dehradun saw its first residents in May

2018. Max House Okhla execution has been initiated in August 2018, and is slated to be one of the most distinct office buildings in NCR.

### Business Strategy

Max Estates will focus on the office space segment, wherein the company is developing socialisation to best address the gaps that exist in the market. The Company intends to offer its tenants a workplace which should act as an area of advantage for retention, recruitment, development and well-being. This will act as a unique value proposition will further differentiate Max estates' developments relative to competition.

The strategy for differentiation has been titled "WorkWell", which has been pioneered at Max Estates. The WorkWell initiative aims to blend design, superior amenities, and F&B within the workspace to trust enable the work force with what they need. WorkWell will serve as a core which will be present in our office space developments.

The company sees office space as much more than square feet to be leased or sold by providing services used by occupants in the building. This would be done through a separate vertical called "Pulse". The



Max Towers is expected to launch in FY2019

intention is to generate additional income stream from consumption requirements of building occupants and eventually develop it as a unique proposition to take to other developers for their commercial projects.

### Market Outlook and Future Trends

The Real Estates Regulation (and Development) Act viz., RERA aims to increase transparency, accountability and overall efficiency in the real estate sector. We expect major developers to enter into joint venture partnerships or undertake joint development with smaller developers to complete stalled projects.

On the construction front, we are ahead of our budgeted timelines for Max Towers, Noida while 222 Rajpur, Dehradun saw its first residents in May 2018. Max House Okhla execution has been initiated in August 2018, and is slated to be one of the most distinct office buildings in NCR.

There is significant investor interest in India realty thanks to a consistent increase in demand. By 2020, the real estate sector in India is expected to attract investments worth USD 10 billion. Besides, India is also putting in place regulation and approvals for launching Real Estate Investment Trusts (REITs) which will not only broaden the investor base within Indian realty, but will also provide alternative avenues for fund raising and investments. The first of India's REITs is expected to launch in India's highly attractive rental yielding commercial office segment. Around 280 million sqft of qualified office stock is estimated to be available in this market with 46% of stock being spread in Bengaluru and Delhi NCR alone.

Green buildings and Co-working spaces are emerging as two key drivers in the commercial segment. India secured 3rd position in the US Green Building Council annual top 10 countries for LEED ranking. These registered and certified green building projects in India are expected to increase three fold to 3.5 billion sqft by 2020 as per the Green Business Certification Inc.

Co-working space is witnessing increasing momentum as seen in not just the volumes of space taken up but also the diversity of players that are now queuing up to serve occupiers in this quality starved office space market. In 2018, decreasing availability of quality leased office assets coupled with yields reaching historic lows will push investors to look at alternative segments such as retail and warehousing and moreover, "built to suit" deals are likely to become imminent for office occupiers.



## BUSINESS RESPONSIBILITY REVIEW



**Mohini Daljeet Singh**  
Chief Executive Officer

Gulnaz and her family hail from Uttarakhand. Her father, a daily wage earner supported his daughter to pursue higher education. In 2014, Gulnaz [then 17 years old] was about to complete her 12th Standard when a young man whose proposal she had rejected threw acid on her. Gulnaz was in the hospital for 2 months and underwent multiple surgeries with some help from the CM Relief Fund.

Meanwhile, Gulnaz filed an FIR and had the culprit put behind bars for 10 years. However, she still needed additional surgeries and approached Max India Foundation (MIF) through Max Super Speciality Hospital, Dehradun. Her surgery was successfully done in October 2015. Later, Gulnaz received a scholarship

and enrolled in a college in Chennai. But this was not the end of her relationship with MIF.

When Gulnaz came home in May 2017 during her vacations, she was appalled to see her father's deteriorating condition because of a heart problem. Once again, she approached MIF, and given the criticality of her father's health, the Foundation came on board. Her father was successfully treated at Max Hospital, Patparganj and is back to leading a healthy, happy life in his hometown, while Gulnaz has returned to her graduation studies and aspires to pursue a dignified career.

This is just one of the 30 lakh such stories that MIF has had the privilege to be a part of over the past decade. The Max Group's Responsibility journey hit the significant milestone of 10 years of caring in January 2018. This journey has been characterised by the ethos of *Sevabhav* and *giving with dignity* to make a difference in the lives of the underprivileged. In these 10 years, MIF connected with 30,99,491 beneficiaries through 444 NGOs at 785 locations.

To commemorate 10 years of serving the underprivileged, a Coffee Table Book was released on Max Annual Day, on 15th January, 2018. On 22nd January, a special Thanksgiving Event was organised wherein many stakeholders including NGO partners joined in.

In FY 2017-18, Max India Foundation was felicitated with "Asia's Greatest CSR Brand Award" at the India Singapore Business & Social Forum 2018 on 29th January at Marina Bay Sands, Singapore. This Award is given to the most prominent brands that have lent a helping hand and worked towards the development of the society at large. The Foundation also received other Awards as highlighted in the box. The Foundation is humbled by the various laurels that have come its way and understands the responsibility entrusted to it.

### Awards and Recognitions

- Mohini Daljeet Singh, CEO, Max India Foundation was felicitated with the CSR Person of the Year Award for her outstanding contribution to the social development sector by India CSR at the CSR Leadership Summit on 26th May 2017
- Max India Foundation was conferred with CSR Campaign of the Year Award towards Fight Against Cancer by India International CSR Conclave on 11th May 2017
- Mohini Daljeet Singh, CEO, Max India Foundation was honoured with CSR Leader of the Year Award at the India International CSR Conclave held on 11th May 2017.

## Core Interventions

### Health

Health needs are immediate, yet accessibility and affordability is a huge gap area for the underprivileged. Over the years, the Foundation has perfected various health interventions which bring much-needed support in the lives of the underprivileged. The interventions have been strategically designed with a blend of curative, preventive and promotive aspects. The key interventions include:

### Immunisation Programme

This programme is meant for the children in the age group of 0-12 years who are Not Immunised or are Partially Immunised. Children are vaccinated against MMR, DPT, Hepatitis-B, and Typhoid as per the guidelines of WHO. The programme mandate is to "close the immunisation gap" and thus complement GOI's Mission Indradhanush. We believe that healthcare for a child must begin with protection through immunisation. The programme protects

children against nine life-threatening diseases. As a new initiative, the Foundation introduced HPV vaccine for underprivileged girls in the age group of 9-15 years for protection against cervical cancer.

In FY 2017-18, 18,448 vaccine shots were administered to children.

### Health Camps

Often underprivileged people ignore niggling symptoms of ill-health due to several reasons like losing a day's wage, travelling long distances or lack of funds for even a basic consultation. Women and the elders are the worst affected. Small issues unattended can become big problems and lead to expensive treatment or loss of life.

Max India Foundation organises health camps [including general health camps and multi-speciality health camps] for the underprivileged across urban slums and rural areas with the objective of providing quality healthcare in an accessible and affordable manner. A team of qualified doctors and paramedical staff conducts the health camps wherein free consultations and medicines are provided. The range of specialties covered includes gynaecology, paediatrics,



MIF's 9th Artificial Limbs and Polio Callipers Camp was held in April 2017



ophthalmology, oncology, dental, or diabetes check-up among others. Pathology tests like random blood sugar, HB, Bone Density, ECG, etc. are also done. In certain eye check-up camps, free eyeglasses are also provided. Critical cases are referred for further treatment.

In FY 2017-18, 1,70,201 patients have benefited through 719 camps. These health camps address immediate healthcare needs of the marginalised at their doorsteps.

### Surgeries and Treatment

High out-of-pocket expenses make it impossible for the underprivileged to undergo high-value surgeries. Arranging large sums of money is out of the question for them. Max India Foundation helps them to get a new lease of life. In FY 2017-18, the Foundation reached out to 1,559 patients with timely intervention, thereby preventing them from getting caught in the vicious cycle of debt and poverty. These surgeries include a large number of paediatric cardiac surgeries, neurosurgeries, orthopaedic surgeries, cataract surgeries and oncology care through Max Healthcare Hospitals.

### Provision of Free Artificial Limbs and Polio Callipers to the Needy

The programme aims to improve the mobility of physically challenged individuals so that they are able to live their life independently with dignity. This enhances their self-confidence and can improve their economic well-being.

Max India Foundation's 9th Mega Artificial Limbs and Polio Callipers Camp were held in Dehradun from 18-21st April, 2017. In addition, the Foundation in partnership with Kiwanis Club of New Delhi provides 15 artificial limbs every month to the physically challenged. Further, six physically challenged youth were provided specially-designed motorised vehicles with disabled-friendly attachments in partnership with Rajiv Gandhi Foundation under their "Access to Opportunities" initiative. 391 physically challenged have been provided free of cost artificial limbs and polio callipers in FY 2017-18.

**Sateshwari** was accidentally hit by a truck. Her wound had just about healed when she heard of the camp in Dehradun. Sateshwari was provided with an artificial limb at the camp and she is full of hope. *"Life took an ugly turn with that unfortunate accident. I hope to be back to leading a normal life with the help of an artificial limb",* says Sateshwari.

### Lifeline Express

MIF is proud to be associated with Lifeline Express which is a novel concept of train hospital on wheels [conceptualised by the Impact India Foundation]. Every year since 2008, the Foundation provides support for Lifeline Express at Madhya Pradesh. In the camp held in FY 2017-18, a total of 12,880 patients were examined.

### SUPPORTING ALLIED HEALTH INTERVENTIONS

Good health is an outcome of multiple factors; therefore, Max India Foundation has been working on a host of allied-health sustaining factors like environment, nutrition, clean drinking water and others as elaborated below:

### Sustainable and Eco-Friendly Environment

Good environment is a basic requirement to realise good health. World Health Organisation has estimated that 13 million deaths annually are attributable to preventable environmental causes. The Foundation's work around the environment is centred on environmental awareness coupled with environment-friendly action. In addition to tree plantation drives across Delhi, Haryana, Punjab and Uttarakhand, MIF has been spearheading structured monthly environment awareness campaigns. These campaigns serve the dual purpose of sensitising the people about the issue as well as suggesting various practical action points to improve the environment. The same is shared with key stakeholders including NGO partners as well as employees of the Max Group. The objective is to improve green cover, enhance oxygen supply as well as arrest soil erosion, thereby leaving the greener planet for the future generations.



MIF's Health Van was launched in 2017 to provide basic medical services to the under privileged in Delhi/NCR.

### Clean Drinking Water

Waterborne diseases are a major reason for severe health problems. In order to provide access to clean drinking water, Max India Foundation has forayed into providing clean water in government schools meant for underprivileged children in Delhi as well as in the adopted villages. So far, nearly 14,000 children have benefited through this initiative. Clean drinking water not only has health benefits but also helps in improved learning outcomes since there is less absenteeism from school.

### Nutrition

India is home to over one-third of the world's stunted (chronically malnourished) children (World Food Programme, 2016). Some of the partners we work with are engaged with malnourished children for whom getting two meals a day is a huge struggle. The mid-day meal or nutritious snack offered through Max India Foundation's support may be the only wholesome meal of the day for them. Max India Foundation made over 11,000 meals possible in FY 2017-18.

### Drug De-addiction

It is estimated that around 7.21 crore people in India are affected by drugs. Drug abuse is emerging as a major health hazard with a sizeable number of youth

caught in this vicious cycle. To address the menace, Max India Foundation has been supporting a drug de-addiction counselling centre for the youth of Baramulla, J&K since April 2016. The Centre started and anchored by the Indian Army organises drug de-addiction seminars, recreational activities, individual and group counselling sessions, motivational talks and occupational rehabilitation. In FY 2017-18, the drug de-addiction programme has benefited 742 youth.

The intervention was further broadbased through our partnership with UNODC [United Nation Office of Drug and Crime]. Under the partnership, UNODC is working in the state of Punjab to curb the drug menace with focus on counselling and awareness initiatives. The partnership will also cover village Rail Majra. The training of trainers was held in November 2017 and strives to bring effective change on the ground.

### HEALTH AWARENESS

Max India Foundation has given great importance to health awareness to promote healthy behavioural practices amongst underprivileged communities. We believe preventive healthcare yields better outcomes in the long-term and saves huge sums of money which would be spent on treatment. The focus areas include ills of tobacco, vector-borne disease, cancer awareness and others which are conveyed through a

mix of infotainment approaches like films, flip books, talks, demonstrations, puppet shows, etc. So far, over 18.45 lakh individuals have been reached through health and hygiene awareness initiatives. In FY 2017-18, 31,036 individuals were reached. Over the years, the awareness level of the community on various healthcare aspects has significantly improved.

Whilst health awareness remains an integrated part of all health camps, Max India Foundation runs strategic campaigns around anti-tobacco and cancer which are detailed below:

### Anti-Tobacco Campaign

Tobacco kills over 10 lakh people in India every year; in Delhi alone, there are 30 lakh tobacco users. Given the gravity of the problem, Max India Foundation has been running various outreach programmes focussed against the use of tobacco with an emphasis on strict enforcement of Cigarettes and Other Tobacco Products Act (COTPA 2003). So far, 589 policemen have been sensitised including DCPs and Inspectors/Sub-Inspectors who are emerging as champions of our cause. Doctors from Max Hospitals as well as patients who are cancer survivors have played a key role in the

sensitisation of police. Further, over 27,903 people have been fined by Delhi Police for violation of COTPA which is a positive step in the enforcement of the Act.

As part of World No Tobacco Day on 31st May 2017, a televised awareness campaign was run on India Today News Channel. The campaign highlighted the alarming facts about perils of cigarette smoking. Also, the work of Max India Foundation to curb the tobacco menace was highlighted. The collaboration with India Today helped reach larger audience base.

Another element was added to the Programme when a focussed intervention on educational institutes was initiated in June 2017. Under Tobacco Free Education Institutes (TFEI) initiative, training programmes are organised for Principals of government schools so that they sensitise children on the ill-effects of tobacco as well as conduct tobacco-free audits of their respective schools. So far, 485 Principals of North Delhi Municipal Corporation schools have been trained and sensitised on COTPA.



Team Max India Foundation





An MIF immunisation camp

### Cancer Screening and Awareness Camps

Recent years have witnessed a sudden spurt in cancer cases. MIF has adopted a two-pronged approach to combat the problem. On the one hand, there is an emphasis on cancer awareness as well as screening, so that cancer cases are identified at early stages for effective recovery. On the other hand, economically weak cancer patients are provided free or subsidised treatment. Max India Foundation has been conducting cancer screening camp including free mammography and pap smear tests at awareness camps. The focus is on early detection to ensure better outcomes.

### Celebrate Me – Triumph Over Cancer

“Celebrate Me” celebrates the spirit of cancer survivors who braved cancer and emerged triumphant. The first season of Celebrate Me was held in 2015 and over the years it has emerged as an important annual signature event. Celebrate Me 2017 was held from 23rd to 28th September in collaboration with CanKids...KidsCan. The focus of the event was on Childhood cancer and efforts were made to spread the message from Delhi to Punjab covering a stretch of 1,500 km that childhood cancer is curable if diagnosed in time. The awareness was conducted in a unique manner with a car rally from Delhi to Punjab. The “Fight Against Cancer Champions” stopped at different locations to inform the community about prevention and cure of childhood cancer.

### Max India Foundation, Evolving As Knowledge Partner

Over the years, Max India Foundation has evolved as an expert thought leader. One giant leap was taken when Max India Foundation joined hands with ASSOCHAM as Knowledge Partner for the Conference titled "Health Security For All".

The maiden Conference held on 26th May, 2016 focussed on "Health & Insurance", whereas the 2nd successive Conference held on 1st June, 2017 focussed on "Access to Quality & Affordable Healthcare". Ms. Mohini Daljeet Singh, CEO, Max India Foundation delivered the keynote address. Further, a resource paper on "Health Policy 2017" was released which was very well received by the participants.

### VILLAGE ADOPTION PROGRAMME FOR DEVELOPING SUSTAINABLE VILLAGES

Max India Foundation has adopted three villages – Rail Majra in Punjab and Dhakrani as well as Chandrothi in Dehradun, Uttarakhand. The Village Adoption programme has been making a positive difference in the lives of the underprivileged. With interventions around health, sanitation, waste management, school infrastructure upgradation, skill development in the community, the programme is creating model villages to enhance the quality of life of the underprivileged. The highlights for FY 2017-18 are as follows:

#### Health Facilities

Due to inadequate health facilities, provision for quality health services has been made with appropriate interventions in the form of health camps, health centres, eye check-up camps and immunisation camps. The range of health services helps the villagers to avail quality services from specialists which they would not have access to otherwise.

#### Environment Conservation and Preservation

Max India Foundation has been sensitising villagers about the environment conservation and preservation. Tree plantation drives are almost an annual affair across all the three villages. In particular, Max India Foundation has developed a small park in Dhakrani village for the residents. The park is centrally located



A Health Camp organised by MIF

near an upcoming Aanganwadi and ITI (Industrial Training Institute) and has emerged as a hub of community activity.

#### Hygiene Improvement through Solid Waste Management

Waste management was an issue of concern. Max India Foundation initiated activities to implement the solid waste management system by implementing clean-up drives, awareness programme, solid waste collection, and disposal system. The villagers are also regularly sensitised on the importance of cleanliness as well as educated on segregation of waste. As part of the same, a composting unit has been set up in Dhakrani. Segregation of waste is being done, so that the organic waste does not end up in landfills and can be composted which can be used by farmers in the village.

#### Sanitation and Sewerage Project

Dhakrani village had no sewerage system in place. Wastewater spilled onto the garbage spread on the streets as well as polluted the sources of drinking water supply. To address the issue, a sewerage treatment project is underway. So far, over 1,00,000 running feet of the pipeline has been laid. Sand filters and septic



tanks are being built from which wastewater will be treated and will be fit for agricultural purpose. Three phases of this project are complete and the fourth phase is under construction.

### **Skill Development for the Youth [New Initiative]**

On a special case basis, Max India Foundation has set up a life skills training centre at Dhakrani in partnership with NGO Head Held High (HHH) Foundation. The initiative provides Life Skills training to zero literate rural youth in a 6 months' intensive programme. The core of the initiative is to make India capable, where rural youth with no schooling are trained to be work-ready in a professional environment. This transformation enables such youth to be able to live life with dignity, opening up economic opportunities. The Centre was formally inaugurated in November 2017 and the first batch passed out in May 2018.

### **Science Lab [New Initiative]**

In order to develop a scientific bent of mind amongst children, a science lab has been set up in all the three

adopted villages. Children have got access to 60 working models and the objective is to understand and appreciate the basic principles of science. Additionally, teachers have been trained so that they are able to use the models effectively and engage with children.

### **IMPACT**

MIF with its 360-degree approach towards holistic healthcare has been able to make a genuine difference in the lives of the underprivileged. The decade-long interventions on the ground have been successful in addressing key challenges of low-quality care, lack of health awareness and limited access to health facilities. Further, the focus on health awareness has significantly helped in bringing behavioural change in the beneficiaries. They are adopting healthy practices to safeguard their health. Today, the Foundation has been able to win the trust and confidence of the community and bring smiles to their faces. Max India Foundation in its own small way has been able to make a humble contribution towards nation-building through a healthier population.







# **CORPORATE GOVERNANCE REPORT**



# CORPORATE GOVERNANCE REPORT

## OUR CORPORATE GOVERNANCE PHILOSOPHY

Max Ventures and Industries Limited ('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 which 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

Board 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 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 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 committee. Detailed charters are published for every committee 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, 2018, your Board of Directors comprises of eight members with one Executive Director and seven 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 FY2018 and at the last Annual General Meeting, including the details of their other Directorships and Committee Memberships as on March 31, 2018 are given below:

Name of Director	Number of Board meetings during the financial year 2017-18		Attendance at last AGM held on 26th September, 2017	Number of Directorships in other Companies as on 31st March, 2018*	Number of committee positions held in other public companies as on 31st March, 2018@	
	Held during tenure	Attended			Chairman	Member
Mr. Analjit Singh [Promoter, Non-Executive Director & Chairman]	09	03	No	14	–	–
Mr. Mohit Talwar [Non-Executive Director & Vice Chairman]	09	09	Yes	07	01	06
Mr. Dinesh Kumar Mittal [Independent Director]	09	08	Yes	11	01	07
Mr. K. Narasimha Murthy [Independent Director]	09	07	No	08	04	07
Mr. Ashok Brijmohan Kacker [Independent Director]	09	08	Yes	08	02	04
Mrs. Sujatha Ratnam# [Non-Executive Director]	02	01	No	–	–	–
Mr. Sahil Vachani [Managing Director and CEO]	09	08	No	19	–	02
Mr. Arthur Seter Harutyun [Non-Executive Director]	09	03	No	01	–	–
Mrs. Sujata Keshavan Guha ** [Independent Director]	09	04	No	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.

# Resigned from the position of additional director on June 28, 2017.

\*\* Resigned from the position of Independent director on July 24, 2018.

### Details of Board Meetings held during the year ended March 31, 2018:

S. No.	Date	Board Strength	No. of Directors present
1	May 03, 2017	09	03
2	May 25, 2017	09	08
3	July 21, 2017	08	07
4	August 02, 2017	08	06
5	October 31, 2017	08	06
6	January 15, 2018	08	06
7	February 14, 2018	08	05
8	February 26, 2018	08	05
9	March 23, 2018	08	05

### 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 through circulation as permissible under the provisions of the Companies Act, 2013 ('Act') and Secretarial Standards on meetings of the Board of Directors (SS-1) and the same are also presented in the next meeting for its noting.

Generally 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 material for the Board and Committee meetings are generally published seven days in advance through e-mail and/or electronically in a

secure dedicated portal. The Board is regularly updated on the key risks and the steps and processes 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, 2018 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, 2018, this Committee comprised of Mr. Ashok Brijmohan Kacker (Chairman), Mr. K. Narasimha Murthy, Mr. D.K. Mittal and Mr. Mohit Talwar. Mr. K. Narasimha Murthy was co-opted as the member of this Committee by the Board of Directors of the Company vide its Circular Resolution passed on October 30, 2017. All members of the Committee, except Mr. Mohit Talwar (who is Non Executive-Non Independent Director of the Company) 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 including terms and references 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 Act. 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 and when required. Mr. Ashok Brijmohan Kacker, Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

#### **Meetings & Attendance during the year ended March 31, 2018:**

Director	Number of meetings held	Number of meetings attended
Mr. Ashok Brijmohan Kacker	06	06
Mr. D.K. Mittal	06	05
Mr. Mohit Talwar	06	06
Mr. K. Narasimha Murthy	03	03

#### **Nomination and Remuneration Committee:**

As of 31st March, 2018, 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 including terms and references 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 Act. 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. A statement indicating the manner in which Formal Annual Evaluation has been made by the Board of its own performance and that of its committees and individual directors including Chairman is 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 of the Company. 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 March 31, 2018:**

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

#### **PERFORMANCE EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS:**

Pursuant to the provisions of the Act and Regulation 17(10) of the Listing Regulations, the performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors, who are subject to evaluation had not participated. The evaluation of Independent Directors was based on criteria such as demonstrates current

knowledge of the company's business sector & trends; understands the Company's business, its subsidiaries, operational structure and key risks; meaningful & constructive contribution in meetings etc.

### Remuneration paid to Directors during FY2018

During FY2018, 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 meeting(s) 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 FY2018 are as under:

S. No.	Name of Director	Sitting Fee paid (In ₹)
1	Mr. Analjit Singh	3,00,000
2	Mr. Mohit Talwar	31,00,000
3	Ms. Sujatha Ratnam	1,00,000
4	Mr. K. Narasimha Murthy	20,00,000
5	Mr. D. K. Mittal	22,00,000
6	Mr. Ashok Brijmohan Kacker	26,00,000
7	Mrs. Sujata Keshavan Guha	4,00,000
8	Mr. Arthur Harutyun Seter	—

The remuneration payable/ paid to Executive Director of the Company including performance incentives was determined from time to time by the Nomination and Remuneration Committee in terms of applicable provisions of the Act read with Company's remuneration policy. Further, there is no specific provision of severance fee for Directors. The details of the remuneration policy forms 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, 2017 to 31st March, 2018 is as under:

(Amount in ₹)	
Description	Mr. Sahil Vachani
Salary	95,09,834
Benefits (Perquisites)	8,21,230
Performance Incentive/special payments	1,11,66,885
Retirals	6,07,200
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 September 27, 2016 approved the appointment of Mr. Sahil Vachani as Managing Director and CEO for a period of 05 years effective January 15, 2016 up to January 14, 2021 and also approved the remuneration for the initial period of three years, i.e., from January 15, 2016 until January 14, 2019.*

*Further, the Board in its meeting held on May 25, 2017 and Shareholders in their Second Annual General Meeting held on September 26, 2017 approved the revision in remuneration payable to Mr. Sahil Vachani, Managing Director & CEO for a period of 03 years, i.e., from April 1, 2017 until March 31, 2020 up to the ceiling of ₹ 4,80,00,000/- (Rupees Four Hundred and Eighty Lakhs Only) per annum.*

Except disclosed above, there is no other pecuniary relationship or transactions of the non- executive directors vis-à-vis the Company.

### During FY2018, 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	August 18, 2012	2,286	₹ 10/-	2,286 Options on August 18, 2016	Nil
	April 1, 2013	3,800	₹ 10/-	1,900 Options on April 1, 2016 1,900 Options on April 1, 2017	Nil
	April 1, 2014	5,250	₹ 10/-	1,750 Options on April 1, 2016 1,750 Options on April 1, 2017 1,750 Options on April 1, 2018	1,750 shares due on April 1, 2018
	December 12, 2014	88,600	₹ 25/-	Bullet vesting on March 31, 2020	22,150 shares due on December 1, 2018 22,150 shares due on December 1, 2019@
	March 27, 2015	4,520	₹ 10/-	1,130 Options on March 27, 2016 1,130 Options on March 27, 2017 1,130 Options on March 27, 2018 1,130 Options on March 27, 2019	1,130 shares due on March 27, 2018 1,130 shares due on March 27, 2019

@ In terms of the Employee Stock Plan, 2003, of erstwhile Max India Limited, there are two kinds of ESOPs granted to Mr. Mohit Talwar by Max Financial Services Limited ('MFSL') i.e. (a) ESOPs granted annually at par value which vest equally on an annual basis; and (b) ESOPs granted in December 2014 with over five year (bullet) vesting period ending on March 31, 2020 as part of the long term retention strategy.



Vesting schedule of ESOPs detailed in (b) above was modified by the NRC through its circular resolution dated August 09, 2017, in the following manner:

Description	No. of options
Total number of options	88,600
Immediate vesting on August 9, 2017	44,300
Vesting on December 1, 2018	22,150
Vesting on December 1, 2019	22,150

During FY2017-18, 4,780 options were exercised by Mr. Mohit Talwar in April, 2017 under 'Max Ventures and Industries Employee Stock Plan – 2016' of the Company which entitled him to 4,780 equity shares of ₹ 10/- at an exercise price of ₹ 10/- per equity share. Further, Mr. Talwar exercised 44,300 options in Aug' 2017 which entitled him to 44,300 equity shares of ₹ 10 at an exercise price of ₹ 25 per equity share.

None of the other Director was granted any stock options during FY2018.

Details of equity shares held by Directors of the Company as on March 31, 2018 are:

S. No.	Name of Director	No. of equity shares of ₹ 10/- each
1	Mr. Analjit Singh	11,75,357
2	Mr. Mohit Talwar	56,167
3	Mr. K. Narasimha Murthy	1,000
4	Mr. Dinesh Kumar Mittal	Nil
5	Mr. Ashok Brijmohan Kacker	Nil
6	Mr. Arthur Seter Harutyun	Nil
7	Mrs. Sujata Keshavan Guha	Nil
8	Mr. Sahil Vachani	Nil

Further, none of the directors are holding any other convertible instruments of the Company.

### Employee Phantom Scheme of the Company

Pursuant to the 'Employee Phantom Scheme 2017' ("EPS"), approved by our Board on February 17, 2017, the eligible employees of our Company were granted notional stock appreciation right units at a predetermined grant price. Such eligible employees

were to receive cash payment for appreciation in the share price over the grant price for the awarded notional unit, based on the performance criteria achieved by our Company. Certain Key Management Personnel were granted 1,72,761 units as per the EPS out of which 144,333 units are unvested and 28,428 units are vested.

Further, pursuant to the approval of Nomination and Remuneration Committee of our Board, in its meeting held on March 23, 2018, certain Key Management Personnel were granted 193,570 units under ESOP 2016 effective April 1, 2018 under which, all unvested units i.e. 144,333 units under EPS stand converted into ESOP grants. Thus, status of vested units i.e. 28,428 units under EPS remains unchanged.

### Stakeholders Relationship Committee:

As on March 31, 2018, the Committee comprises of Mr. Mohit Talwar (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 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 March 31, 2018:

Director	Number of meetings held	Number of meetings attended
Mr. Mohit Talwar	05	05
Mr. Ashok Kacker	05	05
Mr. Sahil Vachani	05	05

The Committee has delegated the authority to effect transfer, transmission and transposition of shares up to 1,000 per folio and deletion and/or change of

name of security holders to the Company Secretary / Compliance Officer, and such transfers, transmissions and transpositions etc. 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, 2018, 11 complaints/ queries were received by the Company, which were general in nature viz. issues relating to share transfers, non-receipt of annual reports, interest / dividend payments, issue of duplicate certificates etc., all of those were resolved to the satisfaction of the respective shareholders. Further, there are no pending investor's complaints.

Mr. Gopalakrishnan Ramachandran is the Company Secretary and Compliance Officer of the Company.

#### Investment & Finance Committee:

As of 31st March, 2018, 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 March 31, 2018:

Director	Number of meetings held	Number of meetings attended
Mr. Mohit Talwar	05	05
Mr. K. Narasimha Murthy	05	04
Mr. D.K. Mittal	05	04
Mr. Sahil Vachani	05	04

#### Corporate Social Responsibility Committee:

The Board of Directors in its meeting held on May 17, 2018 constituted a Corporate Social Responsibility ('CSR') Committee comprising of Mr. Mohit Talwar, Mr. D. K. Mittal and Mr. Sahil Vachani as its members. The Chairman of the CSR committee is elected by the members at the meeting. The responsibilities of this Committee includes formulation and recommendation to the Board a CSR Policy which shall indicate the activities to be undertaken by the company in line with the activities prescribed in Schedule VII to the Act for CSR activities, recommend the amount of expenditure to be incurred on the aforesaid activities, monitor the CSR Policy of the company from time to time and any other matter as may be delegated to the Committee from time to time.

#### Separate meeting of Independent Directors

The Independent directors had a separate meeting on 20th July, 2017 during the financial year 2017-18. Further, the Independent Directors had a separate meeting on 24th July, 2018 where the following agenda items were considered for FY2017-18, in terms of Schedule IV of the Act 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
- 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 familiarization programme is available at the following link of website of the Company <https://maxvil.com/shareholder-information/>.



## GENERAL MEETINGS

The details of Annual General Meetings held in the last 3 (three) years and Special Resolutions passed by the shareholders at the said meetings are as under:

Date and details of Annual General Meeting	Resolution No.	Special Resolution passed by the shareholders at the Annual General Meeting
September 27, 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 January 15, 2016 up to January 14, 2021 and approval of remuneration payable for the initial period of three years, i.e., effective January 15, 2016 until January 14, 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 Act.
	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 Act upto the limits approved under Section 180(1)(c) of the Act.
September 26, 2017  (The Second 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)	07	Approval for revision/payment of remuneration payable to Mr. Sahil Vachani, Managing Director & CEO for a period of three (3) years, i.e., from April 1, 2017 until March 31, 2020.

## POSTAL BALLOT AND POSTAL BALLOT PROCESS

During FY2018, the Company has passed following resolutions through postal ballot process:

Date of declaration of Postal Ballot Result	Resolution No.	Subject matter of the resolution(s)	Votes in favour of the resolution		Votes against the resolution	
			No. of votes	% of total votes	No. of votes	% of total votes
December 19, 2017	1	Approval for cancellation of Area Purchase Agreement entered between Piveta Estates Private Limited and Boulevard Projects Private Limited [Erstwhile Holding Company of Wise Zone Builders Private Limited, a step down wholly owned subsidiary of the Company].	1,81,70,415	98.9099	2,00,258	1.0901
	2	Approval for increase in the Authorised Share Capital and consequent alteration of the capital clause in the Memorandum of Association of the Company.	4,60,37,752	99.9957	1,965	0.0043

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 Act and applicable Rules. Further, the Company has also complied with other regulatory requirements for conducting such Postal Ballot as prescribed under the Act and Listing Regulations.

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 Mr. Nitin Kumar Kansal, Chief Financial Officer of the Company, after completion of the scrutiny and the results of voting by postal ballot were then announced

by the Chief Financial Officer of the Company. 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, and Desh Sewak. The results can also be accessed at the following link at Company's website <http://www.maxvil.com/financials/>. The official news releases and the presentations made to the investors / analysts (if any) are displayed on the Company's website.

## DISCLOSURES

### (a) Related party transactions

There are no materially significant related party transactions of the Company 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 June 22, 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 market from June 22, 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 FY2018. Mr. K. Narasimha Murthy is the common Independent Director for the Company and MSFL as on March 31, 2018. 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 'General 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 of 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 requirements 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 FY2018.

**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 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 lying at the beginning of the year.	2,317	1,17,159
2.	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year.	12	970
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	12	970
4.	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year.	2,305	1,16,189

Further the voting rights on the above-mentioned shares shall remain frozen till the rightful owner of such shares claims the shares.

For **Max Ventures and Industries Limited**

Place: Noida, U.P.  
Date : 10th August, 2018

**Sahil Vachani**  
Managing Director and CEO  
DIN: 00761695

**Mohit Talwar**  
Director  
DIN: 02394694

## ANNEXURE-I

### **Declaration signed by the Managing Director and Chief Executive Officer on Code of Conduct as required by 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, 2018 from all Directors and Senior Management Personnel of the Company.

For **Max Ventures and Industries Limited**

Place: Noida, U.P.  
Date: 10th August, 2018

**Sahil Vachani**  
Managing Director and CEO  
DIN: 00761695

## ANNEXURE-II

### CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To  
The Board of Directors,  
**Max Ventures and Industries Limited,**

We, Sahil Vachani, Managing Director & CEO and Nitin Kumar Kansal, Chief Financial Officer of Max Ventures and Industries 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 March 31, 2018 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: Noida, U.P.  
Date: 10th August, 2018

**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, 2018, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to 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 Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to 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

Place: New Delhi  
Date: 10th August, 2018

**Sanjay Grover**  
Managing Partner  
CP No.: 3850









# GENERAL SHAREHOLDER INFORMATION

# GENERAL SHAREHOLDER INFORMATION

<b>Registered Office:</b> 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr, Punjab – 144 533	<b>Investor Helpline:</b> Tel. No.: 0120-4743222 Fax: 0120-4743250 Email: investorhelpline@maxvil.com
<b>Registrar and Share Transfer Agent:</b> 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	<b>Annual General Meeting:</b> <b>Date and Time:</b> Tuesday, 25th September, 2018 at 1200 hrs. <b>Venue:</b> 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, 19th September, 2018 to Tuesday, 25th September, 2018 (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 – 2018-19:

1	First quarter results	By 10th August, 2018
2	Second quarter & half yearly results	By 13th November, 2018
3	Third quarter results	By 8th February, 2019
4	Annual results	By 30th May, 2019

## 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 2018-19.

## CONNECTIVITY WITH DEPOSITORIES:

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

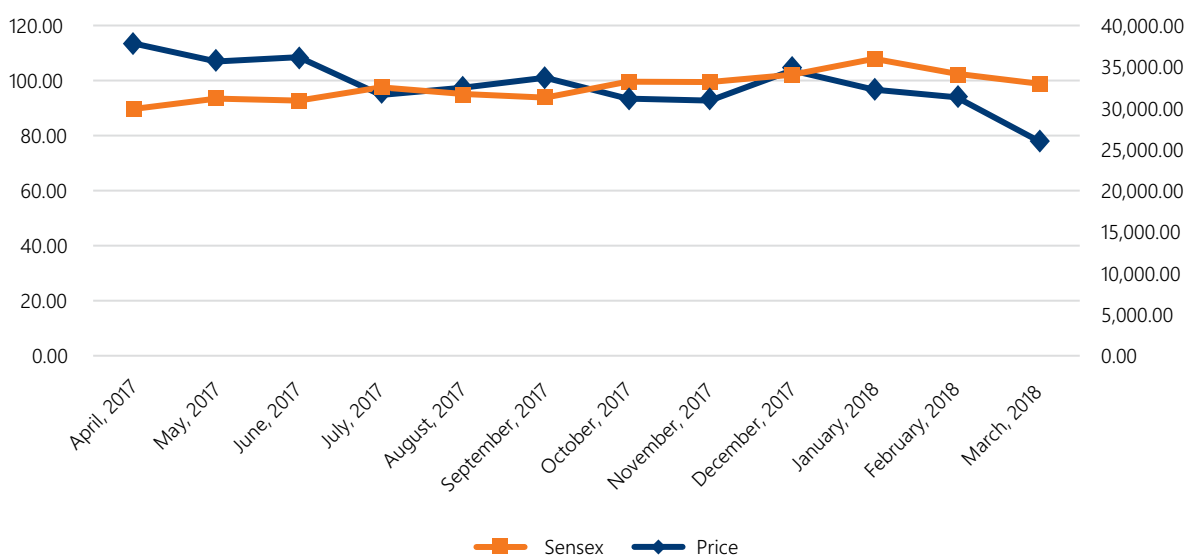
## STOCK CODE:

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	BSE		NSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2017	113.50	90.85	113.80	90.80
May, 2017	106.90	80.50	108.00	80.00
June, 2017	108.55	85.50	108.30	87.00
July, 2017	94.80	90.10	94.40	82.55
August 2017	97.40	77.70	97.40	77.50
September, 2017	101.00	85.35	100.90	85.50
October, 2017	93.50	81.85	91.65	81.45
November, 2017	92.75	77.05	92.40	77.85
December, 2017	103.75	82.85	104.00	82.80
January, 2018	96.75	80.00	96.95	79.75
February, 2018	94.00	73.00	93.85	73.50
March, 2018	78.05	64.75	78.25	65.00

### Sensex Vs. Share price





**EQUITY SHAREHOLDING PATTERN AS ON 31ST MARCH, 2018:**

Category	No. of shares held %	% of shareholding
Promoters	2,76,75,509	38.10
Mutual Funds and UTI	6,90,828	0.95
Banks, Financial Institutions	1,73,158	0.24
Trust	5,481	0.01
Alternate Investment Fund	4,00,000	0.55
Foreign Portfolio Investors	22,17,948	3.05
Foreign Direct Investment	1,55,23,870	21.37
Bodies Corporate	27,68,365	3.81
Non-Resident Indians	14,59,969	2.00
Clearing Members	4,75,856	0.66
Resident Individuals	2,12,57,121	29.26
<b>Total</b>	<b>7,26,48,105</b>	<b>100.00</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2018:**

No. of Shareholders	Percentage to Total	Shareholdings	No. of shares	Percentage to total
34,516	86.78	1 to 5,000	33,68,964	4.64
2,289	5.75	5,001 to 10,000	18,89,433	2.60
1,271	3.20	10,001 to 20,000	19,76,008	2.72
501	1.27	20,001 to 30,000	13,01,424	1.79
224	0.56	30,001 to 40,000	8,00,366	1.10
218	0.55	40,001 to 50,000	10,49,482	1.45
368	0.92	50,001 to 1,00,000	27,55,122	3.79
385	0.97	1,00,001 and above	5,95,07,306	81.91
<b>39,772</b>	<b>100.00</b>		<b>7,26,48,105</b>	<b>100.00</b>

**DEMATERIALISATION STATUS AS ON 31ST MARCH, 2018:**

- (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 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 DEMATERIALISED 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.

Pursuant to SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 08.06.2018, a major amendment has been brought in Listing Regulations namely SEBI Listing Regulations (Fourth Amendment) Regulations, 2018.

As per the notification, transfer of securities shall not be processed unless securities are held in dematerialized form with a depository. This notification will be effective from 180th day from the date of this notification. In other words, request for transfer of shares held in physical form will not be processed w.e.f. 04.12.2018 and it shall be mandatory to demat the securities for getting the shares transferred.

We therefore request all the shareholders, holding shares in physical form to dematerialised their shareholding with the Depository Participants of their choice.

## DIVIDEND

The year under review was the third financial year of the Company's operations. Therefore, considering the the future business plans of the Company, the Board of Directors did not recommend any dividend for the year ended March 31, 2018, 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 May 25, 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 and Desh Sewak. The financial results, press releases and presentations (if any) are regularly displayed on the company's website i.e. [www.maxvil.com](http://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 Person

Mr. Sharwan Mangla  
Tel No.: 011-26387281/82/83  
Fax No.: 011 – 26387384  
E-mail: [info@masserv.com](mailto: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. Gopalakrishnan Ramachandran  
Tel. No.: 0120-4743222, Fax: 0120- 4743250  
E-mail: [gopalakrishnan@maxvil.com](mailto:gopalakrishnan@maxvil.com)

Please visit us at [www.maxvil.com](http://www.maxvil.com) for financial and other information about your Company.

For **Max Ventures and Industries Limited**

### Sahil Vachani

Managing Director & CEO  
DIN: 00761695

### Mohit Talwar

Director  
DIN: 02394694

Place: Noida, U.P.  
Date: 10th August, 2018





# FINANCIAL REVIEW

# BOARD'S REPORT

**Dear Members,**

Your Directors have pleasure in presenting their 3<sup>rd</sup> Board's Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2018. The Consolidated Performance of the Company and its subsidiaries has been referred to wherever required.

Pursuant to section 133 of the Companies Act, 2013 ('Act') read with Rule 4(1)(iii) of Companies (Indian Accounting Standards) Rules, 2015, Indian Accounting Standards ('IND AS') become applicable to the Company effective from FY 2017-18 and accordingly the Financial Statements for the year ended and as on March 31, 2018 have been prepared in accordance with IND AS. The Company is in Phase-2 of IND AS adoption, accordingly date of transition is April 1, 2016.

## Standalone Financial Results

The Standalone financial performance of your Company for the third financial year ended March 31, 2018 is summarized below:

₹ in Lakhs		
Particulars	From April 01, 2017 to March 31, 2018	From April 01, 2016 to March 31, 2017
<b>Income</b>		
Revenue from Operations	2,887.11	1,482.44
Other Income	7,525.47	6.96
<b>Total Revenues (I)</b>	<b>10,412.58</b>	<b>1,489.40</b>
<b>Expenditure</b>		
Employee benefits expense	663.15	621.46
Finance costs	1.03	208.61
Depreciation and amortization expense	12.98	5.22
Other expenses	2,055.45	919.15
<b>Total Expenses (II)</b>	<b>2,732.61</b>	<b>1,754.44</b>
<b>Profit/(Loss) before Tax (I)-(II)</b>	<b>7,679.97</b>	<b>(265.04)</b>
Tax expense	1,679.26	21.49
<b>Profit/(Loss) after Tax</b>	<b>6,000.71</b>	<b>(286.53)</b>

## Consolidated Financial Results

The Consolidated financial performance of your Company and its subsidiaries for the third financial year ended March 31, 2018 is summarized below:

₹ in Lakhs		
Particulars	From April 01, 2017 to March 31, 2018	From April 01, 2016 to March 31, 2017
<b>Income</b>		
Revenue from Operations	73,891.73	71,953.81
Other Income	1,139.76	1,200.55
<b>Total Revenues (I)</b>	<b>75,031.49</b>	<b>73,154.36</b>
<b>Expenditure</b>		
Cost of raw materials consumed	58,439.97	52,635.83
Change in inventories of finished goods, traded goods and work in progress	(6,111.79)	(6,089.89)
Excise duty on sale of goods	1,402.25	5,808.50
Employee benefits expense	4,120.84	4,171.02
Finance costs	2,301.99	3,275.99
Depreciation and amortization expense	2,288.50	2,028.43
Other expenses	11,474.73	12,155.89
<b>Total Expenses (II)</b>	<b>73,916.49</b>	<b>73,985.77</b>



Particulars	From April 01, 2017 to March 31, 2018	From April 01, 2016 to March 31, 2017
<b>Profit/(Loss) before Tax (I)-(II)</b>	<b>1,115.00</b>	<b>(831.41)</b>
Attributable Tax expense	779.44	(166.73)
<b>Profit/(Loss) after Tax</b>	<b>335.56</b>	<b>(664.68)</b>
<b>Attributable to:</b>		
Equity holders of parent	370.35	(669.50)
Non-controlling interest	(34.79)	4.82

### Company's Performance / Operations

In Financial Year 2017-18, the Company reported Consolidated Revenues from operations of Rs. 75,031.49 lakhs and a Profit of Rs. 335.56 lakhs. The Company's flagship business Max Speciality Films Limited accounted for Rs. 68,236.47 lakhs in revenues.

### Dividend

Considering the future business plans of the Company, the Board of Directors of the Company do not recommend dividend for the year ended March 31, 2018, on the equity share capital of the Company.

### Transfer to Reserves

Consequent to the Preferential issue of equity shares and on account of issuance of Employee Stock Option an amount of Rs. 2,345.24 Lakhs and Rs. 32.61 Lakhs, 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.

### Share Capital and allotment of shares

During the year under review, the members through Postal Ballot Process on December 19, 2017 increased the authorized share capital of the Company from 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 to Rs. 1,50,00,00,000 (Rupees One Hundred and Fifty Crores Only) divided into 15,00,00,000 (Fifteen Crores) equity shares of Rs. 10/- (Rupees ten only) each.

Further, 6,780 (Six Thousand Seven Hundred and Eighty) and 2,14,553 (Two Lakhs Fourteen Thousand Five Hundred and Fifty-Three) equity shares of Rs. 10/- (Rupees ten only) each of the Company were allotted on April 20, 2017 and August 21, 2017 respectively for cash at par/premium arising from the exercise of Stock Options granted to Stock Option holders under "Max Ventures and Industries Employee Stock Plan – 2016".

The Paid up Equity Share Capital of the Company as on March 31, 2018 is Rs. 72,64,81,050 (Rupees Seventy-Two Crores Sixty Four Lakhs Eighty-One Thousand and Fifty only) comprising of 7,26,48,105 (Rupees Seven Crores Twenty Six Lakhs Forty Eight Thousand and One Hundred and Five only) 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, 2018 and the date of this report are as under:

4,880 (Four Thousand Eight Hundred and Eighty) equity shares of Rs. 10/- (Rupees Ten only) each of the Company were allotted on April 11, 2018 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, 7,37,53,787 (Seven Crores Thirty-Seven Lakhs Fifty-Three Thousand Seven Hundred and Eighty Seven) equity shares of face value of Rs. 10/- (Rupees ten only) each of the Company were allotted to the eligible shareholders of the Company on August 10, 2018 in terms of the Letter of Offer dated June 29, 2018 and persons who have acquired the Rights Equity Shares entitlement from the Eligible Shareholders, at an issue price of Rs. 61 (Rupees sixty one only) per Rights Equity Share (including a premium of Rs. 51 (Rupees fifty one only) per equity share) as per the Basis of Allotment approved by the Designated Stock Exchange.

Consequently, the Paid- up Equity Share Capital of the Company as on the date of this report is Rs. 146,40,67,720 (Rupees One Hundred and Forty Six Crores Forty Lakhs Sixty-Seven Thousand Seven Hundred and Twenty only) comprising of 14,64,06,772 equity shares of Rs. 10/- (Rupees Ten only) each.

### Extracts of Annual Return

An extract of the Annual Return as at March 31, 2018 in prescribed Form MGT-9 forms part of this report as 'Annexure – 1'.

## Employee Stock Option Plan

Till date, the Company under its "Max Ventures and Industries Employee Stock Plan – 2016" ('ESOP Plan') issued and allotted 2,83,421 (Two Lakhs Eighty Three Thousand Four Hundred and Twenty-One) equity shares of Rs. 10/- (Rupees Ten only) each of the Company for cash at par/premium arising from the exercise of Stock Options granted to Stock Option holders under the ESOP Plan.

Pursuant to the 'Employee Phantom Scheme 2017' ("EPS"), approved by the Board on February 17, 2017, the eligible employees of our Company were granted notional stock appreciation right (SAR) units at a predetermined grant price. Such eligible employees were to receive cash payment for appreciation in the share price over the grant price for the awarded SAR unit, based on the performance criteria achieved by the Company. Certain Key Management Personnel were granted 1,72,761 SAR units as per the EPS out of which 1,44,333 units are unvested and 28,428 units are vested.

Further, pursuant to the approval of Nomination and Remuneration Committee of our Board, in its meeting held on March 23, 2018, certain Key Management Personnel were granted 1,93,570 units under ESOP Plan effective April 1, 2018 under which, all unvested units i.e. 1,44,333 units under EPS stand converted into ESOP grants. Thus, status of vested units i.e. 28,428 units under EPS remains unchanged.

Details of options granted upto March 31, 2018 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 2017-18 are enclosed as '**Annexure-2**' to this report.

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

**Issue of shares on Rights Issue Basis** – The Board of Directors of the Company in their meeting held on January 15, 2018 announced the raising of funds by way of offer and issue of equity shares to the existing members of the Company on rights basis for an amount aggregating upto Rs. 450 Crores ("Issue"). In pursuance to the Issue, the Company had issued 7,37,53,787 (Seven Crores Thirty Seven Lakhs Fifty Three Thousand Seven Hundred and Eighty Seven) equity shares of face value of Rs. 10 (Rupees Ten only) each for cash at a price of Rs. 61 (Rupees Sixty One only) per rights equity share including a premium of Rs. 51 (Rupees Fifty One only)

per rights equity share aggregating to Rs. 44,989.81 lakhs on a rights basis in the ratio of 67 rights equity share for 66 fully paid-up equity shares held by the eligible shareholders of our Company on the record date, that is June 22, 2018.

The Company has allotted 7,37,53,787 equity shares of face value of Rs. 10 each for cash at a price of Rs. 61 per rights equity share to the eligible shareholders on August 10, 2018.

**Launch of Line 5 by Max Speciality Films Limited (MSFL), a subsidiary of the Company** – MSFL, one of India's leading manufacturers of BOPP packaging films, launched its fifth BOPP films manufacturing line (Line 5) which significantly increased its capacity from 46.35 Kilo Tonnes Per Annum (KTPA) to 80.85 KTPA. MSFL's Line 5 is designed to meet trends for recyclability, ultra-high barriers and print receptivity. The line will be able to manufacture thicker films with advanced properties making it environment-friendly since it is conducive to recycling and reducing the usage of plastic per pack.

## Subsidiaries, Joint Ventures and Associates

During the year under review, Max Estates Limited, a wholly owned subsidiary of the Company had acquired Wise Zone Builders Private Limited on April 29, 2017. As on March 31, 2018, your Company has following subsidiaries:

- (i) Max Speciality Films Limited;
- (ii) Max Estates Limited;
- (iii) Max I. Limited;
- (iv) Max Learning Limited; and
- (v) Wise Zone Builders Private Limited

The Company do not have any associate company.

The relevant details of Max Speciality Films Limited, Max Estates Limited, Max I. Limited, Max Learning Limited and Wise Zone Builders Private 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 statements 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, (Act) 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 (Listing Regulations). 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 Listing Regulations and a certificate from the Managing Director and Chief Financial Officer on compliance of Part B of Schedule II of Listing Regulations forms part of the Corporate Governance Report.

### **Management Discussion & Analysis**

In terms of Regulation 34 of Listing Regulations, 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, 2018, your Board of Directors comprised of eight members with one Executive Director and seven Non-Executive Directors out of which four were independent.

During the financial year under review, Mrs. Sujatha Ratnam resigned from the position of Additional

Director on June 28, 2017. The Board places on record its appreciation for the valuable contributions made by her during her association with the Company.

Further, on July 24, 2018 Mrs. Sujata Keshavan Guha resigned from the position of Independent Director of the Company. The Board places on record its appreciation for the valuable contributions made by her during her association with the Company.

In terms of Section 152 of the Act and the Articles of Association of the Company, Mr. Analjit Singh and Mr. Arthur Seter Harutyun are eligible to retire by rotation in the ensuing Annual General Meeting and offer themselves for re-appointment.

### **Board Meetings**

The Board of Directors met 9 (Nine) times during the period from April 01, 2017 till March 31, 2018. The meeting details are provided in the Corporate Governance Report which forms part of this Annual Report.

### **Statement of Declaration by Independent Directors**

In terms of Section 149(6) of the Act and Regulation 25 of Listing Regulations, the Company has received declaration of Independence from all Independent Directors namely Mr. Kummamuri Narasimha Murthy, Mr. Dinesh Kumar Mittal, 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. Nitin Kumar Kansal is the Chief Financial Officer and Mr. Gopalakrishnan Ramachandran is the Company Secretary of the Company.

During the year under review, Mr. Alok Goel resigned from the position of Company Secretary w.e.f. October 03, 2017. Mr. Gopalakrishnan Ramachandran was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. January 15, 2018.

### **Committees of Board of Directors**

During the year ended March 31, 2018, the Company has four committees of Board of Directors of the Company viz. Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee and Investment & Finance Committee 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.

The Board in its meeting held on May 17, 2018 constituted a Corporate Social Responsibility ('CSR') Committee which in its first meeting held on July 24, 2018 formulated a CSR Policy and identified the activities to be undertaken by the Company in line with the activities prescribed in Schedule VII to the Act, for CSR activities. The CSR policy of the Company is available on Company's website at <https://www.maxvil.com/shareholder-information/>.

A detailed note on Board and Committees composition, its terms of references are provided in the Corporate Governance Report which forms part of this Annual Report.

### Independent Directors' Meeting

All the independent Directors had a separate meeting on July 20, 2017 during the Financial Year 2017-18. Further, all the Independent Directors excluding Mrs. Sujata Keshavan Guha (who was granted Leave of absence) met on July 24, 2018, *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 Listing Regulations and Section 134 of the Act 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 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 at <https://www.maxvil.com/shareholder-information/>.

### 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 in accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 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 35 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 Act 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 Listing Regulations 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 <https://www.maxvil.com/shareholder-information/>.

### 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 which forms 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's website at <https://www.maxvil.com/announcements/>.

### 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 at <https://www.maxvil.com/shareholder-information/>.

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 Act 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, 2018 are given below:

Total Foreign Exchange earned	:	Nil
Total Foreign Exchange used	:	Rs. 35.24 Lakhs

### Statutory Auditors and Auditors' Report

Pursuant to provisions of Section 139 and other applicable provisions, if any, of the Act, 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.

However, in view of the notification dated May 07, 2018 issued by the Ministry of Corporate Affairs, requirement for ratification of appointment of auditor by Shareholders has been done away.

The Company has received letter from M/s S.R. Batliboi & Co., LLP, Chartered Accountants, to the effect that ratification of their appointment as Statutory Auditors of the Company, if made, would be within the limits the prescribed limits under Section 139 of the Act and they are not disqualified for their appointment. Accordingly, the Board of Directors in its meeting held on May 17, 2018 ratified the appointment of M/s. S.R. Batliboi & Co., LLP, as Statutory Auditors of the Company for the financial year 2018-19.

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 Act 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 does not contain any qualification, reservation or adverse remarks.

### 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.

### Reporting of Frauds by Auditors

During the year under review, neither the statutory auditors nor the internal auditors or secretarial auditors have reported to the Audit Committee under section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

### Cost Records

During the year under review, the provisions of section 148(1) of the Act relating to maintenance of cost records does not apply to 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 effectiveness were observed.

Further, the testing of such controls was also carried out independently by the Statutory Auditors for FY 2017-18.

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.

### Secretarial Standards

The Company complies with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

### Directors' Responsibility Statement

In terms of Section 134(3)(c) of the Act 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, 2018 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

Pursuant to the provisions of Regulation 39 of the Listing Regulations, the Company has transferred the unclaimed equity shares aggregating to 1,17,159 Equity shares held by 2,317 shareholders on 18<sup>th</sup> July, 2017 in to 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 have not claimed their Share Certificates pertaining to the Equity Shares of the Face Value of Rs. 10/- each.

The details of Equity Shares held in the Unclaimed Suspense Account have been provided in the Corporate Governance Report which forms part of the Annual Report.

### 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**

**Sahil Vachani**  
Managing Director & CEO  
DIN: 00761695

Date: August 10, 2018  
Place: Noida, U.P.

**Mohit Talwar**  
Vice- Chairman  
DIN: 02394694

## ANNEXURE - 1

## FORM MGT-9

## Extract of Annual Return as on the financial year ended on March 31, 2018

[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
- 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  
Tel: +91 1881 462000; Fax: +91 1881 273607
- vi) Whether listed company : The Company is listed on BSE Limited and National Stock Exchange of India Limited 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 89.97% and 10.03% 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.

## II. 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, 2018, 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	<b>Max Speciality Films Limited</b> 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U24100PB2012PLC036981	Subsidiary	51%	2(87)(ii)
2	<b>Max Estates Limited</b> 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U70200PB2016PLC040200	Subsidiary	100%	2(87)(ii)
3	<b>Max I. Limited</b> 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U74999PB2016PLC045450	Subsidiary	100%	2(87)(ii)

Sl. No	Name and address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
4	<b>Max Learning Limited</b> 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshahr – 144533, Punjab	U74999PB2016PLC045648	Subsidiary	100%	2(87)(ii)
5	<b>Wise Zone Builders Private Limited</b> Max House, A-81, Sector -2, Noida, Gautam Buddha Nagar, UP 201301	U70109UP2016PTC087374	Subsidiary	100%	2(87)(ii)

### III. 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, 2017				No. of Shares held on March 31, 2018				% Change during the year
	Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
a)	Individual/HUF	1,257,523	-	1,257,523	1.82	1,257,523	-	1,257,523	1.73	(0.09)
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	22,969,092	-	22,969,092	33.30	26,417,986	-	26,417,986	36.36	3.06
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	24,226,615	-	24,226,615	35.12	27,675,509	-	27,675,509	38.09	3.06
<b>2</b>	<b>Foreign</b>									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter &amp; Promoter Group [(A) = (A)(1)+(A)(2)]</b>	24,226,615	-	24,226,615	35.12	27,675,509	-	27,675,509	38.09	3.06
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
a)	Mutual Funds	1,546,157	1,113	1,547,270	2.25	690,728	100	690,828	0.95	(1.30)
b)	Banks / FI	165,831	2,890	168,721	0.25	170,508	2650	173,158	0.24	(0.01)
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.	-	-	-	-	-	-	-	-	-

Sl. No.	Category of Shareholders	No. of Shares held on April 1, 2017				No. of Shares held on March 31, 2018				% Change during the year
	Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	9,150	9,150	0.01	-	-	-	-	(0.01)
g)	Foreign Portfolio Investors	2,637,029	-	2,637,029	3.82	1,631,686	-	1,631,686	2.25	(1.57)
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i)	Any other ( FDI)	15,523,870	-	15,523,870	22.51	15,523,870	-	15,523,870	21.37	(1.14)
	Any other (Foreign Institutional Investor)	210,937	-	210,937	0.31	986,262	-	986,262	1.36	1.05
	<b>Sub-total (B)(1)</b>	20,083,824	13,153	20,096,977	29.15	19,003,054	2,750	19,005,804	26.17	(2.98)
<b>2</b>	<b>Non-Institutions</b>									
<b>a)</b>	<b>Bodies Corp.</b>									
	i) Indian	3,287,696	14,816	3,302,512	4.79	2,663,525	11,595	2,675,120	3.68	(1.11)
	ii) Overseas					-	-	-	-	-
<b>b)</b>	<b>Individuals</b>									
	i) holding shares upto Rs.2 lakhs	11,370,195	420,534	11,790,729	17.09	13,376,209	291,529	13,667,738	18.81	1.72
	ii) holding shares above Rs.2 lakhs	7,447,717	-	7,447,717	10.80	7,415,057	117,159	7,532,216	10.37	(0.43)
<b>c)</b>	<b>NBFCs Registered with RBI</b>	26,500	-	26,500	0.03	93,245	-	93,245	0.13	0.10
<b>d)</b>	<b>Employees Trusts</b>	-	-	-	-	-	-	-	-	-
<b>e)</b>	<b>Any Others</b>									
	Non-Resident Indians	1,465,858	6,799	1,472,657	2.13	1,456,580	3,389	1,459,969	2.00	(0.13)
	Clearing Members	593,653	-	593,653	0.86	475,856	-	475,856	0.66	(0.20)
	Trusts	1,031	-	1,031	0.01	5,481	-	5,481	0.01	-
	Directors and Relatives	18,487	1,000	19,487	0.03	56,167	1,000	57,167	0.08	0.05
	<b>Sub-total (B)(2)</b>	24,211,137	443,149	24,654,286	35.73	25,542,120	424,672	25,966,792	35.74	0.01
	<b>Total Public Shareholding [(B)=(B)(1)+(B)(2)]</b>	44,294,961	456,302	44,751,263	64.88	44,545,174	427,422	44,972,596	61.91	(2.97)
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	68,521,576	456,302	68,977,878	100.00	72,220,703	427,402	72,648,105	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 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	Analjit Singh	1,175,357	1.70	-	1,175,357	1.62	-	(0.08)
2	Neelu Analjit Singh	20,000	0.03	-	20,000	0.03	-	-
3	Piya Singh	22,066	0.03	-	22,066	0.03	-	-
4	Veer Singh	20,100	0.03	-	20,100	0.03	-	-
5	Tara Singh Vachani	20,000	0.03	-	20,000	0.03	-	-
6	Max Ventures Investment Holdings Private Limited	13,105,500	19.00	-	13,105,500	18.04	-	(0.96)
7	Mohair Investment & Trading Co. Pvt. Ltd.	1,617,312	2.34	-	2,738,114	3.77	-	1.43
8	Boom Investments Pvt. Ltd.	1,120,802	1.62	-	-	-	-	(1.62)
9	Liquid Investment and Trading Company Pvt. Ltd.	4,763,774	6.91	-	4,763,774	6.56	-	(0.35)
10	Siva Enterprises Pvt. Ltd.	2,361,704	3.42	-	5,810,598	8.00	-	4.58
	<b>TOTAL</b>	<b>24,226,615</b>	<b>35.12</b>	<b>-</b>	<b>27,675,509</b>	<b>38.09</b>		2.97

## (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	1.70		
	Date wise increase / decrease	-	-	1,175,357	1.62
	At the end of year	1,175,357	1.62		
2	Neelu Analjit Singh				
	At the beginning of the year	20,000	0.03		
	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	0.03		
	Date wise increase / decrease	-	-	22,066	0.03
	At the end of year	22,066	0.03		

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
4	Veer Singh				
	At the beginning of the year	20,100	0.03		
	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	0.03		
	Date wise increase / decrease	-	-	20,000	0.03
	At the end of year	20,000	0.03		
6	Max Ventures Investment Holdings Private Limited				
	At the beginning of the year	13,105,500	19.00		
	Date wise increase / decrease	-	-	13,105,500	18.04
	At the end of year	13,105,500	18.04		
7	Mohair Investment & Trading Co. Pvt. Ltd.				
	At the beginning of the year	1,617,312	2.34		
	Date wise increase / decrease - Purchase of shares pursuant to Scheme*	1,120,802	1.54	27,38,114	3.77
	At the end of year	2,738,114	3.77		
8	Boom Investments Pvt. Ltd.				
	At the beginning of the year	1,120,802	1.62		
	Date wise increase / decrease - Transfer of shares to Mohair Investment & Trading Co. Pvt. Ltd.*	(1,120,802)	(1.54)	-	-
	At the end of year	0	0		
9	Liquid Investment and Trading Company Pvt. Ltd.				
	At the beginning of the year	4,763,774	6.91		
	Date wise increase / decrease	-	-	4,763,774	6.56
	At the end of year	4,763,774	6.56		
10	Siva Enterprises Private Limited				
	At the beginning of the year	2,361,704	3.42		
	Date wise increase / decrease - May 25, 2017 @ Conversion of warrants	3,448,894**	4.58	58,10,598	8.00
	At the end of year	5,810,598	8.00		

\* In terms of Order of the Hon'ble High Court of Delhi dated October 24, 2016, sanctioning the Scheme of Amalgamation ("Scheme"), Boom Investments Private Limited ("Transferor Companies") amalgamated into and with Mohair Investment and Trading Company Private Limited ("Transferee Company") w.e.f. December 12, 2016. Accordingly, the shares of Boom Investments Private Limited (Transferor Company) were transferred to Mohair Investment and Trading Company Private Limited (Transferee Company) in accordance with the Scheme.

\*\*Conversion of Warrants allotted on February 17, 2017.



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

S I. 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	01-04-2017	15,523,870	22.51			
	Date wise increase / decrease		-	-	-	15,523,870	21.37
	At the end of the year	31-03-2018	15,523,870	21.37			
2.	New York Life Insurance Company						
	At the beginning of the year	01-04-2017	1,030,821	1.49			
	Date wise increase / decrease		-	-	-	1,030,821	1.42
	At the end of the year	31-03-2018	1,030,821	1.42			
3.	India Insight Value Fund						
	At the beginning of the year	01-04-2017	204,000	0.28	Market Purchase		
	Date wise increase / decrease	07-04-2017	48,000	0.07		252,000	0.35
	- Market Purchase	14-04-2017	48,000	0.07		300,000	0.41
		28-04-2017	7,454	0.01		307,454	0.42
		05-05-2017	7,546	0.01		315,000	0.43
		12-05-2017	8,305	0.01		323,305	0.44
		26-05-2017	30,030	0.04		353,335	0.49
		23-06-2017	9,665	0.01		363,000	0.50
		07-07-2017	12,000	0.02		375,000	0.52
		14-07-2017	6,000	0.008		381,000	0.52
		04-08-2017	54,000	0.07		435,000	0.60
		11-08-2017	15,000	0.02		450,000	0.62
		25-08-2017	18,000	0.02		468,000	0.64
		30-09-2017	6,000	0.008		474,000	0.65
		17-11-2017	6,000	0.008		480,000	0.66
		23-02-2018	6,000	0.008		486,000	0.69
		23-03-2018	45,000	0.06		531,000	0.73
		30-03-2018	54,000	0.07		585,000	0.81
	At the end of the year	31-03-2018	585,000	0.81			
4.	Universal Golden Fund						
	At the beginning of the year	01-04-2017	275,000	0.38			
	Date wise increase / decrease						
	- Market Sale	05-05-2017	65,000		Market Sale	210,000	0.29
	- Market Purchase	26-05-2017	75,000		Market Purchase	285,000	0.39
	- Market Sale	16-06-2017	65,697		Market Sale	219,303	0.30
	- Market Purchase	11-08-2017	200,000		Market Purchase	419,303	0.58
	- Market Sale	15-09-2017	45,217		Market Sale	374,086	0.51
	- Market Purchase	10-11-2017	85,000		Market Purchase	459,086	0.63
	- Market Purchase	02-03-2018	89,000		Market Purchase	548,086	0.75
	At the end of the year	31-03-2018	548,086	0.75			
5.	Reliance Capital Trustee Co Ltd-A/C Reliance Capital Builder Fund 4 Sr C						
	At the beginning of the year	01-04-2017	-	-			
	Date wise increase / decrease						
	- Market Purchase	25-01-2018	460,000	0.63	Market Purchase	460,000	0.63
	At the end of the year	31-03-2018	460,000	0.63			

S I. 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
6.	Chetan Jayantil Shah						
	At the beginning of the year	01-04-2017	400,000	0.58			
	Date wise increase / decrease		-	-	-	400,000	0.55
	At the end of the year	31-03-2018	400,000	0.55			
7.	Bhadra Jayantil Shah						
	At the beginning of the year	01-04-2017	400,000	0.58			
	Date wise increase / decrease		-	-	-	400,000	0.55
	At the end of the year	31-03-2018	400,000	0.55			
8.	Mauryan First						
	At the beginning of the year	01-04-2017	482,100	0.66			
	Date wise increase / decrease - Market Sale	16-02-2018	82,100	0.47	Market Sale	400,000	0.55
	At the end of the year	31-03-2018	400,000	0.55			
9.	Arvind Khattar						
	At the beginning of the year	01-04-2017	-	-			
	Date wise increase / decrease - Market Purchase	15-12-2017	315,000	0.43	Market Purchase	315,000	0.43
	At the end of the year	31-03-2018	315,000	0.43			
10.	Kamlesh Navinchandra Shah						
	At the beginning of the year	01-04-2017	-	-			
	Date wise increase / decrease - Market Purchase	30-03-2018	274,800	0.38	Market Purchase	274,800	0.38
	At the end of the year	31-03-2018	274,800	0.38			

## (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	1.70		
	Date wise increase / decrease	-	-	1,175,357	1.62
	At the end of year	1,175,357	1.62		
2.	Mr. Mohit Talwar				
	At the beginning of the year	7,087	0.01		
	Date wise increase / decrease				
	- April 20, 2017*	4,780	0.006	11,867	0.02
	- August 21, 2017*	44,300	0.06	56,167	0.08
	At the end of year	56,167	0.08		
3..	Mr. K. Narasimha Murthy				
	At the beginning of the year	1,000	0.002		
	Date wise increase / decrease	-	-	1,000	0.002
	At the end of year	1,000	0.002		

\* Allotment of equity shares under ESOP scheme of the Company

**Note:**

1. No other director holds any share in the Company as on March 31, 2018.

**IV. INDEBTEDNESS:** Indebtedness of the Company including interest outstanding/accrued but not due for payment  
(₹ in Lakhs)

	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	-	-	8.78	5,600.00	7.97	5,616.76
ii) Interest due but not paid	-	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-	-
Total (i+ii+iii)	-	-	8.78	5,600.00	7.97	5,616.76
Change in Indebtedness during the financial year						
Addition	-	-	5.09	-	5.08	10.17
Reduction	-	-	5.16	5,600.00	6.93	5,612.09
Net Change	-	-	(0.07)	(5,600.00)	(1.85)	(5,601.92)
Indebtedness at the end of the financial year						
i) Principal Amount	-	-	8.71	-	6.12	14.84
ii) Interest due but not paid	-	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-	-
Total (i + ii + iii)	-	-	8.71	-	6.12	14.84

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

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

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

(in ₹)

Sl. No.	Particulars of Remuneration	Name of Managing Director
		Mr. Sahil Vachani
1.	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	2,14,09,825
	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	6,07,200
	- Medical reimbursements	15,000
	- Insurance Premium	33,528
	<b>Total (A)</b>	<b>2,21,05,153</b>
	Ceiling as per the Act	<b>4,80,00,000</b>

**Notes:**

- 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 ₹)

Sl. No.	Particulars of remuneration	Name of Directors				Total Amount
1.	<b>Independent Directors</b>	<b>Mr. K. N Murthy</b>	<b>Mr. D. K. Mittal</b>	<b>Mr. Ashok Kacker</b>	<b>Mrs. Sujata Keshavan</b>	
	a) Fee for attending Board/ Committee meetings	20,00,000	22,00,000	26,00,000	4,00,000	72,00,000
	b) Commission	-	-	-	-	-
	c) Others	-	-	-	-	-
	TOTAL (1)	20,00,000	22,00,000	26,00,000	4,00,000	72,00,000
2.	<b>Other Non-Executive Directors</b>	<b>Mr. Analjit Singh</b>	<b>Mr. Mohit Talwar</b>	<b>Mr. Arthur H. Seter</b>	<b>Ms. Sujatha Ratnam</b>	
	a) Fee for attending Board/ Committee meetings	3,00,000	31,00,000	-	1,00,000	35,00,000
	b) Commission	-	-	-	-	-
	c) Others	-	-	-	-	-
	TOTAL (2)	3,00,000	31,00,000	-	1,00,000	35,00,000
	TOTAL B = (1+2)					1,07,00,000

**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 ₹)

Sl. No.	Particulars of Remuneration	Name of KMP		
		Mr. Alok Goel* (Company Secretary)	Mr. Nitin Kumar Kansal # (Chief Financial Officer)	Mr. Gopalakrishnan Ramachandran** (Head – Legal and Company Secretary)
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	45,92,906	64,10,688	10,73,964
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-
	c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	• As % of profit	-	-	-
	• Others, specify	-	-	-
5.	Others, please specify			
	- Company contribution to PF	2,09,442	4,20,900	48,929
	- Medical reimbursements	7,644	15,000	3,123
	- Insurance Premium	21,107	74,698	13,686
	<b>Total</b>	<b>48,31,099</b>	<b>69,21,286</b>	<b>11,39,702</b>

\*Ceased to be a Key Managerial Personnel of the Company w.e.f. October 03, 2017.

# LTIP aggregating to Rs. 6,98,880 is not included in remuneration paid.

\*\*Appointed as a Key Managerial Personnel of the Company w.e.f. January 15, 2018.

VI. **PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:** NONE

## Annexure-2

**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 2017-18****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. 30.3 of Standalone Financial Statements for the year ended March 31, 2018.

**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**

8.23

**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. During the year under review, 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. During the year under review, the Company has not granted any Employee Stock options.

**iv. Option movement during the year**

Number of options outstanding at the beginning of the period	4,43,503
Number of options granted during the year	1,93,570*
Number of options forfeited / lapsed during the year	-
Number of options vested during the year	2,21,333
Number of options exercised during the year	2,21,333
Number of shares arising as a result of exercise of options	2,21,333
Money realized by exercise of options (INR), if scheme is implemented directly by the company	48,72,830
Loan repaid by the Trust during the year from exercise price received	Not applicable the ESOP plan is not administered by trust.
Number of options outstanding at the end of the year	2,22,170

\* Grant of stock options on April 01, 2018 which was approved by the Nomination and Remuneration committee in its meeting held on March 23, 2018.

- v. **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**

N.A.\*

\* The Company has not granted any options during the year ended March 31, 2018.

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

- a) Senior Managerial Personnel

Name of Employee	Designation	No. of Options Granted	Exercise Price
Mr. Rohit Rajput*	Head- HR and Business Strategy	1,10,205	66.40
Mr. Nitin Kumar Kansal*	Chief Financial Officer	83,365	66.40

\* Grant of stock options on April 01, 2018 which was approved by the Nomination and Remuneration committee in its meeting held on March 23, 2018.

- 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

- vii. **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 model	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*

\*During the year under review, the Company has not granted any Employee Stock options.



## ANNEXURE – 3

**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.

## ANNEXURE – 4

**DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER  
SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 15(1) OF THE COMPANIES  
(APPOINTMENT 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	5.9

- (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. Nitin Kumar Kansal, Chief Financial Officer	10.5%
Mr. Gopalakrishnan Ramachandran, Head – Legal and Company Secretary*	-

\*not eligible for increment in this performance appraisal cycle, since he joined on 15<sup>th</sup> January 2018.

Note: % increase in remuneration refers to increase in fixed salary as per the appraisal process.

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

10.8% (on fixed salary)

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

As on March 31, 2018: 10 (ten)

- (e) Average percentile increase already made in the salaries of 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 10.8% (on the fixed salary). 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 2017-18, is as per the Remuneration Policy of the Company.**

During Financial Year 2017-18, the Company did not have any employee who received remuneration in excess of Director(s) and held 2% or more of 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 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	35	2,21,05,153	B.Sc. (Management Sciences)	16	15-Jan-16	Siva Reality Ventures Pvt. Ltd.

**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.	Rohit Rajput	Head - Human Capital & Business Strategy	40	93,31,520	Post Graduate Programme in Management, B.E. (Mechanical)	17	13-Oct-16	Hay Group
2.	Nitin Kumar Kansal#	Chief Financial Officer	42	69,21,286	Chartered Accountant	17	15-Jan-16	Max India Limited
3.	Alok Goel*	Assistant Vice President - Legal & Secretarial	46	48,31,099	LLB, CS, B.Sc, ICWAI (Intermediate), Diploma in Systems Management	20	15-Jan-16	Max India Limited
4.	Dinker Vashisht**	General Manager	38	45,72,962	Post Graduate Programme in Management, General Manager Leadership Program	16	6-Jan-16	Max India Limited
5.	Shruti Batish	Senior Manager - Legal	34	25,49,327	Masters in Business Law, LLB	9	4-Jan-16	Siva Reality Venture Pvt. Ltd.
6.	Rohit Malhotra	Manager - Finance & Accounts	32	21,24,738	Chartered Accountant; B.Com. (Hons.)	10	24-Jun-16	DCM ShriRam Ltd.
7.	Akshay Kumar Bhardwaj	Executive Assistant cum Business Manager	33	21,05,237	Masters in International Finance, B.E.	12	18-Jul-16	EFS Facilities Services India Pvt. Ltd.
8.	Kirat Brar	Senior Manager - Human Capital	30	19,18,941	Master of Business Administration (Human Resources), B.Com. (Hons.)	8	30-Aug-18	Religare Finvest Ltd.
9.	Archit Goyal	Senior Manager - Finance & Accounts	29	11,74,211	Master's in Business Finance, CA, B.Com. (Hons.)	7	22-Sep-18	Healthfore Technologies Limited
10.	Gopalakrishnan Ramachandran##	Head - Legal and Company Secretary	34	11,39,702	CS, LLB, B.Com. (Hons.)	11	15-Jan-18	DSM India Private Limited
11.	Manvendra Singh Gurjar	Manager - Government Relations	34	7,41,965	LLB, B.Sc. (Zoology)	9	3-Jul-17	Essence of Nature

**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. #LTIP aggregating to Rs. 6,98,880 is not included in remuneration paid.
5. \*Ceased to be an employee w.e.f. October 3, 2017.
6. \*\*Ceased be an employee w.e.f. March 13, 2018.
7. ##Appointed/designated as Company Secretary w.e.f. January 15, 2018.
8. During FY 2017-18, 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.

## ANNEXURE – 5

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018

[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**  
(CIN: L85100PB2015PLC039204)  
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 31<sup>st</sup> March, 2018 ("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 31<sup>st</sup> March, 2018 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 which is in specialty packaging films business, Max Estates Limited which is engaged in real estate construction and development business, Max I. Limited which is engaged in investing in early stage business in certain identified sectors such as healthcare, food and beverage services, hospitality and real estate technology, Max Learning Limited which is engaged in evaluating and exploring opportunities in the education business. Also, the Company has a step down wholly owned subsidiary Wise Zone Builders Private Limited, which is a wholly owned subsidiary of Max Estates Limited. As informed by the Management, there is no sector specific law 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 were 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) The Board of Directors of the Company at

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its Meeting held on 25<sup>th</sup> May, 2017, passed a resolution for allotment of 34,48,894 (Thirty Four Lakh Forty Eight Thousand Eight Hundred Ninety Four) equity shares of Rs.10/- (Rupees Ten Only) each to Siva Enterprises Private Limited, a promoter group entity consequent upon conversion of warrants;

- 2) The Board of Directors of the Company at its Meeting held on 15<sup>th</sup> January, 2018 passed a resolution for offering and issuing the equity shares to the existing members of the Company on rights basis (Right Issue) at such price and right entitlement ratio as may be decided by the Board for an amount aggregating upto Rs. 450 Crores;
- 3) The Company has entered into a definitive agreement dated 10<sup>th</sup> February, 2017 with Toppan Printing Co. Limited, Japan ("Toppan") & Max Speciality Films Limited ("MSF"), which was a material subsidiary of the Company whereby Toppan was inducted as a Joint Venture Partner in MSF and the Company now holds 51% equity stake in MSF & the balance 49% is held by Toppan; and

- 4) The shareholders of the Company through postal ballot (Scrutinizer's Report dated 19<sup>th</sup> December, 2017) passed an Ordinary Resolution for increasing the Authorised Share Capital of the Company from the existing 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 to Rs.1,50,00,00,000/- (Rupees One Hundred and Fifty Crores Only) divided into 15,00,00,000 (Fifteen Crores) equity shares of Rs. 10/- (Rupees Ten Only) each, by creation of additional 4,00,00,000 (Four Crores) equity shares of Rs. 10/- (Rupees Ten Only) each.

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

10<sup>th</sup> August, 2018  
New Delhi

Devesh Kumar Vasisht  
Partner  
CP No.:13700



# **STANDALONE FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

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

## Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with [the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 of the standalone Ind AS financial statements 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the

Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Atul Seksaria**

Partner

Membership Number: 086370

Place of Signature: Gurugram

Date: May 17, 2018

**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDIT REPORT OF EVEN DATE**

- (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, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. Further, as per information and explanations given by the management, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits within the meaning of Section 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 provided fund, income-tax, value added tax, goods and service tax and other statutory dues applicable to it. The provisions relating to employees' state insurance, duty of custom, duty of excise, 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, value added tax, goods and service tax and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of excise, 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, value added tax, service tax, goods and service tax which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, duty of excise, duty of custom, cess are not applicable to the Company.
- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to bank. The Company did not have any outstanding dues from financial institution, debenture holders or Government.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by 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 by way of conversion of share warrants into equity 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. The maximum of the idle/ surplus funds invested during the year was Rs.12,036.15 lakhs of which Rs. Nil 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: Gurugram  
Date: May 17, 2018

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS 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")

We have audited the internal financial controls over financial reporting of Max Ventures and Industries Limited ("the Company") as of March 31, 2018 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, 2018, 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: Gurugram

Date: May 17, 2018



**BALANCE SHEET**

as at 31 March 2018

₹ in Lakhs

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	61.28	39.12	14.41
Intangible assets	4	6.50	4.09	-
Financial assets				
(i) Investments	5	27,920.62	23,061.40	16,704.95
(ii) Loans	6	37.15	33.27	550.06
(iii) Other bank balances	6	0.25	0.25	-
Deferred tax assets (net)	15	136.35	-	2.43
Other non-current assets	7	286.92	-	-
Non-Current tax assets	8	138.80	138.52	21.17
		<b>28,587.87</b>	<b>23,276.65</b>	<b>17,293.02</b>
<b>Current assets</b>				
<b>Financial assets</b>				
(i) Investments	9	4,613.00	12,293.39	-
(ii) Trade receivables		415.27	177.55	328.28
(iii) Loans		6,106.96	1,164.84	149.38
(iv) Cash and cash equivalents		56.98	51.33	1,126.37
(v) Other financial assets		59.82	105.99	47.29
Other current assets	10	65.80	72.16	23.08
		<b>11,317.83</b>	<b>13,865.26</b>	<b>1,674.40</b>
<b>TOTAL ASSETS</b>		<b>39,905.70</b>	<b>37,141.91</b>	<b>18,967.42</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11	7,264.81	6,897.79	5,339.68
Other equity	11	31,940.04	23,566.83	13,354.52
Money received against share warrants		-	672.53	-
<b>Total equity</b>		<b>39,204.85</b>	<b>31,137.15</b>	<b>18,694.20</b>
<b>Non-current liabilities</b>				
<b>Financial liabilities</b>				
(i) Borrowings	12	2.63	5.63	-
Long term provisions	13	16.55	11.82	2.96
Other non-current liabilities	14	19.98	-	-
Deferred tax liabilities (net)	15	-	19.52	-
		<b>39.16</b>	<b>36.97</b>	<b>2.96</b>

₹ in Lakhs

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Current liabilities</b>				
<b>Financial liabilities</b>	16			
(i) Borrowings		-	5,600.00	-
(ii) Trade payables		507.62	262.87	229.09
(iii) Other current financial liabilities		26.52	13.06	-
Other current liabilities	18	91.04	64.59	32.59
Short term provisions	17	36.51	27.27	8.58
		<b>661.69</b>	<b>5,967.79</b>	<b>270.26</b>
<b>TOTAL LIABILITIES</b>		<b>700.85</b>	<b>6,004.76</b>	<b>273.22</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>39,905.70</b>	<b>37,141.91</b>	<b>18,967.42</b>
		-		-
Summary of significant accounting policies	2			
Other notes on accounts	3-43			

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

**For and on behalf of the Board of Directors of Max Ventures  
and Industries Limited (Formerly Capricorn Ventures Limited)**

**per Atul Seksaria**  
Partner  
Membership Number: 086370

**Dinesh Kumar Mittal**  
(Director)  
DIN: 00040000

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

**Nitin Kumar Kansal**  
(Chief Financial Officer)

**Gopalakrishnan Ramachandran**  
(Company Secretary)

Place : Gurugram  
Date: 17<sup>th</sup> May , 2018

Place : New Delhi  
Date: 17<sup>th</sup> May , 2018

# STATEMENT OF PROFIT AND LOSS

## for the year ended 31 March 2018

₹ in Lakhs

	Notes	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>INCOME</b>			
Revenue from operations	19	2,887.11	1,482.44
Other income	20	7,525.47	6.96
<b>Total income</b>		<b>10,412.58</b>	<b>1,489.40</b>
<b>EXPENSES</b>			
Employee benefits expense	21	663.15	621.46
Finance costs	22	1.03	208.61
Depreciation and amortization expense	23	12.98	5.22
Other expenses	24	2,055.45	919.15
<b>Total expenses</b>		<b>2,732.61</b>	<b>1,754.44</b>
<b>Profit/(Loss) before tax</b>		<b>7,679.97</b>	<b>(265.04)</b>
<b>Tax expenses</b>	25		
- Current tax		1,834.35	-
- Adjustment of tax related to earlier years		0.77	-
- Deferred tax		(155.86)	21.49
<b>Total tax expense</b>		<b>1,679.26</b>	<b>21.49</b>
<b>Profit/(Loss) after tax</b>		<b>6,000.71</b>	<b>(286.53)</b>
<b>Other comprehensive income</b>			
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		(2.80)	1.32
Income tax effect		0.82	(0.46)
Other comprehensive income for the year, net of tax	26	<b>(1.98)</b>	<b>0.86</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>5,998.73</b>	<b>(285.67)</b>
<b>Earnings per equity share (Nominal Value of share Rs.10/-)</b>	27		
Basic (Rs.)		8.33	(0.52)
Diluted (Rs.)		8.23	(0.52)
Summary of significant accounting policies	2		
Other notes on accounts	3-43		

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

For and on behalf of the Board of Directors of Max Ventures  
and Industries Limited (Formerly Capricorn Ventures Limited)**Dinesh Kumar Mittal**

(Director)

DIN: 00040000

**Sahil Vachani**

(Managing Director &amp; CEO)

DIN: 00761695

**Nitin Kumar Kansal**

(Chief Financial Officer)

**Gopalakrishnan Ramachandran**

(Company Secretary)

Place : Gurugram

Date: 17<sup>th</sup> May, 2018

Place : New Delhi

Date: 17<sup>th</sup> May, 2018

# STANDALONE STATEMENT OF CHANGES IN EQUITY

## for year ended March 31, 2018

### a) Equity share capital

Particulars	Nos.	Rs. in Lakhs
<b>Shares of Rs. 10/- each, issued, subscribed and fully paid</b>		
<b>As at April 1, 2016</b>	<b>53,396,800</b>	<b>5,339.68</b>
Add: Equity share issued (refer note 39)	15,523,870	1,552.39
Add: Shares issued for stock options exercised during the year (refer note 11)	57,208	5.72
<b>As at March 31, 2017</b>	<b>68,977,878</b>	<b>6,897.79</b>
Add: Equity share issued (refer note 39)	3,448,894	344.89
Add: Shares issued for stock options exercised during the year (refer note 11)	221,333	22.13
<b>As at March 31, 2018</b>	<b>72,648,105</b>	<b>7,264.81</b>

### b) Other equity

₹ in Lakhs

Particulars	Reserves and surplus				Total equity
	Capital reserve (Refer note 11(ii))	Securities premium account (Refer note 11(ii))	Employee stock options outstanding (Refer note 11(ii))	Retained earnings (Refer note 11(ii))	
As at April 1, 2016	13,042.52	-	24.28	287.72	13,354.52
Profit/(Loss) for the year	-	-	-	(286.53)	(286.53)
Other comprehensive income for the year	-	-	-	0.86	0.86
Addition/deletion on equity shares issued (refer note 39(a) and 11)	-	10,556.24	6.67	-	10,562.91
Adjustment due to share issue expenses	-	(64.93)	-	-	(64.93)
Addition on equity shares issued under ESOP scheme (refer note 11)	-	6.67	(6.67)	-	-
As at March 31, 2017	13,042.52	10,497.98	24.28	2.05	23,566.83
Profit/(Loss) for the year	-	-	-	6,000.71	6,000.71
Other comprehensive income for the year	-	-	-	(1.98)	(1.98)
Addition on equity shares issued (refer note 39(b))	-	2,345.24	-	-	2,345.24
Addition on equity shares issued under ESOP scheme (refer note 11)	-	6.01	(6.01)	-	-
Addition/deletion on equity shares (refer note 11)	-	26.60	2.64	-	29.24
	<b>13,042.52</b>	<b>12,875.83</b>	<b>20.91</b>	<b>6,000.78</b>	<b>31,940.04</b>
Summary of significant accounting policies	2				
Other notes on accounts					

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

For and on behalf of the Board of Directors of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)

**Dinesh Kumar Mittal**

(Director)

DIN: 00040000

**Sahil Vachani**

(Managing Director & CEO)

DIN: 00761695

**Nitin Kumar Kansal**

(Chief Financial Officer)

**Gopalakrishnan Ramachandran**

(Company Secretary)

Place : Gurugram

Date: 17<sup>th</sup> May , 2018

Place : New Delhi

Date: 17<sup>th</sup> May , 2018

# CASH FLOWS STATEMENT

## for the year ended 31 March 2018

₹ in Lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax	7,679.97	(265.04)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	11.52	4.67
Amortization of intangible assets	1.46	0.55
Provision for doubtful debts	89.46	-
Provision for doubtful advances	769.96	-
Profit on sale of current investment	(728.52)	(13.67)
Fair value gain on financial instruments at fair value through profit or loss	(118.94)	(94.09)
Net loss on disposal of fixed asset	0.32	-
Gain on stake sale of subsidiary	(7,500.32)	-
Unwinding of interest on zero coupon non-convertible debentures	(505.88)	(191.45)
Unwinding of discount on security deposit	(3.81)	(3.02)
Interest income	(357.68)	(105.78)
Guarantee Fee	(21.06)	-
Finance costs (including fair value change in financial instruments)	1.00	208.44
<b>Operating profit before working capital changes</b>	<b>(682.52)</b>	<b>(459.39)</b>
<b>Working capital adjustments:</b>		
Movements in provisions	11.16	28.87
(Increase)/decrease in trade and other receivables and prepayments	(516.65)	12.73
Increase in trade and other payables	214.95	82.09
<b>Cash generated from operations</b>	<b>(970.06)</b>	<b>(335.70)</b>
Income tax paid	(1,831.93)	(117.36)
<b>Net cash flows used in operating activities</b>	<b>(2,801.99)</b>	<b>(453.06)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	7.51	-
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(33.00)	(34.02)
Loan repaid by subsidiaries	104.00	1,160.24
Loan given to subsidiaries	(5,702.72)	(1,552.23)
Interest received	196.32	32.37
Purchase of current investments in financial instruments	(24,100.00)	(14,261.13)
Proceeds from redemption of financial instruments	32,627.85	2,075.50
Acquisition of a subsidiary/investment in subsidiary	(13,052.62)	(6,165.00)
<b>Net cash flows from/(used) in investing activities</b>	<b>(9,952.66)</b>	<b>18,744.27</b>

₹ in Lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital including security premium	2,017.60	12,043.70
Proceeds from sale of stake in subsidiary	16,295.04	-
Proceeds from issuance of ESOP's including security premium	48.73	5.72
Proceeds from money received from share warrants	-	672.53
Interest paid	(1.00)	(208.44)
Repayments of short-term borrowings	(5,600.00)	(500.00)
Proceeds from short-term borrowings	-	6,100.00
Proceeds from long-term borrowings	5.09	10.00
Repayment of long-term borrowings	(5.16)	(1.22)
<b>Net cash flows (used)/from financing activities</b>	<b>12,760.30</b>	<b>18,122.29</b>
Net increase/(decrease) in cash and cash equivalents	5.65	(1,075.04)
Cash and cash equivalents at the beginning of the year	51.33	1,126.37
Cash and cash equivalents at year end	<b>56.98</b>	<b>51.33</b>
<b>Components of cash and cash equivalents :-</b>		
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b>Balances with banks:</b>		
On current accounts	56.89	50.86
Cash on hand	0.09	0.47
	<b>56.98</b>	<b>51.33</b>
Summary of significant accounting policies	2	
Other notes on accounts	3-43	

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

**For and on behalf of the Board of Directors of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)**

**Dinesh Kumar Mittal**  
(Director)  
DIN: 00040000

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

**Nitin Kumar Kansal**  
(Chief Financial Officer)

**Gopalakrishnan Ramachandran**  
(Company Secretary)

Place : Gurugram  
Date: 17<sup>th</sup> May, 2018

Place : New Delhi  
Date: 17<sup>th</sup> May, 2018

# NOTES TO FINANCIAL STATEMENTS

## for the year ended March 31, 2018

### 1 CORPORATE INFORMATION

Max Ventures and Industries Limited (the Company) is a company registered under Companies Act, 2013 and incorporated on January 20, 2015. The Company is primarily engaged in the business of making business investments and providing shared services to the group companies. The Company's shares got listed on National Stock Exchange and Bombay Stock Exchange as on June 22, 2016. Registered office of the Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab - 144533

The standalone financial statements were authorised for issue in accordance with a resolution by the Board of directors of the Company on May 17, 2018.

#### Significant accounting policies

### 2A BASIS OF PREPARATION

The Standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended. For all years up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statement of the Company prepared in accordance with IND AS notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended. Refer to note 36, 37 and 38 for information on adoption of IND AS. The Company is in Phase-2 of Ind-AS adoption, accordingly date of transition is April 1, 2016.

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

- (i) Certain financial assets and liabilities that are measured at fair value
- Financial Statement are presented in INR and all values are rounded to nearest Lakhs (INR 00,000) except when otherwise stated

### 2B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Current versus non-current classification

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

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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



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

**b. Property, Plant and Equipment**

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

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

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

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

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

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

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

<b>Assets</b>	<b>Useful lives estimated by the management (years)</b>
Furniture and fixtures	10 Years
Office equipment	3 - 5 Years
Computers	3- 6 Years
Vehicles	3 - 8 Years
Leasehold improvements	Over life of lease or life of asset whichever is less

**c. Intangible assets**

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemptions of IND AS 101 to continue the carrying value of all intangible assets as at the date of transition as its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the

related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 3-6 years.

**d. Impairment of non financial assets**

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

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

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

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



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

#### e. **Financial Instruments**

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

##### (i) **Financial assets**

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

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

#### **Initial recognition and measurement**

All financial assets (other than equity in subsidiaries) are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Equity investment in subsidiaries are recognised at cost. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The difference between the transaction amount and amortised cost in case of interest free loan to subsidiaries based on expected repayment period is considered as deemed investment.

#### **Subsequent measurement**

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

- (i) Debt instruments at amortized cost
- (ii) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

#### **Debt instruments at amortized cost**

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

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

#### **Debt instruments at Fair value through profit and loss**

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

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

#### **Equity investments of other entities**

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

#### **Derecognition**

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
  - (a) the Company has transferred the rights to receive cash flows from the financial assets or
  - (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

#### **Impairment of financial assets**

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

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

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade



receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for estimates. At every reporting date, the historical observed default rates are updated and changes in the estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analysed.

#### **Reclassification of financial assets**

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

#### **(ii) Financial liabilities**

##### **Initial recognition and measurement**

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

##### **Subsequent measurement**

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

##### **Trade Payables**

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

##### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial

date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### **Loans and borrowings**

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

#### **Derecognition**

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

#### **Offsetting of financial instruments**

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

#### **f. Investment in Subsidiaries**

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

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

#### **g. Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales tax/ Value added tax (VAT)/ GST (Goods and Service Tax) is not received by the Company on its own account. Rather, it is collected on value added to the commodity by the seller on behalf of the government. The following specific recognition criteria must also be met before revenue is recognized:

#### **Shared Service Income**

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

#### **Gain on sale of investments**

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

#### **Interest Income**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life



of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

### **Dividend Income**

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

## **h. Taxes: Taxes comprises current income tax and deferred tax**

### **Current income tax**

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

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

### **Deferred tax**

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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



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

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

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

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

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

Expenses and assets are recognised net of the amount of sales/ value added taxes/ GST (Goods and Service Tax) paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

#### **i. Borrowing costs**

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

#### **j. Leases**

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

#### **Company as a lessee**

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

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

**k. Provision and Contingent liabilities****Provisions**

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

**Contingent liabilities**

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

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

**l. 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**

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

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

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

- (i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.
- (ii) Net interest expenses or income

**Compensated Absences**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit .The Company measures the expected cost of such absences as the additional amount

that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the 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 Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

#### **Short-term obligations**

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

#### **Long term incentive plan**

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

#### **m. Share-based payments**

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

#### **Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or

is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

#### **Cash-settled transactions**

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model, further details of which are given in Note 30.4. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognized in employee benefits expense.

#### **n. Cash and cash equivalents**

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

#### **o. Earning per share**

Basic and anti/diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

#### **p. Foreign currencies**

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

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

#### *Measurement of foreign currency items at the balance sheet date*

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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

**q. Fair value measurement**

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. The management decided, after discussions with the Company's external valuers which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

The management in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

- Disclosures for valuation methods, significant estimates and assumptions ( note 32)
- Quantitative disclosures of fair value measurement hierarchy ( note 32)
- Investment in unquoted equity shares of subsidiary (note no 5)
- Financial instruments ( including those carried at amortised cost) (note 32)

## 2C SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

### Judgements

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

#### (a) Operating lease commitments - Company as lessee

The Company has taken various commercial properties on leases. the Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Refer note 28

### Estimates and assumptions

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

#### (a) Defined benefit plans

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 30.1

#### (b) Fair value measurement of financial instruments

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

fair value of financial instruments. The Company use Net asset value for valuation of investment in mutual fund. Refer note 32 related to fair valuation disclosures

**(c) Impairment of Financial assets**

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

**(d) Impairment of non-financial assets**

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

**(e) Share based payments**

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

**2 D Standards issued but not yet effective**

The standard issued, but not yet effective up to the date of issuance of the Company financial statements is disclosed below. The Company intends to adopt the standard when it becomes effective.

**a) Appendix B to IND AS 21, Foreign currency transactions and advance consideration:**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration.

If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.



The Appendix is effective for annual periods beginning on or after 1st April 2018. However, since the Company's current practice is in line with the interpretation, the Company does not expect any effect on its financial statements.

**b) IND AS 115 Revenue from Contracts with Customers:**

IND AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under IND AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IND AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Company. IND AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within IND AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying IND AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in IND AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of IND AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Company has established an implementation team to implement IND AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Upon adoption the Company expects there to be a change in the manner that variable consideration in certain revenue arrangements is recognized from the current practice of recognizing such revenue as the services are performed and the variable consideration is earned to estimating the achievability of the variable conditions when the Company begins delivering services and recognizing that amount over the contractual period. The Company also expects a change in the manner that it recognizes certain incremental and fulfilment costs from expensing them as incurred to deferring and recognizing them over the contractual period. A reliable estimate of the quantitative impact of IND AS 115 on the financial statements will only be possible once the implementation project has been completed.

**3. PROPERTY, PLANT AND EQUIPMENT (PPE)**

₹ in lakhs

	Office equipment	Furniture and fixture	Motor vehicles *	Computers and data processing units	Total
<b>At deemed cost</b>					
<b>As at April 1, 2016</b>	-	-	-	14.41	14.41
Additions	1.34	1.80	19.85	6.98	29.97
Disposals	-	-	-	0.59	0.59
<b>As at March 31, 2017</b>	1.34	1.80	19.85	20.80	43.79
Additions	0.66	1.74	36.61	2.50	41.51
Disposals	-	-	9.44	-	9.44
<b>As at March 31, 2018</b>	2.00	3.54	47.02	23.30	75.86
<b>Depreciation</b>					
<b>As at April 1, 2016</b>	-	-	-	-	-
Depreciation charge for the year	0.26	0.08	1.60	2.73	4.67
Disposals	-	-	-	-	-
<b>As at March 31, 2017</b>	0.26	0.08	1.60	2.73	4.67
Depreciation charge for the year	0.34	0.22	6.71	4.25	11.52
Disposals	-	-	1.61	-	1.61
<b>As at March 31, 2018</b>	0.60	0.30	6.70	6.98	14.58
<b>Net book value</b>					
<b>As at March 31, 2018</b>	1.40	3.24	40.32	16.32	61.28
<b>As at March 31, 2017</b>	1.08	1.72	18.25	18.07	39.12
<b>As at April 1, 2016</b>	-	-	-	14.41	14.41

\* Motor vehicles amounting to Rs. 20.19 lacs (March 31, 2017 - Rs. 13.46 lacs, April 1, 2016 - Rs. Nil) subject to charge against vehicle loan. Refer note no 12

**4. INTANGIBLE ASSETS**

₹ in lakhs

	Software licences	Total
<b>At deemed cost</b>		
<b>As at April 1, 2016</b>	-	-
Additions	4.64	4.64
Disposals	-	-
<b>As at March 31, 2017</b>	4.64	4.64
Additions	3.87	3.87
Disposals	-	-
<b>As at March 31, 2018</b>	8.51	8.51
<b>Amortization</b>		
<b>As at April 1, 2016</b>	-	-
Amortization	0.55	0.55
Disposals	-	-
<b>As at March 31, 2017</b>	0.55	0.55
Amortization	1.46	1.46
Disposals	-	-
<b>As at March 31, 2018</b>	2.01	2.01
<b>Net book value</b>		
<b>As at March 31, 2018</b>	6.50	6.50
<b>As at March 31, 2017</b>	4.09	4.09
<b>As at April 1, 2016</b>	-	-

**5. NON-CURRENT FINANCIAL ASSETS - INVESTMENTS**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>A. Investment carried at cost</b>			
<b>i) Unquoted equity shares</b>			
<b>Subsidiary Companies</b>			
<b>Max Speciality Films Limited (refer note 40)</b>	10,017.83	16,704.95	16,704.95
19,842,191 (March 31, 2017 - 33,449,500, April 1, 2016 - 33,449,500) Equity shares of Rs. 10 each fully paid up			
<b>Max Estates Limited</b>	800.00	800.00	-
8,000,000 (March 31, 2017 - 8,000,000, April 1, 2016 - Nil) Equity shares of Rs. 10 each fully paid up			
<b>Max Learning Limited</b>	205.00	205.00	-
2,050,000 (March 31, 2017 - 2,050,000, April 1, 2016 - Nil) Equity shares of Rs. 10 each fully paid up			
<b>Max I Limited</b>	5.00	5.00	-
50,000 (March 31, 2017 - 50,000, April 1, 2016 - Nil) Equity shares of Rs. 10 each fully paid up			
<b>ii) Investment in debentures of subsidiary companies</b>			
Investment in debentures (in nature of equity) of subsidiary companies (at cost)			
<b>Max Estates Limited</b>	9,000.00	-	-
9,000 (March 31, 2017 - Nil, April 1, 2016 - Nil) Zero Coupon Compulsory Convertible Debentures of Rs. 100,000 each fully paid up			
<b>iii) Investment in subsidiaries arising on account of fair valuation of debentures given below market rate</b>			
<b>Max I Limited</b>	3,002.62	2,095.76	-
Equity portion of 7,100 (March 31, 2017 - 5,155; April 1, 2016 - Nil) Zero Coupon Non Convertible Debentures of Rs. 100,000 each fully paid up (Net of deferred tax)			
<b>iv) Additional investment in Wise Zone Builders Private Limited *</b>	95.45	-	-
<b>B. Investment carried at amortised cost</b>			
<b>i) Investment in debentures of subsidiary companies (at amortised cost)</b>			
<b>Max I Limited (amortised cost)</b>	4,794.72	3,250.69	-
7,100 (March 31, 2017 - 5,155; April 1, 2016 - Nil) Zero Coupon Non Convertible Debentures of Rs. 100,000 each fully paid up #			
	<b>27,920.62</b>	<b>23,061.40</b>	<b>16,704.95</b>
Non-Current	<b>27,920.62</b>	<b>23,061.40</b>	<b>16,704.95</b>
<b>Aggregate value of unquoted investments</b>	<b>27,920.62</b>	<b>23,061.40</b>	<b>16,704.95</b>
<b>Aggregate value of quoted investments</b>	-	-	-

# Zero coupon compulsory convertible debentures remain outstanding as on the expiry of 24 months from the date of their issue and allotment shall be compulsory converted into 90,000,000 equity shares of each convertible debentures

\* Guarantee has been given by the Company on behalf of its step down subsidiary, Wise Zone Builders Private Limited for loan of Rs. 25,000 lakhs from IDFC Bank Limited and Rs. 1,600 lakhs from Axis Bank Limited (refer note 28)

**6. NON-CURRENT FINANCIAL ASSETS**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>6 i. Loans (amortized cost) (unsecured)</b>			
Security deposits	37.15	33.27	-
Loans to related parties (refer note 34(b)) *	-	-	550.06
	<b>37.15</b>	<b>33.27</b>	<b>550.06</b>
* Loan given to Max Speciality Films Limited at an interest rate between 11.00% to 13.50%. Loan is repayable after 5 years.			
<b>6 ii. Other bank balances</b>			
Deposits with remaining maturity for more than 12 months	0.25	0.25	-
	<b>0.25</b>	<b>0.25</b>	<b>-</b>

**7. OTHER NON-CURRENT ASSETS (UNSECURED CONSIDERED GOOD, UNLESS OTHERWISE STATED)**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid expenses*	286.92	-	-
	<b>286.92</b>	<b>-</b>	<b>-</b>

\* includes expenses incurred towards proposed rights issue

**8. NON-CURRENT TAX ASSETS**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Tax deducted at source recoverable	138.80	138.52	21.17
	<b>138.80</b>	<b>138.52</b>	<b>21.17</b>

**9. CURRENT FINANCIAL ASSETS**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(i) Current investment</b>			
<b>Quoted mutual funds (valued at Fair value through profit and loss)</b>			
<b>UTI Money Market Fund - Institutional</b>	1,898.88	201.85	-
Plan - Direct Growth Plan - Face value Rs. 1,000/- per unit fully paid (Units - 97,391.06, NAV - Rs. 1,949.74) (March 31, 2017 - Units - 11,064.87, NAV - Rs. 1,824.22, April 1, 2016 - Nil)			
<b>DSP Black rock Liquidity Fund</b>	-	2,566.96	-
Plan - Direct Fund Growth - Face value Rs. 1,000/- per unit fully paid (Units - Nil), (March 31, 2017 - Units - 110,369.86, NAV - Rs. 2,325.78, April 1, 2016 - Nil)			
<b>Invesco India Liquid Fund</b>	1,713.33	2,566.40	-
Plan - Direct Fund Growth - Face value Rs. 1,000/- per unit fully paid (Units - 71,625.62, NAV - Rs. 2,392.07) (March 31, 2017 - Units - 114,668.99, NAV - Rs. 2,238.10, April 1, 2016 - Nil)			

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>JM High Liquidity Fund</b>	1,000.19	2,567.12	-
Plan - Direct Growth - Face value Rs.1,000/- per unit fully paid (Units - 2,102,450.37 , NAV - Rs. 47.57) ( March 31, 2017 - Units - 5,767,025.53 , NAV - Rs. 44.51, April 1, 2016 - Nil)			
<b>Kotak Floater Short Term Fund</b>	-	2,566.93	-
Plan - Direct Fund Growth - Face value Rs. 1,000/- per unit fully paid (Units - Nil ) ( March 31, 2017 - Units - 96,161.91 , NAV - Rs. 2,669.38, April 1, 2016 - Nil)			
<b>Aditya Birla Sun Life Cash Plus</b>	0.60	1,824.13	-
Plan - Growth Direct Plan - Face value Rs. 1,000/- per unit fully paid (Units - 217.26 , NAV - Rs. 279.31) ( March 31, 2017 - Units - 698,079.95 , NAV - Rs. 261.31, April 1, 2016 - Nil)			
	<b>4,613.00</b>	<b>12,293.39</b>	<b>-</b>
<b>Aggregate value of unquoted investments</b>	-	-	-
<b>Aggregate value of quoted investments</b>	4,613.00	12,293.39	-
<b>(ii) Trade receivables #</b>			
<b>Unsecured :-</b>			
Trade receivables from related parties - considered good (refer note 34(b))	415.27	177.55	328.28
Trade receivables from related parties - considered doubtful (refer note 34(b))	89.46	-	-
Less: Impairment allowance for trade receivable considered doubtful (refer note 34(b))	(89.46)	-	-
	<b>415.27</b>	<b>177.55</b>	<b>328.28</b>

# Trade Receivables are non-interest bearing and average credit period is 60 days.

No trade or other receivable are due from directors or others officers of the Company either severally or jointly with any other person.

For terms and conditions relating to receivables from related parties, refer note 34(b)

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(iii) Loans ( Unsecured)</b>			
Loans to related parties - considered good (refer note 34(b)) *	5,807.77	942.05	-
Loans to related parties - considered doubtful (refer note 34(b)) *	733.00	-	-
Interest accrued on loans (refer note 34(b))	299.19	174.79	101.38
Interest accrued on loans - considered doubtful (refer note 34(b))	36.96	-	-
Security deposits to related parties (refer note 34(b))	-	48.00	48.00
Provision for doubtful loan and interest receivable (refer note 34(b))	(769.96)	-	-
	<b>6,106.96</b>	<b>1,164.84</b>	<b>149.38</b>

\* Loan given to related parties is repayable at interest rate 9.25% - 11.00%. It is repayable on demand

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(iv) Cash and cash equivalents</b>			
<b>Balances with banks:</b>			
On current accounts	56.89	50.86	326.02
Deposits with remaining maturity for less than 3 months	-	-	800.00
Cash on hand	0.09	0.47	0.35
	<b>56.98</b>	<b>51.33</b>	<b>1,126.37</b>

## Changes in liabilities arising from financing activities

Particulars	1-Apr-17	Cash flows	Other*	31-Mar-18
Current borrowings	5,600.00	(5,601.00)	1.00	-
Non- current borrowings ( including current maturities)	8.78	(0.07)	-	8.71
	-	-	-	-

\* Other includes Interest accrued during the financial year.

Particulars	1-Apr-16	Cash flows	Other*	31-Mar-17
Current borrowings	-	5,391.56	208.44	5,600.00
Non- current borrowings ( including current maturities)	-	8.78	-	8.78

\* Other includes Interest accrued during the financial year.

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(v) Other financial assets</b>			
Other receivables #	59.82	105.99	47.29
	<b>59.82</b>	<b>105.99</b>	<b>47.29</b>

# Other receivables includes Rs. 59.82 lakhs ( March 31, 2017 : Rs. 69.25 lakhs, March 31, 2016: Rs. 47.29 lakhs) from related parties. Refer note 34 (b)

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Break up of financial assets at amortised cost</b>			
<b>Non-current financial assets</b>			
Investments (refer note 5 (B))	4,794.72	3,250.69	-
Loans (refer note 6(ii))	37.15	33.27	550.06
Other bank balances (refer note 6(ii))	0.25	0.25	-
<b>Current financial assets</b>			
Trade receivables (refer 9(ii))	415.27	177.55	328.28
Loans (refer 9(iii))	6,106.96	1,164.84	149.38
Cash and cash equivalents (refer 9(iv))	56.98	51.33	1,126.37
Other current financial assets (refer 9(v))	59.82	105.99	47.29
	<b>11,471.15</b>	<b>4,783.92</b>	<b>2,201.38</b>

**10. OTHER CURRENT ASSETS (UNSECURED CONSIDERED GOOD, UNLESS OTHERWISE STATED)**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other advances :-			
Unsecured, considered good	3.24	4.68	15.20
Prepaid expenses	41.98	44.34	0.14
Balance with statutory authorities	20.58	23.14	7.74
	<b>65.80</b>	<b>72.16</b>	<b>23.08</b>

## 11. SHARE CAPITAL AND OTHER EQUITY

### (i) Equity share capital

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>a) Authorized share capital</b>			
150,000,000 (March 31, 2017 - 110,000,000; April 1, 2016 - 60,000,000) equity shares of Rs.10/- each	15,000.00	11,000.00	6,000.00
	<b>15,000.00</b>	<b>11,000.00</b>	<b>6,000.00</b>
<b>Issued, subscribed and fully paid-up</b>			
72,648,105 (March 31, 2017 - 68,977,878; April 1, 2016 - 53,396,800) equity shares of Rs.10/- each fully paid up	7,264.81	6,897.79	5,339.68
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>7,264.81</b>	<b>6,897.79</b>	<b>5,339.68</b>

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

₹ in lakhs

	March 31, 2018		March 31, 2017		April 1, 2016	
<b>Equity shares</b>	<b>No. of shares</b>	<b>₹ in lakhs</b>	<b>No. of shares</b>	<b>₹ in lakhs</b>	<b>No. of shares</b>	<b>₹ in lakhs</b>
At the beginning of the year	68,977,878	6,897.79	53,396,800	5,339.68	53,396,800	5,339.68
Add: Shares issued for stock options exercised (Refer note no 30.3)	221,333	22.13	57,208	5.72	-	-
Add: Shares issued during the year (Refer note no. 39)	3,448,894	344.89	15,523,870	1,552.39	-	-
<b>Outstanding at the end of the period</b>	<b>72,648,105</b>	<b>7,264.81</b>	<b>68,977,878</b>	<b>6,897.79</b>	<b>53,396,800</b>	<b>5,339.68</b>

### c) Terms and rights attached to equity shares

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

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

₹ in lakhs

Name of the Shareholder	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
<b>Equity shares of Rs. 10 each fully paid-up</b>						
New York Life International Holdings Limited	15,523,870	21.37%	15,523,870	22.51%	-	-
Max Ventures Investment Holdings Private Limited.	13,105,500	18.04%	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	6.56%	4,763,774	6.91%	-	-
Siva Enterprises Private Limited	5,810,598	8.00%	2,361,704	3.42%	-	-
GS Mace Holdings Limited	-	-	-	-	3,439,276	6.44%



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

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

The Company has issued 221,333 equity shares during the year ended March 31, 2018 and 57,208 Equity shares during the year ended March 31, 2017 on exercise of options granted under the Employee Stock Option Plan 2016 of Max Ventures and Industries Limited, for details refer note 30.3.

**f) Increase in Authorised Share Capital**

Pursant to shareholders approval in December 2017, the company has increased its authorised share capital from Rs. 11,000 lakhs to Rs. 15,000 lakhs

**(ii) Other equity**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital reserve (refer note a below)	13,042.52	13,042.52	13,042.52
Securities premium (refer note b below)	12,875.83	10,497.98	-
Employee stock options outstanding (refer note c below)	20.91	24.28	24.28
Retained earnings (refer note d below)	6,000.78	2.05	287.72
	<b>31,940.04</b>	<b>23,566.83</b>	<b>13,354.52</b>
Notes:			
<b>a) Capital reserve</b>			
Balance as at beginning of the year/period	13,042.52	13,042.52	13,042.52
	<b>13,042.52</b>	<b>13,042.52</b>	<b>13,042.52</b>
<b>b) Securities premium</b>			
At the beginning of the year	10,497.98	-	-
Add: premium on Preferential issue of equity shares (refer note 39)	2,345.24	10,556.24	-
Add: premium on issue of employee stock options	26.60	-	-
Add: transferred from employee stock options outstanding	6.01	6.67	-
Less: share issue expenses	-	(64.93)	-
	<b>12,875.83</b>	<b>10,497.98</b>	<b>-</b>
<b>c) Employee stock options outstanding</b>			
At the beginning of the year	24.28	24.28	24.28
Add: expenses recognized during the year	2.64	6.67	-
Less: transferred to securities premium on exercise of stock options	6.01	6.67	-
	<b>20.91</b>	<b>24.28</b>	<b>24.28</b>
<b>d) Retained earnings</b>			
At the beginning of the year	2.05	287.72	287.72
Profit/(Loss) for the year/period	6,000.71	(286.53)	-
Items of other comprehensive income recognized directly in retained earnings			
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	(1.98)	0.86	-
	<b>6,000.78</b>	<b>2.05</b>	<b>287.72</b>

**12. BORROWINGS**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-current borrowings :-</b>			
Vehicle loans (secured)	8.71	8.78	-
	<b>8.71</b>	<b>8.78</b>	-
<b>Less: Amount disclosed under "other current financial liabilities" [refer note 16(iii)]</b>	<b>6.08</b>	<b>3.15</b>	-
	<b>2.63</b>	<b>5.63</b>	-
Aggregate Secured loans	<b>8.71</b>	<b>8.78</b>	-
Aggregate Unsecured loans	-	-	-

**Vehicle loan :-**

Vehicle loans amounting to Rs. 8.71 lakhs (March 31, 2017 - Rs. 8.78 lakhs; , April 1, 2016 - Nil) are secured by way of hypothecation of vehicle. The loans are repayable in 3 years. Interest rate 8.75%-9.40%

**13. LONG TERM PROVISION**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for employee benefits</b>			
Provision for gratuity (refer note 30.1)	16.55	11.82	2.96
	<b>16.55</b>	<b>11.82</b>	<b>2.96</b>

**14. OTHER NON-CURRENT LIABILITIES**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred guarantee income (refer note 28)	19.98	-	-
	<b>19.98</b>	-	-

**15. DEFERRED TAX LIABILITIES**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(i) Deferred tax liability</b>			
Differences in depreciation in block of fixed assets as per tax books and financial books	2.85	2.55	1.39
Difference in book base and tax base in investments	62.03	32.57	-
Gross deferred tax liability	<b>64.88</b>	<b>35.12</b>	<b>1.39</b>
<b>(ii) Deferred tax assets</b>			
Effect of expenditure debited to the statement of Profit and Loss in the current year/earlier years but allowed for tax purposes in following years	64.11	13.53	3.82
Others	30.04	2.07	-
Gross deferred tax assets	<b>94.15</b>	<b>15.60</b>	<b>3.82</b>
Deferred Tax liability/(Assets)	(29.27)	19.52	(2.43)
Mat Credit entitlement	(107.08)	-	-
<b>Deferred Tax liability/(Assets) (Net)</b>	<b>(136.35)</b>	<b>19.52</b>	<b>(2.43)</b>

**16. CURRENT FINANCIAL LIABILITIES**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(i) Borrowings</b>			
Loan from related party (unsecured) *	-	5,600.00	-
	-	<b>5,600.00</b>	-

\* Interest free loan and repayable on demand. Refer note 34(b)

**(ii) Trade payables**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises #	507.62	262.87	229.09
	<b>507.62</b>	<b>262.87</b>	<b>229.09</b>

# Trade payables include due to related parties Rs. 127.30 lakhs ( March 31, 2017 - Rs. 69.59 lakhs; , April 1, 2016 - Rs. 170.82 lakhs). Refer note 34(b)

Trade payables are non interest bearing and generally have credit term of 60-90 days.

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

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

**(iii) Other current financial liabilities**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturity of long term borrowings (refer note 12)	6.08	3.15	-
Security deposits	6.12	7.97	-
Capital creditors*	14.32	1.94	-
	<b>26.52</b>	<b>13.06</b>	-

\*Capital creditors include due to related parties Rs. 13.19 lakhs ( March 31, 2017 - Rs. Nil; , April 1, 2016 - Nil). Refer note 34(b)

**17. SHORT TERM PROVISION**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for employee benefits</b>			
- Provision for leave encashment	36.34	27.23	8.58
- Provision for gratuity (refer note 30.1)	0.17	0.04	-
	<b>36.51</b>	<b>27.27</b>	<b>8.58</b>

**18. OTHER CURRENT LIABILITIES**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred guarantee income	54.40	-	-
Statutory dues	36.64	64.59	32.59
	<b>91.04</b>	<b>64.59</b>	<b>32.59</b>

**19. REVENUE FROM OPERATIONS**

₹ in lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>(a) Income from rendering services</b>		
(i) Income from shared services (Refer note 34(a))	1,176.12	1,081.39
<b>(b) Income from investment activities</b>		
(i) Interest on loans to subsidiary companies (Refer note 34(a))	357.65	101.84
(ii) Unwinding of interest on zero coupon non-convertible debentures (Refer note 34(a))	505.88	191.45
(iii) Gain on mutual fund investments	728.52	13.67
(iv) Fair value gain on financial instruments at fair value through profit or loss	118.94	94.09
<b>Total</b>	<b>2,887.11</b>	<b>1,482.44</b>

**20. OTHER INCOME**

₹ in lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
Interest income on		
- on fixed deposits	0.03	3.94
- on security deposit	3.81	3.02
- others	0.25	-
Gain on stake sale of subsidiary (refer note 40)	7,500.32	-
Guarantee Fee	21.06	-
	<b>7,525.47</b>	<b>6.96</b>

**21. EMPLOYEE BENEFITS EXPENSE**

₹ in lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
Salaries, wages and bonus	605.75	561.04
Contribution to provident and other funds	26.24	26.90
Gratuity expense (refer note 30.1)	10.12	8.66
Staff welfare expenses	21.04	24.86
	<b>663.15</b>	<b>621.46</b>

**22. FINANCE COSTS**

₹ in lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
Interest on borrowings	1.00	208.44
Bank charges	0.03	0.17
	<b>1.03</b>	<b>208.61</b>

**23. DEPRECIATION AND AMORTIZATION EXPENSE**

₹ in lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
Depreciation of tangible assets (refer note 3)	11.52	4.67
Amortization of intangible assets (refer note 4)	1.46	0.55
	<b>12.98</b>	<b>5.22</b>

**24. OTHER EXPENSES**

₹ in lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
Rent	170.69	159.59
Insurance	3.35	4.34
Rates and taxes	33.78	3.75
Shared Service charges	167.52	141.61

	for the year ended March 31, 2018	for the year ended March 31, 2017
Repairs and maintenance:		
Building	73.47	83.28
Printing and stationery	22.36	24.28
Travelling and conveyance	43.79	54.48
Communication costs	11.65	8.45
Legal and professional fees	479.45	257.76
Allowances for doubtful debts	89.46	-
Provision for doubtful loan and interest receivable	769.96	-
Directors' sitting fees	107.00	115.00
Advertisement and sales promotion	2.71	16.08
Charity and donation	0.05	0.05
Net loss on sale/disposal of property, plant and equipment	0.32	-
Establishment expenses	25.24	28.52
Miscellaneous expenses	54.65	21.96
	<b>2,055.45</b>	<b>919.15</b>

	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>Payment to auditor (included in legal and professional fee)</b>		
<b>As auditor:</b>		
Audit fee	12.50	12.50
Other services (certification fees)*	61.00	2.50
Reimbursement of expenses	4.98	0.44
	<b>78.48</b>	<b>15.44</b>

\* Fees of Rs. 54.40 lakhs towards right issue have been taken to other non current assets (refer note 7)

## 25. INCOME TAX

₹ in lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
The major components of income tax expense for the year ended March 31, 2018 and March 31, 2017 are :		
<b>Statement of profit and loss :</b>		
<b>Profit and loss section</b>		
<b>Current income tax :</b>		
Current tax	1,834.35	-
Adjustment of tax related to earlier years	0.77	-
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	(155.86)	21.49
<b>Income tax expense reported in the statement of profit and loss</b>	<b>1,679.26</b>	<b>21.49</b>

### OCI section :

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

₹ in lakhs

Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	0.82	(0.46)
<b>Income tax charged to OCI</b>	<b>0.82</b>	<b>(0.46)</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

₹ in lakhs

Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>Accounting profit/(loss) before income tax</b>	<b>7,679.97</b>	<b>(265.04)</b>
At India's statutory income tax rate of 28.84 % (March 31, 2017: 34.608 %)	2,214.90	(91.73)

Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>Non-Taxable Income for tax purposes:</b>		
Impact of indexation on capital gain	(242.28)	-
Unwinding of interest on zero coupon non-convertible debentures	(145.90)	(66.26)
Guarantee Fees	(6.07)	-
<b>Non-deductible expenses for tax purposes:</b>		
Disallowances on account of provision on loans given	211.40	-
Disallowances on account of exempt income u/s 14A	-	59.56
Disallowance of interest expense	-	72.19
Other non-deductible expenses	17.91	47.73
Income Taxable at Lower rate	(370.70)	-
<b>At the effective income tax rate</b>	<b>1,679.26</b>	<b>21.49</b>
Income tax expense reported in the statement of profit and loss	1,679.26	21.49
<b>Total tax expense</b>	<b>1,679.26</b>	<b>21.49</b>

**Deferred tax relates to the following:**

₹ in lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>Deferred tax liabilities</b>					
Accelerated depreciation for tax purposes	2.85	2.55	1.39	0.30	1.16
Difference in book base and tax base in investments	62.03	32.57	-	29.46	32.57
<b>Gross deferred tax liabilities (a)</b>	<b>64.88</b>	<b>35.12</b>	<b>1.39</b>	<b>29.76</b>	<b>33.73</b>
<b>Deferred tax assets</b>					
Effect of expenditure debited to the statement of Profit and Loss in the current year/earlier years but allowed for tax purposes in following years	64.11	13.53	3.82	50.58	9.71
Others	30.04	2.07	-	27.96	2.07
<b>Gross deferred tax assets (b)</b>	<b>94.15</b>	<b>15.60</b>	<b>3.82</b>	<b>78.54</b>	<b>11.78</b>
<b>Mat Credit (c)</b>	<b>107.08</b>	<b>-</b>	<b>-</b>	<b>107.08</b>	<b>-</b>
				<b>-</b>	<b>-</b>
<b>Deferred tax liabilities (net) (a - b - c)</b>	<b>(136.35)</b>	<b>19.52</b>	<b>(2.43)</b>	<b>(155.86)</b>	<b>21.95</b>

**Reconciliation of deferred tax liabilities (net):**

₹ in lakhs

Particulars	March 31, 2018	March 31, 2017
<b>Opening balance as of 1st April</b>	<b>19.52</b>	<b>(2.43)</b>
Tax expense/(income) during the period recognised in the statement of profit or loss	(47.97)	21.49
Tax expense/(income) during the period recognised in OCI	(0.82)	0.46
<b>Closing balance</b>	<b>(29.27)</b>	<b>19.52</b>
MAT Credit recognised in statement of profit or loss	(107.08)	-
<b>Closing balance as at 31st March</b>	<b>(136.35)</b>	<b>19.52</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has business losses in March 31, 2017 of INR 193 lacs (March 31, 2016 : Nil) that are available for offsetting against future taxable profits of the Company which will expire in March 2025. The permanent and temporary differences for the year ended March 31, 2018 are based on the draft tax computation for the said year

**26. COMPONENTS OF OTHER COMPREHENSIVE INCOME**

₹ in lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
Re-measurement losses on defined benefit plans (refer note 30.1)	(2.80)	1.32
Income tax effect	0.82	(0.46)
	<b>(1.98)</b>	<b>0.86</b>

**27. EARNING PER SHARE**

₹ in lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>Basic EPS</b>		
Profit after tax (Rs. in Lakhs)	6,000.71	(286.53)
Net profit/(loss) for calculation of basic EPS	6,000.71	(286.53)
Weighted average number of equity shares outstanding during the year (Nos.)	72,054,035	55,242,723
Basic earnings per share (Rs.)	<b>8.33</b>	<b>(0.52)</b>
<b>Dilutive EPS</b>		
Profit after tax (Rs. in Lakhs)	6,000.71	(286.53)
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)*	72,870,456	56,132,659
Anti Diluted/Diluted earnings per share (Rs.)	<b>8.23</b>	<b>(0.52)</b>
<b>Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)</b>		
Weighted average number of equity shares outstanding during the period/year (Nos.)	72,054,035	55,242,723
Add: ESOP/Warrants	816,421	889,936
	<b>72,870,456</b>	<b>56,132,659</b>

\*Note: The conversion effect of potential dilutive equity shares are anti dilutive in nature in previous year, hence the effect of potential equity shares are ignored in calculating diluted earnings per share for the year ended March 31, 2017.

**28. COMMITMENTS AND CONTINGENCIES**

₹ in lakhs

	As at March 31,2018	As at March 31,2017	As at April 1, 2016
<b>a</b> (i) Guarantees to Banks against credit facilities extended to group companies	26,600.00	-	-

Guarantee of 100% of bank loan of Wise Zone Builders Private Limited, step down subsidiary to the maximum amount of Rs. 25,000 lakhs (March 31, 2017 - Nil, April 1, 2016 - Nil) from IDFC Bank Limited and Rs. 15,000 lakhs (March 31, 2017 - Nil, April 1, 2016 - Nil) from Axis Bank Limited. Carrying amount of the related corporate guarantee is Rs. 25,000 lakhs (March 31, 2017 - Nil, April 1, 2016 - Nil) from IDFC Bank Limited and Rs. 1,600 lakhs (March 31, 2017 - Nil, April 1, 2016 - Nil) from Axis Bank Limited

**b Operating lease commitments - 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. 170.69 Lakhs (March 31, 2017 - Rs. 159.59 Lakhs). 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.

(i) Future minimum lease rentals payable under non cancellable operating leases as at 31st March are as follows :

₹ in lakhs

	As at March 31,2018	As at March 31,2017	As at April 1, 2016
- Within one year	178.85	165.24	-
- After one year but not more than 5 years	780.22	959.07	-
- More than 5 years	494.48	445.62	-



**28. COMMITMENTS AND CONTINENCIES**

₹ in lakhs

a	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(i) Guarantees to Banks against credit facilities extended to group companies	26,600.00	-	-

Guarantee of 100% of bank loan of Wise Zone Builders Private Limited, step down subsidiary to the maximum amount of Rs. 25,000 lakhs (March 31, 2017 - Nil, April 1, 2016 - Nil) from IDFC Bank Limited and Rs. 15,000 lakhs (March 31, 2017 - Nil, April 1, 2016 - Nil) from Axis Bank Limited. Carrying amount of the related corporate guarantee is Rs. 25,000 lakhs (March 31, 2017 - Nil, April 1, 2016 - Nil) from IDFC Bank Limited and Rs. 1,600 lakhs (March 31, 2017 - Nil, April 1, 2016 - Nil) from Axis Bank Limited

**b Operating lease commitments - Company as lessee**

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(i) Future minimum lease rentals payable under non cancellable operating leases as at 31st March are as follows :

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
- Within one year	178.85	165.24	-
- After one year but not more than 5 years	780.22	959.07	-
- More than 5 years	494.48	445.62	-

**29. INVESTMENT IN SUBSIDIARIES**

- (a) These financial statement are separate financial statements prepared in accordance with Ind AS-27 "Separate Financial Statements".
- (b) The Company's investments in subsidiaries are as under:

Name of the Subsidiary	Country of incorporation	Portion of ownership interest as at March 31, 2018	Portion of ownership interest as at March 31, 2017	Portion of ownership interest as at April 1, 2016	Method used to account for the investment
Max Speciality Films Limited	India	51%	99%	99%	At transition date at deemed cost and subsequently at cost
Max Estates Limited	India	100%	100%	100%	At transition date at deemed cost and subsequently at cost
Max Learning Limited	India	100%	100%	100%	At transition date at deemed cost and subsequently at cost
Max I. Limited	India	100%	100%	100%	At transition date at deemed cost and subsequently at cost

### 30.1 GRATUITY (UNFUNDED)

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

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

#### Description of Risk Exposures

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

- i) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- ii) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- iii) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

	₹ in lakhs		
	March 31, 2018	March 31, 2017	April 1, 2016
a) <b>Changes in present value of defined benefit obligation are as follows</b>			
Defined benefit obligation at the beginning of the year	11.86	2.96	2.96
Interest cost	0.87	0.23	-
Current service cost	9.25	8.43	-
Benefit paid	(8.06)	(1.00)	-
Acquisition adjustment	-	2.56	-
Remeasurement of Gain/(loss) in other comprehensive income	2.80	(1.32)	-
<b>Defined benefit obligation at year end</b>	<b>16.72</b>	<b>11.86</b>	<b>2.96</b>
b) <b>Net defined benefit asset/ (liability) recognized in the balance sheet</b>			
Present value of defined benefit obligation	16.72	11.86	2.96
<b>Amount recognized in balance sheet- asset / (liability)</b>	<b>(16.72)</b>	<b>(11.86)</b>	<b>(2.96)</b>
c) <b>Net defined benefit expense (recognized in the statement of profit and loss for the year)</b>			
Current service cost	9.25	8.43	
Interest cost on benefit obligation	0.87	0.23	
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>10.12</b>	<b>8.66</b>	
d) <b>Other comprehensive income</b>			
Actuarial changes arising from changes in demographic assumptions	-	-	
Actuarial changes arising from changes in financial assumptions	1.28	(1.58)	
Actuarial changes arising from changes in experience adjustments	(4.08)	2.90	
	<b>(2.80)</b>	<b>1.32</b>	

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

Assumption particulars	₹ in lakhs		
	As At March 31, 2018	As At March 31, 2017	As At April, 2016
Discount rate	7.80%	7.35%	8.00%
Future Salary Increases	10.00%	10.00%	10.00%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%	100.00%

f) <b>Quantitative sensitivity analysis for significant assumptions is as below:</b> Increase / (decrease) on present value of defined benefits obligations at the end of the year	₹ in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Discount rate</b>		
Increase by 0.50%	(1.43)	(5.28)
Decrease by 0.50%	1.60	8.88
<b>Salary growth rate</b>		
Increase by 0.50%	0.90	8.82
Decrease by 0.50%	(1.05)	(5.31)

g) <b>The following payments are expected contributions to the defined benefit plan in future years</b>	₹ in lakhs	
	Year ended March 31, 2018	Year ended March 31, 2017
Within the next 12 months (next annual reporting period)	0.17	0.04
Between 2 and 5 years	0.77	0.89
Beyond 5 Years	15.78	10.93

- h) The average duration of the defined benefit plan obligation at the end of the reporting period is 22 Years (March 31, 2017 : 20 years; March 31, 2016 : 15 years)
- i) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
- j) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- k) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**Risk Exposure**

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

**Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements)

**Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

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

### 30.2 LEAVE ENCASHMENT (UNFUNDED)

The Company recognises the leave encashment expenses in the Statement of Profit and loss based on actuarial valuation

The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year

	March 31, 2018	March 31, 2017
Liability at the beginning of the year	27.23	8.58
Benefit paid during the year	10.59	2.70
Acquisition adjustment during the year -	-	1.90
Provided during the year	19.70	19.45
Liability at the end of the year	36.34	27.23

### 30.3 EMPLOYEE STOCK OPTION PLAN

#### Employee Stock Option Plan – 2006 ("the 2006 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 (MFS) to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company) shall be allotted one stock option by the Company under the new ESOP scheme for every five stock option held in MFS. Accordingly, ESOP outstanding as on the effective date in MFS shall be allocated between the demerged company and resulting companies. Accordingly, 500,712 stock options were granted to the employees of MFSL and outstanding as on Effective date i.e. January 15, 2016 are eligible for stock options under new ESOP scheme on similar terms and conditions.

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number of options	Weighted Average	Number of options	Weighted Average	Number of options	Weighted Average
		exercise price (Rs.)		exercise price (Rs.)		exercise price (Rs.)
Outstanding at the start of the year	443,504	10.00	500,712	10.00	-	-
Option grant during the year	-	10.00	-	-	627,757	10.00
Forfeited during the year	-	10.00	-	-	30,800	10.00
Exercised during the year	221,333	10.00	57,208	10.00	96,245	10.00
Outstanding at the end	222,171	10.00	443,504	10.00	500,712	10.00
Exercisable at the end	1,130	10.00	1,130	10.00	2,130	10.00

For options exercised during the year, the weighted average share price at the exercise date was Rs.10.00 per share (March 31, 2017: Rs 10.00) per share.

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2018 are as follows:

Date of grant	March 31, 2018		March 31, 2017		April 01, 2016	
	Number of options	Weighted average	Number of options	Weighted average	Number of options	Weighted average
		remaining life in years		remaining life in years		remaining life in years
21-Jan-16	222,171	1.74	443,504	2.61	500,712	3.61

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 ended March 31, 2018, 221,333 ( March 31, 2017 - 57,208) 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 (NRC) subject to minimum par value of shares (Rs. 10/-). The Company has valued Employee Stock Option outstanding as at year end presuming all the employees will exercise their option in favor of cash settlement or equity settlement based on trend. No options were granted / vested / exercised during the year.

### 30.4 PHANTOM STOCK POLICY ( CASH SETTLED)

During the year, Nomination & Remuneration Committee has approved the Phantom stock policy (PSP) where during the year, company has granted 172,761 units to its employees that entitle them to a cash payment after exercise of option on its vesting date. The amount of cash payment is determined based on the increase in the share price of the company between grant date and the time of exercise.

NRC has approved conversion of unvested phantom stock option of its employees into ESOP w.e.f April 1, 2018 where unvested Phantom stock options (cash settled) i.e. 144,333 units will get converted into Employee stock option (equity settled) and employees will be entitled for 193,570 employee stock options under Employee Stock Option Plan - 2016. Total ESOP grant value is determined based on estimated benefit value for unvested PSPs as originally anticipated at time of PSP grant, plus a top up benefit to compensate for delayed vesting. However, the liability recognised under this PSP plan of Rs. 23.12 lakhs doesn't have any material impact on conversion of plan.

Particulars	₹ in lakhs	
	As at March 31, 2018	As at March 31, 2017
Opening Balance	-	-
Expensed during the period/year	23.12	-
Closing Balance	23.12	-

### 30.5 PROVIDENT FUND

The Company is participating in a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its affiliates, which is managed by Max Financial Services Limited. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per Ind AS-19.

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

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation for "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max Financial Services Limited and its affiliates based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2018 as per the actuarial valuation of active members are as follows:

	₹ in lakhs	
	March 31, 2018	March 31, 2017
Plan assets at year end at fair value	93.63	60.74
Present value of defined benefit obligation at period/year end	92.33	59.83
Surplus as per actuarial certificate	1.30	0.91
<b>Shortfall recognized in balance sheet</b>	-	-
Active members as at period/year end (Nos)	10	8

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

	₹ in lakhs	
	March 31, 2018	March 31, 2017
Discount rate	7.18%	7.51%
Yield on existing funds	8.94%	8.79%
Expected guaranteed interest rate	8.55%	8.65%

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

	₹ in lakhs	
	March 31, 2018	March 31, 2017
Employer's Contribution towards Provident Fund (PF)	22.99	20.65
	<b>22.99</b>	<b>20.65</b>

### 31. SEGMENT INFORMATION

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

#### Non - current operating assets

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

## 32. A. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

₹ in lakhs

Category	Carrying value			Fair Value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>1) Financial asset at amortized cost</b>						
<b>Non-Current</b>						
Investments (refer note 5 (B))	4,794.72	3,250.69	-	4,794.72	3,250.69	-
Loans (refer note 6 (i))	37.15	33.27	550.06	37.15	33.27	550.06
<b>Current</b>						
Loans (refer note 9 (iii))	6,106.96	1,164.84	149.38	6,106.96	1,164.84	149.38
Other financial assets (refer note 9 (v))	59.82	105.99	47.29	59.82	105.99	47.29
<b>2) Financial liabilities at amortized cost</b>						
<b>Non-Current</b>						
Borrowings (refer note 12)	2.63	5.63	-	2.63	5.63	-
<b>Current</b>						
Borrowings (refer note 16 (i))	-	5,600.00	-	-	5,600.00	-
Other financial liabilities (refer note 16 (iii))	26.52	13.06	-	26.52	13.06	-
<b>3) Financial asset carried at fair value through statement of profit &amp; loss</b>						
Current investments (refer note 9 (i))	4,613.00	12,293.39	-	4,613.00	12,293.39	-

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

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

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

The Company has investment in quoted mutual funds being valued at quoted market price in active markets. The fair value of non - current investment, loans taken, other financial assets and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable inputs in the model, of which the significant observable inputs is the market rate of interest of 11%. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.



**32. B. FAIR VALUE HIERARCHY**

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

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

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

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

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2018

₹ in lakhs

Particulars	Carrying value March 31, 2018	Fair value		
		Level 1	Level 2	Level 3
<b>Non-Current</b>				
Investments ( refer note 5 (B))	4,794.72	-	4,794.72	-
Loans ( refer note 6(i))	37.15	-	37.15	-
<b>Current</b>				
Loans ( refer note 9 (iii))	6,106.96	-	6,106.96	-
Other financial assets ( refer note 9 (v))	59.82	-	59.82	-
Current investments (refer note 9 (i))	4,613.00	4,613.00	-	-

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2017

₹ in lakhs

Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
<b>Non-Current</b>				
Investments ( refer note 5 (B))	3,250.69	-	3,250.69	-
Loans ( refer note 6(i))	33.27	-	33.27	-
<b>Current</b>				
Loans ( refer note 9 (iii))	1,164.84	-	1,164.84	-
Other financial assets ( refer note 9 (v))	105.99	-	105.99	-
Current investments (refer note 9 (i))	12,293.39	12,293.39	-	-

(iii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on April 1, 2016

₹ in lakhs

Particulars	Carrying value April 1, 2016	Fair value		
		Level 1	Level 2	Level 3
<b>Non-Current</b>				
Loans ( refer note 6(i))	550.06	-	550.06	-
<b>Current</b>				
Loans ( refer note 9 (iii))	149.38	-	149.38	-
Other financial assets ( refer note 9 (v))	47.29	-	47.29	-

(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2018  
₹ in lakhs

Particulars	Carrying value March 31, 2018	Fair value		
		Level 1	Level 2	Level 3
<b>Non-Current</b>				
Borrowings ( refer note 12)	2.63	-	2.63	-
<b>Current</b>				
Other financial liabilities ( refer note 16 (iii))	26.52	-	26.52	-

(v) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2017  
₹ in lakhs

Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
<b>Non-Current</b>				
Borrowings ( refer note 12)	5.63	-	5.63	-
<b>Current</b>				
Borrowings ( refer note 16 (i))	5,600.00	-	5,600.00	-
Other financial liabilities ( refer note 16 (iii))	13.06	-	13.06	-

### 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

#### a) Liquidity risk

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

The table below represents the maturity profile of Company's financial liabilities at the end of April 1, 2016, March 31, 2017 and March 31, 2018 based on contractual undiscounted payments :-

₹ in lakhs				
April 1, 2016	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	-	-	-	-
Trade payable	229.09	-	-	229.09
Other financial liabilities	-	-	-	-
<b>March 31, 2017</b>				
Interest bearing borrowings	5,603.15	5.63	-	5,608.78
Trade payable	262.87	-	-	262.87
Other financial liabilities	9.91	-	-	9.91
<b>March 31, 2018</b>				
Interest bearing borrowings	6.08	2.63	-	8.71
Trade payable	507.62	-	-	507.62
Other financial liabilities	20.44	-	-	20.44

**Reconciliation of Interest bearing borrowings**

₹ in lakhs

	<b>Schedule no</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
(i) Non-Current borrowings	12	2.63	5.63	-
(ii) Short-term borrowings	16(i)	-	5,600.00	-
(iii) Current Maturities of Long term debt	16(iii)	6.08	3.15	-
		<b>8.71</b>	<b>5,608.78</b>	-

**Reconciliation of other financial liability**

₹ in lakhs

	<b>Schedule no</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Other financial liabilities	16(iii)	26.52	13.06	-
Less: Current maturities of long term borrowings	16(iii)	(6.08)	(3.15)	-
		<b>20.44</b>	<b>9.91</b>	-

**b) Credit risk**

Credit Risk is the risk that the counter party will not meet its obligation under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk including deposits with banks, foreign exchange transactions and other financial assets.

**(i) Trade receivables**

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

**(ii) Financial instruments and cash deposit**

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

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018, March 31, 2017 and April 1, 2016 is the carrying amounts as illustrated in note 5,6 and 9.

**c) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2018, March 31, 2017 and April 1, 2016. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2018 & March 31, 2017.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue, expense or capital expenditure is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods in foreign currency. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

## Foreign currency risk sensitivity

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

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

₹ in lakhs						
Currency	March 31, 2018 Foreign currency	March 31, 2018 Indian rupees	Currency	Increase/ decrease in rate	Impact on profit before tax (Decrease in rate)	Impact on profit before tax (Increase in rate)
Trade payables	1.02	66.58	USD	1%	0.67	(0.67)
Trade payables	0.10	8.81	GBP	1%	0.09	(0.09)

The Company don't have any material foreign currency risk as at March 31, 2017 and as at April 01, 2016

**34. RELATED PARTY DISCLOSURES****Names of related parties where control exists irrespective of whether transactions have occurred or not**

Subsidiary companies	Max Speciality Films Limited Max Estates Limited Max I. Limited (w.e.f June 23rd, 2016) Max Learning Limited ( w.e.f August 23rd, 2016)
Step down subsidiary	Wise Zone Builders Private Limited (w.e.f April 29, 2017)
Names of other related parties with whom transactions have taken place during the year/period	
Key management personnel	Mr. Sahil Vachani (Managing Director) Mr. Analjit Singh (Director) Mr. Nitin Kumar Kansal ( Chief Financial Officer) w.e.f August 9, 2016 Mr. Gopalakrishnan Ramachandran ( Company Secretary) w.e.f January 15, 2018 Mr. Alok Goel ( Company Secretary) upto October 3, 2017 Mr. Mohit Talwar Mr. K.N Murthy Mr. D.K Mittal Ms. Sujata Keshavan w.e.f. March 17, 2017 Mr. Ashok Kacker w.e.f. January 15, 2016 Ms. Sujatha Ratnam upto June 28, 2017 Mr. S.K Bijlani upto March 8, 2017 Mr. N.C Singhal upto August 10, 2016
Relatives of Key Management personnel	Mr. Veer Singh (Son of Mr. Analjit Singh - Director)

Entities controlled or jointly controlled by person or entities where person has significantly influence	Max Ventures Private Limited
	Piveta Estates Private Limited
	Siva Realty Ventures Private Limited
	New Delhi House Services Limited
	Vana Enterprises Limited
	Four Season Foundation
	Lake View Enterprises
	Max Life Insurance Company Limited
	Max Healthcare Institute Limited
	Siva Enterprises Private Limited
	Pharmax Corporation Limited
	Max India Limited
	Riga Foods LLP
	Max Financial Services Limited
	Max UK Limited
Employee benefit Trust	Max Financial Services Limited Employees' Provident Fund Trust

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

₹ in lakhs

S. No	Nature of transaction	Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
1	<b>Reimbursement of expenses (Received from)</b>	Max Speciality Films Limited	7.07	17.44
		Max Estates Limited	8.77	25.09
		Max Learning Limited	10.70	98.40
		Max I Limited	8.56	1.97
		Piveta Estates Private Limited	11.26	2.79
		Four Season Foundation	0.03	12.60
		Max Ventures Private Limited	3.34	13.56
		Max Financial Services Limited	2.50	-
		Wise Zone Builders Private Limited	1.15	-
		Max India Limited	0.14	-
		Siva Realty Ventures Private Limited	0.08	0.75
		<b>Total</b>	<b>53.60</b>	<b>172.60</b>
2	<b>Reimbursement of expenses (Paid to)</b>	Max Financial Services Limited	16.49	15.70
		Max India Limited	0.14	-
		New Delhi House Services Limited	29.21	21.73
		Max Healthcare Institute Limited	0.08	0.08
		Max Life Insurance Company Limited	2.33	1.30
		Riga Foods LLP	0.76	-
		Max I Limited	-	5.00
		Vana Enterprises Limited	0.27	-
		<b>Total</b>	<b>49.28</b>	<b>43.81</b>
3	<b>Shared Services rendered (to)</b>	Max Speciality Films Limited	716.77	706.27
		Max Estates Limited	317.62	227.96
		Max Learning Limited	65.89	32.83
		Max I. Limited	7.51	-
		Max Ventures Private Limited	55.51	53.37
		Piveta Estates Private Limited	7.27	10.40
		Four Season Foundation	2.19	47.85
		Siva Realty Ventures Private Limited	-	2.72
		Max Financial Services Limited	1.59	-
		Max India Limited	1.77	-
		<b>Total</b>	<b>1,176.12</b>	<b>1,081.39</b>

₹ in lakhs

S. No	Nature of transaction	Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
4	<b>Shared services charges (paid to)</b>	Max Estates Limited	24.33	5.98
		Max Financial Services Limited	143.19	135.63
		<b>Total</b>	<b>167.52</b>	<b>141.61</b>
5	<b>Interest received (from)</b>	Max Speciality Films Limited	-	63.52
		Max Estates Limited	308.24	37.66
		Max Learning Limited	40.54	0.66
		Max I. Limited	8.87	-
		<b>Total</b>	<b>357.65</b>	<b>101.84</b>
6	<b>Unwinding of interest on zero coupon non-convertible debentures</b>	Max I. Limited	505.88	191.45
		<b>Total</b>	<b>505.88</b>	<b>191.45</b>
7	<b>Rent expense</b>	Max Ventures Private Limited	-	28.05
		<b>Total</b>	<b>-</b>	<b>28.05</b>
8	<b>Travelling and conveyance</b>	Max Ventures Private Limited	1.22	2.10
		Piveta Estates Private Limited	1.88	1.38
		Siva Realty Ventures Private Limited	3.86	15.42
		<b>Total</b>	<b>6.96</b>	<b>18.90</b>
9	<b>Legal and professional</b>	Max UK Limited	5.86	5.59
		<b>Total</b>	<b>5.86</b>	<b>5.59</b>
10	<b>Purchase of Tangible Assets</b>	Max Ventures Private Limited	-	3.90
		Piveta Estates Private Limited	5.54	2.48
		Siva Realty Ventures Private Limited	24.34	-
		<b>Total</b>	<b>29.88</b>	<b>6.38</b>
11	<b>Contribution to Provident Fund Trust</b>	Max Financial services Limited Em- ployees' Provident Fund Trust	45.98	41.29
		<b>Total</b>	<b>45.98</b>	<b>41.29</b>
12	<b>Key managerial remuneration - Short term employment benefits</b>	Sahil Vachani	214.98	224.45
		Alok Goel	46.21	56.46
		Nitin Kumar Kansal	68.30	36.33
		Gopalakrishnan Ramachandran	10.92	-
		<b>Total</b>	<b>340.41</b>	<b>317.24</b>
13	<b>Key managerial remuneration - Post employment benefits*</b>	Sahil Vachani	6.07	5.52
		Alok Goel	2.10	3.50
		Nitin Kumar Kansal	4.21	2.43
		Gopalakrishnan Ramachandran	0.48	-
		<b>Total</b>	<b>12.86</b>	<b>11.45</b>
14	<b>Sitting Fees to Directors</b>	Analjit Singh	3.00	6.00
		Mohit Talwar	31.00	25.00
		K.N Murthy	20.00	19.00
		D.K Mittal	22.00	24.00
		Sujata Keshavan	4.00	1.00
		Ashok Kacker	26.00	26.00
		Sujatha Ratnam	1.00	7.00
		S.K Bijlani	-	3.00
		N.C Singhal	-	4.00

₹ in lakhs

S. No	Nature of transaction	Particulars	for the year ended March 31, 2018	for the year ended March 31, 2017
		<b>Total</b>	<b>107.00</b>	<b>115.00</b>
15	<b>Loan given</b>	Max Estates Limited	4,593.72	1,442.23
		Max Learning Limited	688.00	105.00
		Max I. Limited	421.00	-
		<b>Total</b>	<b>5,702.72</b>	<b>1,547.23</b>
16	<b>Loan taken</b>	Analjit Singh	-	6,100.00
		<b>Total</b>	<b>-</b>	<b>6,100.00</b>
17	<b>Loan repaid</b>	Analjit Singh	5,600.00	500.00
		<b>Total</b>	<b>5,600.00</b>	<b>500.00</b>
18	<b>Repayment of loan given</b>	Max Estates Limited	-	545.18
		Max Learning Limited	-	60.00
		Max I. Limited	104.00	-
		Max Speciality Films Limited	-	550.06
		<b>Total</b>	<b>104.00</b>	<b>1,155.24</b>
19	<b>Investment made (net of redemption)</b>	Max Estates Limited	9,000.00	800.00
		Max Learning Limited	-	205.00
		Max I Limited	1,504.23	2,100.76
		Max I Limited - Debentures	2,701.46	3,250.69
		Wise Zone Builders Private Limited-Guarantee	95.45	-
		<b>Total</b>	<b>13,301.14</b>	<b>6,356.45</b>
20	<b>Consideration received for Convertible Warrants</b>	Siva Enterprises Private Limited	2,017.60	672.53
		<b>Total</b>	<b>2,017.60</b>	<b>672.53</b>
21	<b>Guarantee Fees</b>	Wise Zone Builders Private Limited-Guarantee	21.06	-
		<b>Total</b>	<b>21.06</b>	<b>-</b>
22	<b>Provision of doubtful debts</b>	Max Learning Limited	89.46	-
		<b>Total</b>	<b>89.46</b>	<b>-</b>
23	<b>Provision for doubtful loan and interest receivable</b>	Max Learning Limited	769.96	-
		<b>Total</b>	<b>769.96</b>	<b>-</b>
24	<b>Purchase of stake in subsidiary</b>	Pharmax Corporation Limited	352.80	-
		<b>Total</b>	<b>352.80</b>	<b>-</b>

\* 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.



## 34 (b) Balances outstanding at year end

₹ in lakhs

S. No	Nature of transaction	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
1	<b>Statutory dues payable</b>	Max Financial services Limited	3.76	3.38	3.01
		Employees' Provident Fund Trust			
		<b>Total</b>	<b>3.76</b>	<b>3.38</b>	<b>3.01</b>
2	<b>Interest Accrued on ICD's</b>	Max Speciality Films Limited	-	158.55	101.38
		Max Estates Limited	293.18	15.76	-
		Max Learning Limited	36.96	0.48	-
		Max I. Limited	6.01	-	-
		<b>Total</b>	<b>336.15</b>	<b>174.79</b>	<b>101.38</b>
	<b>Provision made against above</b>	Max Learning Limited	36.96	-	-
		<b>Total</b>	<b>36.96</b>	<b>-</b>	<b>-</b>
3	<b>Trade Receivables</b>	Max Speciality Films Limited	278.87	91.28	328.28
		Max Estates Limited	63.76	42.43	-
		Max Learning Limited	89.46	20.52	-
		Max I. Limited	4.04	-	-
		Max Ventures Private Limited	62.45	-	-
		Piveta Estates Private Limited	1.73	1.93	-
		Four Season Foundation	0.81	18.44	-
		Max India Limited	1.92	-	-
		Max Financial Services Limited	1.69	-	-
		Siva Realty Ventures Private Limited	-	2.95	-
		<b>Total</b>	<b>504.73</b>	<b>177.55</b>	<b>328.28</b>
4	<b>Provision of doubtful debts</b>	Max Learning Limited	89.46	-	-
		<b>Total</b>	<b>89.46</b>	<b>-</b>	<b>-</b>
5	<b>Other Receivables</b>	Max Speciality Films Limited	7.21	29.78	47.29
		Max Estates Limited	12.33	3.65	-
		Max Learning Limited	17.47	12.68	-
		Max I. Limited	1.71	1.97	-
		Max Ventures Private Limited	9.82	6.31	-
		Piveta Estates Private Limited	9.65	1.26	-
		Four Season Foundation	0.03	12.60	-
		Max India Limited	0.17	0.25	-
		Wise Zone Builders Private Limited	1.26	-	-
		New Delhi House Services Limited	0.09	-	-
		Siva Realty Ventures Private Limited	0.08	0.75	-
		<b>Total</b>	<b>59.82</b>	<b>69.25</b>	<b>47.29</b>
6	<b>Inter Corporate Deposit Receivable</b>	Max Speciality Films Limited	-	-	550.06
		Max Estates Limited	5,490.77	897.05	-
		Max Learning Limited	733.00	45.00	-
		Max I. Limited	317.00	-	-
		<b>Total</b>	<b>6,540.77</b>	<b>942.05</b>	<b>550.06</b>
7	<b>Provision made against above</b>	Max Learning Limited	733.00	-	-
		<b>Total</b>	<b>733.00</b>	<b>-</b>	<b>-</b>
8	<b>Investment in Debentures</b>	Max Estates Limited	9,000.00	-	-
		Max I Limited - Deemed Equity	3,002.62	2,095.76	-
		Max I. Limited	4,794.72	3,250.69	-
		<b>Total</b>	<b>16,797.34</b>	<b>5,346.45</b>	<b>-</b>

₹ in lakhs

S. No	Nature of transaction	Particulars	March 31, 2018	March 31, 2017	April 1, 2016
9	<b>Loan outstanding</b>	Analjit Singh	-	5,600.00	-
		<b>Total</b>	-	<b>5,600.00</b>	-
10	<b>Security Deposit (Receivable)</b>	Veer Singh	-	30.00	30.00
		Lake View Enterprises	-	18.00	18.00
		<b>Total</b>	-	<b>48.00</b>	<b>48.00</b>
11	<b>Trade payables and Capital Creditors</b>	Max Financial Services Limited	81.23	38.33	96.13
		Max India Limited	-	-	58.52
		Max Estates Limited	26.28	6.28	-
		Max Speciality Films Limited	-	2.80	-
		Max I. Limited	-	4.50	-
		Max Ventures Private Limited	-	-	7.03
		Piveta Estates Private Limited	6.82	2.83	0.45
		Siva Realty Ventures Private Limited	13.19	6.92	3.27
		Max UK Limited	8.81	5.59	5.42
		Riga Foods LLP	0.75	-	-
		Max Healthcare Institute Limited	0.02	-	-
		New Delhi House Services Limited	3.39	2.34	-
		<b>Total</b>	<b>140.49</b>	<b>69.59</b>	<b>170.82</b>

- a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions.
- b) The Company has given corporate guarantee for Wise Zone Builders Private Limited, step down subsidiary amounting to Rs. 40,000 lakhs (March 31, 2017: Nil, April 1, 2016 : Nil). Refer note 28
- c) The income/expense from sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.
- d) For the year ended 31 March 2018, the Group has recorded provision for receivables relating to amounts owed by one of its subsidiary company Rs. 859.42 lakhs (31 March 2017: Rs. Nil, 1 April 2016: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

### 35. DISCLOSURE REQUIRED UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013.

#### (a) Particulars of Loans given:

₹ in lakhs

Sr. No	Name of the Loanee	Opening Balance as on March 31, 2017	Loan given	Repayment of loan given	Closing Balance as on March 31, 2018	Purpose
1	Max Estates Limited	897.05	4,593.72	-	5,490.77	Operational Cash Flow requirement
2	Max Learning Limited	45.00	688.00	-	733.00	Operational Cash Flow requirement
3	Max I. Limited	-	421.00	104.00	317.00	Operational Cash Flow requirement
		<b>942.05</b>	<b>5,702.72</b>	<b>104.00</b>	<b>6,540.77</b>	
	Provision made against above				(733.00)	
					<b>5,807.77</b>	

**(b) Particulars of Guarantee given:**

₹ in lakhs

Sr. No	Name of the financial institutions / banks/ NBFC	Opening Balance	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
1	IDFC Bank Limited	-	25,000.00		25,000.00	Corporate guarantee has been given for loan taken for business purpose by Wise zone builders private limited, step down subsidiary
2	Axis Bank Limited	-	15,000.00		15,000.00	Corporate guarantee has been given for loan taken for business purpose by Wise zone builders private limited, step down subsidiary
		-	<b>40,000.00</b>	-	<b>40,000.00</b>	

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

₹ in lakhs

Sr. No	Name of the Investee	Opening Balance as on April 1, 2017	Investment made	Investment redeemed	Closing Balance as on March 31, 2018	Purpose
	<b>Investment in Equity</b>					
1	Max Speciality Films Limited (refer note 40)	16,704.95	352.80	7,039.92	10,017.83	Strategic investment
2	Max Estates Limited	800.00	9,000.00	-	9,800.00	Strategic investment
3	Max Learning Limited	205.00	-	-	205.00	Strategic investment
4	Max I. Limited	2,100.76	1,504.23	597.37	3,007.62	Strategic investment
5	Wise Zone Builders Private Limited	-	95.45	-	95.45	
	<b>Investment in Debentures</b>					
6	Max I. Limited	3,250.69	2,701.46	1,157.43	4,794.72	Strategic investment
		<b>23,061.40</b>	<b>13,653.94</b>	<b>8,794.72</b>	<b>27,920.62</b>	

**(d) Particulars of Loans given:**

₹ in lakhs

Sr. No	Name of the Loanee	Opening Balance as on April 1, 2016	Loan given	Repayment of loan given	Closing Balance as on March 31, 2017	Purpose
1	Max Speciality Films Limited	550.06	-	550.06	-	Operational Cash Flow requirement
2	Max Estates Limited	-	1,442.23	545.18	897.05	Operational Cash Flow requirement
3	Max Learning Limited	-	105.00	60.00	45.00	Operational Cash Flow requirement
		<b>550.06</b>	<b>1,547.23</b>	<b>1,155.24</b>	<b>942.05</b>	

**(e) Particulars of Investments made in equity:**

₹ in lakhs

Sr. No	Name of the Investee	Opening Balance as on April 1, 2016	Investment made	Investment redeemed	Closing Balance as on March 31, 2017	Purpose
	<b>Investment in subsidiaries</b>					
1	Max Speciality Films Limited	16,704.95	-	-	16,704.95	Strategic investment
2	Max Estates Limited	-	800.00	-	800.00	Strategic investment
3	Max Learning Limited	-	205.00	-	205.00	Strategic investment
4	Max I. Limited	-	2,100.76	-	2,100.76	Strategic investment
	<b>Investment in Debentures</b>					
5	Max I. Limited	-	3,250.69	-	3,250.69	Strategic investment
		<b>16,704.95</b>	<b>6,356.45</b>	<b>-</b>	<b>23,061.40</b>	

**(f) Particulars of Loans given:**

₹ in lakhs

Sr. No	Name of the Loanee	Opening Balance as on January, 20 2015	Loan given	Repayment of loan given	Closing Balance as on April 1, 2016	Purpose
1	Max Speciality Films Limited	-	550.06	-	550.06	Operational Cash Flow requirement
		<b>-</b>	<b>550.06</b>	<b>-</b>	<b>550.06</b>	

**(g) Particulars of Investments made in equity:**

₹ in lakhs

Sr. No	Name of the Investee	Opening Balance as on January 20, 2015	Investment made	Investment redeemed	Closing Balance as on April 1, 2016	Purpose
	<b>Investment in subsidiaries</b>					
1	Max Speciality Films Limited	-	16,704.95	-	16,704.95	Strategic investment
		<b>-</b>	<b>16,704.95</b>	<b>-</b>	<b>16,704.95</b>	

**36A. RECONCILIATION STATEMENT OF EQUITY AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS AS AT APRIL 01, 2016**

₹ in lakhs

	Balance sheet as at April 01, 2016		
	IGAAP	Ind AS adjustment	Ind AS
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14.41	-	14.41
Financial assets			
(i) Investments	16,704.95	-	16,704.95
(ii) Loans	550.06	-	550.06
Deferred tax assets	2.43	-	2.43
Non-Current tax assets	21.17	-	21.17
	<b>17,293.02</b>	<b>-</b>	<b>17,293.02</b>
<b>Current assets</b>			
Financial assets			
(i) Trade receivables	328.28	-	328.28
(ii) Loans	149.38	-	149.38
(iii) Cash and cash equivalents	1,126.37	-	1,126.37
(iv) Other financial assets	47.29	-	47.29
Other current assets	23.08	-	23.08
	<b>1,674.40</b>	<b>-</b>	<b>1,674.40</b>
<b>TOTAL ASSETS</b>	<b>18,967.42</b>	<b>-</b>	<b>18,967.42</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	5,339.68	-	5,339.68
Other equity	13,354.52	-	13,354.52
<b>Total Equity</b>	<b>18,694.20</b>	<b>-</b>	<b>18,694.20</b>
<b>Non-current liabilities</b>			
Long term provisions	2.96	-	2.96
	<b>2.96</b>	<b>-</b>	<b>2.96</b>
<b>Current liabilities</b>			
Financial Liabilities			
(i) Trade payables	229.09	-	229.09
Short term provisions	8.58	-	8.58
Other current liabilities	32.59	-	32.59
	<b>270.26</b>	<b>-</b>	<b>270.26</b>
<b>TOTAL LIABILITIES</b>	<b>273.22</b>	<b>-</b>	<b>273.22</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>18,967.42</b>	<b>-</b>	<b>18,967.42</b>

**36B. RECONCILIATION STATEMENT OF EQUITY AS PREVIOUSLY REPORTED UNDER IGAAP TO IND AS AS AT MARCH 31, 2017**

(₹ in Lakhs)

	Footnotes	Balance sheet as at March 31, 2017		
		IGAAP	Adjustment	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		39.12	-	39.12
Intangible assets		4.09	-	4.09
Financial assets			-	
(i) Investments	6	22,869.95	191.45	23,061.40
(ii) Loans	1	77.76	(44.49)	33.27
(iii) Other bank balances		0.25	-	0.25
Non-current tax assets	8	138.52	-	138.52
		<b>23,129.69</b>	<b>146.96</b>	<b>23,276.65</b>
<b>Current assets</b>				
Financial assets				
(i) Investments	5	12,199.30	94.09	12,293.39
(ii) Trade receivables		177.55	-	177.55
(iii) Loans		1,164.84	-	1,164.84
(iv) Cash and cash equivalents		51.33	-	51.33
(v) Other financial assets		105.99	-	105.99
Other current assets	1	29.24	42.92	72.16
		<b>13,728.25</b>	<b>137.01</b>	<b>13,865.26</b>
<b>TOTAL ASSETS</b>		<b>36,857.94</b>	<b>283.97</b>	<b>37,141.91</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		6,897.79	-	6,897.79
Other equity	10	23,292.12	274.71	23,566.83
Money received against share war- rants		672.53	-	672.53
<b>Total Equity</b>		<b>30,862.44</b>	<b>274.71</b>	<b>31,137.15</b>
<b>Non-current liabilities</b>				
Financial Liabilities				
(i) Borrowings		5.63	-	5.63
Long term provisions		11.82	-	11.82
Other non-current liabilities	7	10.26	(10.26)	-
Deferred tax liabilities	8	-	19.52	19.52
		<b>27.71</b>	<b>9.26</b>	<b>36.97</b>
<b>Current liabilities</b>				
Financial Liabilities				
(i) Borrowings		5,600.00	-	5,600.00
(ii) Trade payables		262.87	-	262.87
(iii) Other current financial liabilities		13.06	-	13.06
Other current liabilities		64.59	-	64.59
Short term provisions		27.27	-	27.27
		<b>5,967.79</b>	<b>-</b>	<b>5,967.79</b>
<b>TOTAL LIABILITIES</b>		<b>5,995.50</b>	<b>9.26</b>	<b>6,004.76</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>36,857.94</b>	<b>283.97</b>	<b>37,141.91</b>

**36C. RECONCILIATION STATEMENT OF PROFIT AND LOSS AS PREVIOUSLY REPORTED UNDER IGAA TO IND AS FOR THE YEAR ENDED MARCH 31, 2017**

(₹ in Lakhs)

	Footnotes	for the year ended March 31, 2017		
		IGAAP	Adjustment	Ind AS
<b>INCOME</b>				
Revenue from operations	5,6	1,196.90	285.54	1,482.44
Other income	1	3.94	3.02	6.96
<b>Total income</b>		<b>1,200.84</b>	<b>288.56</b>	<b>1,489.40</b>
<b>Expenses</b>				
Employee benefits expense	2	620.14	1.32	621.46
Finance costs		208.61	-	208.61
Depreciation and amortization expense		5.22	-	5.22
Other expenses	1,7,9	989.75	(70.60)	919.15
<b>Total expense</b>		<b>1,823.72</b>	<b>(69.28)</b>	<b>1,754.44</b>
Loss before tax		(622.88)	357.84	(265.04)
Tax expenses	8	2.43	19.06	21.49
Loss for the year		(625.31)	338.78	(286.53)
<b>Other comprehensive income</b>				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement gains on defined benefit plans	3	-	1.32	1.32
Income tax effect		-	(0.46)	(0.46)
Other comprehensive income for the year, net of tax		-	0.86	0.86
<b>Total comprehensive income for the year, net of tax</b>		<b>(625.31)</b>	<b>339.64</b>	<b>(285.67)</b>

**37. FOOTNOTES TO THE RECONCILIATION OF EQUITY AS AT MARCH 31, 2017, MARCH 31, 2016 AND PROFIT OR LOSS FOR THE YEAR ENDED MARCH 31, 2017****1) Security deposits**

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under IND AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under IND AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

**2) Remeasurements of post-employment benefit obligations**

Both under previous GAAP and IND AS, the Company recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit or loss. Under IND AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet through other comprehensive income.



**3) Other comprehensive Income**

Under INDAS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' and includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

**4) Statement of cash flows**

The transition from Indian GAAP to IND AS has no material impact on the statement of cash flows

**5) Mutual Fund investments**

Under Indian GAAP, All current investments including mutual funds are measured at lower of cost or market value. As per IND AS 109, Investments in mutual funds are required to be recognized at their fair value, for which changes in fair value being recognized in profit & loss.

**6) Zero Coupon non-convertible debentures**

In the financial statements prepared under previous GAAP, the carrying value of zero coupon non convertible debentures was recognised at the principal amount payable by the borrower. Under IND AS, interest free non convertible debentures being a financial asset is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The difference between such fair value and the carrying value is recognised as investment in equity disclosed under investments

**7) Straight lining of lease escalation**

Indian GAAP mandated straight lining of lease escalation in case of non cancellable leases. IND AS 17 does not mandate straight lining of lease escalation, if they are in line with the expected general inflation compensating the lessor for expected inflationary cost. Accordingly, the Company has reversed Lease equalisation reserve created in books

**8) Deferred tax**

IND AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional and restatement adjustments lead to temporary differences.

**9) Share issue expenses**

Under the Indian GAAP, share issues expense is to be charged to the statement of profit and loss. Under IND AS, share issue expenses will be deducted from the securities premium account

**10) Retained earnings**

Retained earnings as at March 31, 2017 has been adjusted consequent to the IND AS transition adjustments mentioned herewith

**38. FIRST TIME ADOPTION OF IND AS (EXCEPTION AND EXEMPTION AVAILED)**

These financial statements, for the year ended March 31, 2018, have been prepared in accordance with IND AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Company has prepared financial statements which comply with IND AS for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to IND AS. This note explains the IND- AS mandatory exceptions and exemptions by the Company in restating its Indian GAAP financial statements, including the financial statements as at and for the year ended March 31, 2017 and balance sheet as at March 31, 2016.

**Exemption Applied****I) IND-AS optional exemption**

IND AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IND AS. The Company has applied the following exemptions:

**Deemed cost**

IND AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to IND AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of IND AS retrospectively. IND AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to IND AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider carrying value of its property, plant and equipment as its deemed cost on the date of transition to IND AS.

**Share based payment transactions**

IND AS 101 permits a first time adopter to elect not to apply principles of IND AS 102 to liabilities arising from share based payment transactions that were settled before the date of transition.

The Company has elected not to apply IND AS 102- "Share based payment" on stock options that vested before date of transition.

**Investments in subsidiaries**

IND AS 101 permits the first time adopter to measure investment in subsidiaries, joint ventures and associates in accordance with IND AS 27 at one of the following:

- a) cost determined in accordance with IND AS 27 or
- b) Deemed cost:
  - (i) fair value at date of transition
  - (ii) previous GAAP carrying amount at that date.

The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition to IND AS as its deemed cost for the purpose of determining cost in accordance with principles of IND AS 27- "Separate financial statements".

**Business Combinations**

The Company has used the exemption under IND AS 101 at the date of transition to Ind- AS i.e. carrying amounts of assets and liabilities, that are required to be recognized under Ind - AS, is their deemed cost at the date of acquisition. After the date of acquisition, measurement is in accordance with the respective IND AS. The Company recognizes all assets and liabilities assumed in a past business combination.

**II) IND AS mandatory exceptions****Estimates**

An entity estimates in accordance with IND AS at the date of transition to IND AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. IND AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**Derecognition of financial assets and financial liabilities**

IND AS 101 requires a first time adopter to apply the derecognition provisions of IND AS 109 prospectively for transactions occurring on or after the date of transition to IND AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in IND AS 109 prospectively for transactions occurring on or after date of transition to IND AS.

**Classification of financial assets and liabilities**

IND AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to IND AS. Accordingly, the Company has applied the above requirement prospectively.

**Impairment of financial assets**

IND AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per IND AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to IND AS. The Company has applied this exception prospectively.

39. a) During the year ended March 31, 2017, the Company has issued 15,523,870 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. 12,108.62 Lakhs on preferential basis.
- b) Further, during the year ended March 31, 2017, the Company received Rs.672.53 Lakhs (25% of total value of consideration) against the issue of 3,448,894 share warrants ("Warrants") to Siva Enterprises Private Limited, forming part of the Promoter Group at a price of Rs.78 per share determined in accordance with ICDR regulations. The Company has received Rs.2,017.60 Lakhs against the balance 75% outstanding of total value on conversion of share warrants ("Warrants") into equity shares.

c) Given below are the details of utilisation of proceeds through preferential issue

	₹ in Lakhs	
	March 31, 2018	March 31, 2017
Unutilised amount at the beginning of the year	12,036.15	-
Proceeds received during the period/year	2,017.60	12,781.15
Less: amount utilised during the period/year		
- Repayment of Loan	5,600.00	500.00
- Loan given to subsidiary companies	3,713.00	245.00
- Investments in debentures issued by subsidiary companies	4,387.95	-
- Investment in equity shares of subsidiary company	352.80	-
<b>Unutilised amount at the end of the year</b>	<b>-</b>	<b>12,036.15</b>

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

	₹ in Lakhs	
	March 31, 2018	March 31, 2017
Investment in Debt based Mutual funds	-	12,036.15

40. a) On April 03, 2017, the Company has purchased 338,350 equity shares of Max Speciality Films Limited face value of Rs.10/- each from Pharmax Corporation Limited at a premium of Rs.94.27 per share aggregating to a total consideration of Rs.352.80 Lakhs.
- b) On April 06, 2017, the Company divested 35.84% (on fully diluted basis of equity shares as at March 31, 2017) stake in Max Speciality Films Limited (MSF) by transferring 13,945,659 equity shares of Rs.10/- each at a premium of Rs.94.27 per share to Toppan Printing Co. Ltd. (Toppan) for a consideration of Rs.14,541.14 Lakhs. Further, MSF 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 per share to Toppan, for an aggregate consideration of Rs.5,336.96 Lakhs on a private placement basis, free of all liens or other encumbrances or rights of third parties. Post share issuance by MSF, Toppan holding is 49% and the Company holding is 51% in MSF. This has resulted into gain of Rs.7,500.32 Lakhs.

41. During the current year, the Board of the Company has approved raising of funds by way of offer and issue of equity shares to the existing members of the Company on rights basis (Rights Issue), at such price and right entitlement ratio as may be decided by the Board, for an amount aggregating up to Rs. 45,000 lakhs, subject to necessary approvals and consent as may be necessary / required for compliance of applicable laws, including the provisions of the SEBI (ICDR) Regulations, 2009, as amended, the SEBI (LODR) Regulations, 2015, as amended, and the Companies Act, 2013, as amended and Company has filed the Draft letter of offer with SEBI and stock exchanges.

#### 42. CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital attributable to the equity shareholders of the Company, securities premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% to 40%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	2.63	5,605.63	-
Other financial liabilities	26.52	13.06	-
Trade payables	507.62	262.87	229.09
Less: Cash and Cash equivalents	56.98	51.33	1,126.37
Net Debt	479.79	5,830.23	(897.28)
Equity	39,204.85	31,137.15	18,694.20
Total Equity	<b>39,204.85</b>	<b>31,137.15</b>	<b>18,694.20</b>
Total Capital and net debt	<b>39,684.64</b>	<b>36,967.38</b>	<b>17,796.92</b>
Gearing ratio	1%	16%	-5%

43. The figures have been rounded off to the nearest Lakhs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Atul Seksaria**

Partner

Membership Number: 086370

**For and on behalf of the Board of Directors of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)**

**Dinesh Kumar Mittal**

(Director)

DIN: 00040000

**Sahil Vachani**

(Managing Director & CEO)

DIN: 00761695

**Nitin Kumar Kansal**

(Chief Financial Officer)

**Gopalakrishnan Ramachandran**

(Company Secretary)

Place : Gurugram

Date: 17<sup>th</sup> May, 2018

Place : New Delhi

Date: 17<sup>th</sup> May, 2018

# **CONSOLIDATED FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

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

## Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Max Ventures and Industries Limited (Formerly Capricorn Ventures 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, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

## Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity 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 the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS 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 sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 Ind AS 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, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 55 to the Interim Consolidated Financial Statements which describe the impact of the recognition of Land Development Rights by its subsidiary Max Estates Limited, which has led to a restatement of the interim financial statements for the six months ended September 30, 2017 (and corresponding period of the previous financial year).

Our opinion is not qualified in respect of above matter.

### Other Matter

We did not audit the financial statements and other financial information, in respect of four subsidiaries, whose Ind AS financial statements include total assets of Rs.86,195.39 lakhs and net assets of Rs. 11,461.49 lakhs as at March 31, 2018, and total revenues of Rs.4,784.17 lakhs and net cash inflows of Rs.38.81 lakhs 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 Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

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

- (a) We / the other auditors whose 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 Ind AS financial statements;
- (b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
- (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 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, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these



consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, as noted in the 'Other matter' paragraph:

- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group, Refer Note.34 to the consolidated Ind AS financial statements;

- ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018;

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended March 31, 2018.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Atul Seksaria**

Partner

Membership Number: 086370

Place of Signature: Gurugram

Date: May 17, 2018

## **ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS 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, 2018, we have audited the internal financial controls over financial reporting of Max Ventures and Industries Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding Company and 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls 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, 2018, based on the internal control over financial reporting criteria established by the Holding Company

considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company, insofar as it relates to these 4 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries incorporated in 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: Gurugram

Date: May 17, 2018

# CONSOLIDATED BALANCE SHEET

as at 31 March 2018

₹ in Lakhs

	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	30,450.45	31,752.08	26,667.68
Capital work-in-progress	3	23,357.40	1,577.83	2,101.00
Goodwill	4	167.09	167.09	167.09
Other Intangible assets	4	300.91	353.40	272.78
Intangible assets under development	4	206.96	56.35	74.58
Financial assets	5			
(i) Investments		9,027.67	5,104.72	-
(ii) Loans		462.34	356.30	299.23
(iii) Other non-current financial assets		747.56	-	0.76
(iv) Other bank balances		0.25	0.25	-
Non-current tax assets	6	279.92	316.38	21.25
Other non current assets	7	1,253.50	239.35	2,111.14
		<b>66,254.05</b>	<b>39,923.75</b>	<b>31,715.51</b>
<b>Current assets</b>				
Inventories	8	69,721.70	12,860.50	5,807.05
Financial assets	9			
(i) Investments		5,733.73	12,293.42	-
(ii) Trade receivables		10,936.93	11,400.56	14,849.77
(iii) Loans		63.96	167.14	98.87
(iv) Cash and cash equivalents		633.27	193.08	1,288.01
(v) Other bank balances		3.50	4.88	1.24
(vi) Derivative instruments		53.67	41.91	18.63
(vii) Other current financial assets		637.89	108.81	109.01
Other current assets	10	5,099.10	2,166.15	2,062.67
		<b>92,883.75</b>	<b>39,236.45</b>	<b>24,235.25</b>
Assets classified as held for distribution	3	128.00	-	-
<b>TOTAL ASSETS</b>		<b>159,265.80</b>	<b>79,160.20</b>	<b>55,950.76</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	11	7,264.81	6,897.79	5,339.68
Other equity	12	34,242.80	25,515.91	15,695.01
Money received against share warrants		-	672.53	-
Non-controlling interest		12,258.93	197.15	192.40
<b>Total equity</b>		<b>53,766.54</b>	<b>33,283.38</b>	<b>21,227.09</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	13	20,119.00	18,870.53	17,300.28
(ii) Trade payables	14	1,391.32	2,033.42	-
Long term provisions	15	513.01	470.13	353.26
Deferred tax liabilities (net)	16	110.43	26.00	294.13
Government grant	17	1,523.79	441.36	286.31
		<b>23,657.55</b>	<b>21,841.44</b>	<b>18,233.98</b>

		₹ in Lakhs		
	Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>Current liabilities</b>				
Financial liabilities	18			
(i) Borrowings		43,156.00	12,045.62	7,724.36
(ii) Trade payables		16,440.73	8,470.60	5,371.46
(iii) Other current financial liabilities		7,252.67	2,021.20	2,647.08
Short term provisions	19	304.20	273.38	238.44
Other current liabilities	20	14,688.11	1,224.58	508.35
		<b>81,841.71</b>	<b>24,035.38</b>	<b>16,489.69</b>
<b>TOTAL LIABILITIES</b>		<b>105,499.26</b>	<b>45,876.82</b>	<b>34,723.67</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>159,265.80</b>	<b>79,160.20</b>	<b>55,950.76</b>
Summary of significant Accounting policies	2			
Other notes on accounts	3-59			

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

**For and on behalf of the Board of Directors of Max Ventures  
and Industries Limited (Formerly Capricorn Ventures Limited)**

**Dinesh Kumar Mittal**  
(Director)  
DIN: 00040000

**Nitin Kumar Kansal**  
(Chief Financial Officer)

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

**Gopalakrishnan Ramachandran**  
(Company Secretary)

Place : Gurugram  
Date: 17<sup>th</sup> May , 2018

Place : New Delhi  
Date: 17<sup>th</sup> May , 2018

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## for the year ended 31 March 2018

₹ in Lakhs

	Notes	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>INCOME</b>			
Revenue from operations	21	73,891.73	71,953.81
Other income	22	1,139.76	1,200.55
<b>Total income</b>		<b>75,031.49</b>	<b>73,154.36</b>
<b>EXPENSES</b>			
Cost of raw materials consumed	23	58,439.97	52,635.83
Change in inventories of finished goods, traded goods and work in progress	24	(6,111.79)	(6,089.89)
Excise duty on sale of goods		1,402.25	5,808.50
Employee benefits expense	25	4,120.84	4,171.02
Finance costs	26	2,301.99	3,275.99
Depreciation and amortization expense	27	2,288.50	2,028.43
Other expenses	28	11,474.73	12,155.89
<b>Total expenses</b>		<b>73,916.49</b>	<b>73,985.77</b>
<b>Profit/(Loss) before tax</b>		<b>1,115.00</b>	<b>(831.41)</b>
<b>Tax expenses</b>	30		
Current income tax charge		645.43	95.09
Adjustment in respect of tax relating to previous year		5.49	4.61
Deferred Tax		128.52	(266.43)
<b>Total Tax expenses</b>		<b>779.44</b>	<b>(166.73)</b>
<b>Profit/(Loss) after tax</b>		<b>335.56</b>	<b>(664.68)</b>
Attributable to:			
Equity holders of the parent		370.35	(669.50)
Non-controlling interests		(34.79)	4.82
		<b>335.56</b>	<b>(664.68)</b>
<b>Other comprehensive income/(loss)</b>			
Items not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(loss) of defined benefit plans	31	67.80	(9.37)
Income tax effect		23.26	(1.72)
Other comprehensive income for the year, net of tax		44.54	(7.65)
<b>Total comprehensive income for the year</b>		<b>380.10</b>	<b>(672.33)</b>
Attributable to:			
Equity holders of the parent		392.59	(677.07)
Non-controlling interests		(12.49)	4.74
<b>Earnings per equity share (Nominal Value of share Rs.10/-)</b>	32		
Basic (Rs.), computed on the basis of profit/(loss) for the year attributable to equity holders of the parent.		0.51	(1.21)
Anti Diluted/Diluted (Rs.) computed on the basis of profit/(loss) for the year attributable to equity holders of the parent.		0.51	(1.21)
Summary of significant accounting policies	2		
Other notes on accounts	3-59		

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

For and on behalf of the Board of Directors of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)

**Dinesh Kumar Mittal**  
(Director)  
DIN: 00040000

**Nitin Kumar Kansal**  
(Chief Financial Officer)

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

**Gopalakrishnan Ramachandran**  
(Company Secretary)

Place : Gurugram  
Date: 17<sup>th</sup> May , 2018

Place : New Delhi  
Date: 17<sup>th</sup> May , 2018

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2018

### a) Equity share capital

₹ in Lakhs

Particulars	Nos.	
<b>Shares of Rs. 10/- each, issued, subscribed and fully paid</b>		
<b>As at April 01, 2016</b>	<b>53,396,800</b>	<b>5,339.68</b>
Add: Equity share issued (refer note 46)	15,523,870	1,552.39
Add: Shares issued for stock options exercised during the year/period (refer note 11)	57,208	5.72
<b>As at March 31, 2017</b>	<b>68,977,878</b>	<b>6,897.79</b>
Add: Equity share issued (refer note 11)	3,448,894	344.89
Add: Shares issued for stock options exercised during the year/period (refer note 11)	221,333	22.13
<b>As at March 31, 2018</b>	<b>72,648,105</b>	<b>7,264.81</b>

### b) Other equity

₹ in Lakhs

Particulars	Reserves and surplus				Total	Non-controlling interest	Total equity
	Capital reserve (Refer note 12)	Securities premium (Refer note 12)	Employee stock options outstanding (Refer note 12)	Retained earnings (Refer note 12)			
<b>As at April 01, 2016</b>	<b>13,822.40</b>	<b>-</b>	<b>24.28</b>	<b>1,848.33</b>	<b>15,695.01</b>	<b>192.40</b>	<b>14,039.78</b>
Profit/(Loss) for the year	-	-	-	(669.50)	(669.50)	4.82	(664.68)
Re-measurement of defined benefit plans	-	-	-	(7.58)	(7.58)	(0.07)	(7.65)
Addition/deletion on equity shares issued (refer note 46)	-	10,556.24	6.67	-	10,562.91	-	10,562.91
Addition on equity shares issued under ESOP scheme (refer note 36.3)	-	6.67	(6.67)	-	-	-	-
Share issue expenses	-	(64.93)	-	-	(64.93)	-	(64.93)
<b>As at March 31, 2017</b>	<b>13,822.40</b>	<b>10,497.98</b>	<b>24.28</b>	<b>1,171.25</b>	<b>25,515.91</b>	<b>197.15</b>	<b>23,865.43</b>
Transaction with Non-controlling interest on stake purchase (refer note 47)	-	-	-	197.15	197.15	(197.15)	-
Transaction with Non-controlling interest on stake sale (refer note 47)	-	-	-	-	-	12,274.04	12,274.04
Profit for the period	-	-	-	370.35	370.35	(34.79)	335.56
Re-measurement of defined benefit plans	-	-	-	22.24	22.24	22.30	44.54
Gain on sale of subsidiary (net off tax) (refer note 47)	-	-	-	5,765.38	5,765.38	-	5,765.38
Addition on equity shares issued	-	2,345.25	-	-	2,345.25	-	2,345.25
Addition on equity shares issued under ESOP scheme (refer note 36.3)	-	6.01	(6.01)	-	-	-	-



₹ in Lakhs

Particulars	Reserves and surplus				Total	Non-controlling interest	Total equity
	Capital reserve (Refer note 12)	Securities premium (Refer note 12)	Employee stock options outstanding (Refer note 12)	Retained earnings (Refer note 12)			
Addition/deletion on equity shares	-	26.60	2.64	-	29.24	-	29.24
Share issue expenses		(2.72)	-	-	(2.72)	(2.62)	(5.34)
	<b>13,822.40</b>	<b>12,873.12</b>	<b>20.91</b>	<b>7,526.37</b>	<b>34,242.80</b>	<b>12,258.93</b>	<b>44,654.10</b>
Summary of significant accounting policies	2						
Other notes on accounts	3-59						

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

**For and on behalf of the Board of Directors of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)**

**Dinesh Kumar Mittal**

(Director)

DIN: 00040000

**Sahil Vachani**

(Managing Director & CEO)

DIN: 00761695

**Nitin Kumar Kansal**

(Chief Financial Officer)

**Gopalakrishnan Ramachandran**

(Company Secretary)

Place : Gurugram

Date: 17<sup>th</sup> May , 2018

Place : New Delhi

Date: 17<sup>th</sup> May , 2018

# CONSOLIDATED CASH FLOWS STATEMENT

for the year ended 31 March 2018

₹ in Lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Net Profit/(Loss) before tax	1,115.00	(831.41)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	2,172.93	1,915.56
Amortization of intangible assets	115.57	112.87
Provision for doubtful debts	22.91	186.58
Provision for doubtful advances	-	8.26
Bad debts written off	-	202.15
Provision for diminution on asset held for sale (net) (Refer note 3(d))	238.79	-
Fair value gain on non-current investments at fair value through profit or loss	(1,077.36)	-
Net Gain on sale of investments	(989.39)	-
(Gain) \ Loss on disposal of property, plant and equipment	(11.88)	(2.97)
Fair value gain on financial instruments at fair value through profit or loss	(118.94)	(94.09)
Gain on mutual fund investments	(777.25)	(13.67)
Liabilities/provisions no longer required written back	(12.18)	(16.48)
Interest income	(252.23)	(151.71)
Unwinding of discount on security deposit	(10.17)	(3.02)
Finance costs (including fair value change in financial instruments)	2,301.99	3,275.99
<b>Operating profit before working capital changes</b>	<b>2,717.79</b>	<b>4,588.06</b>
<b>Working capital adjustments:</b>		
Movements in provisions, gratuity and government grant	1,233.30	297.49
(Increase)/decrease in trade and other receivables and prepayments	(4,825.57)	2,985.56
Increase in inventories	(56,861.20)	(7,053.45)
Increase in trade and other payables	20,897.76	5,878.83
<b>Cash generated from operations</b>	<b>(36,837.92)</b>	<b>6,696.49</b>
Income tax paid	(2,151.23)	(394.83)
<b>Net cash flows (used in)/ from operating activities</b>	<b>(38,989.15)</b>	<b>6,301.66</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	43.59	52.91
Purchase of property, plant and equipment and investment property (including intangible assets, CWIP and capital advances)	(21,061.91)	(4,912.59)
Interest received	277.51	166.82
Purchase of current investments	(25,279.76)	(14,261.16)
Proceeds from redemption of mutual funds	32,627.88	2,075.50
Purchase of investments	(3,722.94)	(5,104.72)
Proceeds from sale of investments	1,866.74	-
<b>Net cash flows (used in) investing activities</b>	<b>(15,248.89)</b>	<b>(21,983.24)</b>

₹ in Lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital including security premium, net of expenses incurred for shares issued	7,351.85	12,043.70
Proceeds from issuance of ESOP's including security premium	48.73	5.72
Proceeds from sale of stake in subsidiary	14,187.44	-
Proceeds from money received from share warrants	-	672.53
Proceeds/(Repayments) from short term borrowings	31,110.38	4,321.26
Proceeds from long-term borrowings	8,612.11	2,903.44
Repayment of long-term borrowings	(4,335.03)	(2,084.04)
Interest paid	(2,297.25)	(3,275.97)
<b>Net cash flows from financing activities</b>	<b>54,678.23</b>	<b>14,586.65</b>
Net increase/(decrease) in cash and cash equivalents	440.19	(1,094.93)
Cash and cash equivalents at the beginning of the period/year	193.08	1,288.01
<b>Cash and cash equivalents at year end</b>	<b>633.27</b>	<b>193.08</b>

**Components of cash and cash equivalents :-**

	As at March 31, 2018	As at March 31, 2017
<b>Balances with banks:</b>		
On current accounts	627.65	191.25
Cash on hand	5.62	1.83
	<b>633.27</b>	<b>193.08</b>
Summary of significant accounting policies	2	
Other notes on accounts	3-59	

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

**For and on behalf of the Board of Directors of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)**
**per Atul Seksaria**

Partner

Membership Number: 086370

**Dinesh Kumar Mittal**

(Director)

DIN: 00040000

**Sahil Vachani**

(Managing Director &amp; CEO)

DIN: 00761695

**Nitin Kumar Kansal**

(Chief Financial Officer)

**Gopalakrishnan Ramachandran**

(Company Secretary)

Place : Gurugram

 Date: 17<sup>th</sup> May , 2018

Place : New Delhi

 Date: 17<sup>th</sup> May , 2018

# NOTES TO FINANCIAL STATEMENTS

## for the year ended March 31, 2018

### 1 CORPORATE INFORMATION

The Consolidated financial statement comprise financial statement of Max Ventures and Industries Limited (the Company) and its subsidiaries (collectively, the Group) for the year ended March 31, 2018. The Company is registered under Companies Act, 2013 and incorporated on January 20, 2015. The Company's shares got listed on National Stock Exchange and Bombay Stock Exchange as on June 22, 2016. Registered office of the Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab - 144533.

The Group is principally engaged in the business of

- Manufacturing and selling of a wide range of sophisticated packaging unmetallised BOPP films and metallised BOPP films including High Barrier films, Thermal Lamination films and Leather finishing foils;
- Construction and development of residential and commercial properties
- Making investments in various companies and primarily engaged in growing and nurturing these business investments
- Exploring opportunities/establishing schools
- Providing shared services to its other group companies

Information on the group structure is provided in Note 29. Information on other related party relationship of the Group is provided in the Note 40

The consolidated summary statements and other consolidated financial information were authorised for issue in accordance with a resolution by the Board of directors of the Company on May 17, 2018

### 2 SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 a) Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. For all years up to and including the year ended March 31, 2017, the Group prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statement of the Group prepared in accordance with IND AS. Refer to note 42,43 and 44 for information on adoption of IND AS.

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

- (i) Certain financial assets and liabilities
- (ii) Derivative financial instruments,
- (iii) Defined benefit plans - plan assets

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

The accounting policies have been consistently applied by the Group.

#### b) Basis of Consolidation

The Consolidated Financial Statements (CFS) comprises the financial statements of the Company and its Subsidiaries as at March 31, 2018. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- ▶ Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- ▶ Exposure, or rights, to variable returns from its involvement with the investee, and
- ▶ The ability to use its power over the investee to affect its return

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- ▶ The contractual arrangement with the other vote holders of the investee
- ▶ Rights arising from other contractual arrangements
- ▶ The Group's voting rights and potential voting rights
- ▶ The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so. Consolidation procedure:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- (iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. IND AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

- (iv) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- ▶ Derecognises the assets (including goodwill) and liabilities of the subsidiary
- ▶ Derecognises the carrying amount of any non-controlling interests
- ▶ Derecognises the cumulative translation differences recorded in equity
- ▶ Recognises the fair value of the consideration received
- ▶ Recognises the fair value of any investment retained
- ▶ Recognises any surplus or deficit in profit or loss

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

## 2.2 Summary of significant accounting policies

### a. Current versus non-current classification

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

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

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

### b. Property, Plant and Equipment and Investment Property

#### (i) Property, Plant and Equipment

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

Property, Plant and equipment including capital work in progress are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price, taxes, duties, freight and other incidental expenses directly attributable and related to acquisition and installation of the concerned assets and are further adjusted by the amount of CENVAT/GST credit and VAT credit availed wherever applicable. Cost includes borrowing cost for long term construction projects if recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment

as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

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

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

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

In respect to tangible and intangible assets acquired under the business transfer agreement, the Group has calculated depreciation/amortization on straight-line basis using the rates arrived at based on a technical estimate of the residual useful lives estimated by an independent engineering consultancy professional firm. In respect of others assets, depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

<b>Assets</b>	<b>Useful lives estimated by the management (years)</b>
Leasehold Improvements	Over life of lease or life of asset whichever is less
Factory building	30
Other building	60
Plant and Equipment	15-25
Office Equipment	3 - 5
Computers & Data Processing Units	3 - 6
Furniture and Fixtures	10
Motor Vehicles	3 - 8

### c. Intangible assets

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Group has applied exemptions of IND AS 101 to continue the carrying value of all intangible assets as at the date of transition as its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.





Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 3-6 years.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- (a.) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- (b.) Its intention to complete and its ability and intention to use or sell the asset
- (c.) How the asset will generate future economic benefits
- (d.) The availability of resources to complete the asset
- (e.) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

#### **d. Non-current assets held for sale**

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

- i. The appropriate level of management is committed to a plan to sell the asset,
- ii. An active programme to locate a buyer and complete the plan has been initiated,
- iii. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- iv. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- v. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Non-current assets held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

#### **e. Impairment of non financial assets**

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of

those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

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

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

Impairment testing of goodwill and intangible assets with indefinite lives

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non – financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.



Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

**f. Financial Instruments**

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

**(i) Financial assets**

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

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

**Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset. The difference between the transaction amount and amortised cost in case of interest free loan to subsidiaries based on expected repayment period is considered as deemed investment.

**Subsequent measurement**

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

- (i) Debt instruments at amortized cost
- (ii) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

**Debt instruments at amortized cost**

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

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

**Debt instruments at FVTPL**

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

### Equity investments of other entities

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

### Derecognition

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

- the rights to receive cash flows from the asset have expired, or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
  - (a) the Group has transferred the rights to receive cash flows from the financial assets or
  - (b) the Group has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

### Impairment of financial assets

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

- Financial assets measured at amortised cost; e.g. Loans, security deposits, trade receivable, bank balance.
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

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

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



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

### **Reclassification of financial assets**

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

### **(ii) Financial liabilities**

#### **Initial recognition and measurement**

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

#### **Subsequent measurement**

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

#### **Trade Payables**

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-180 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

#### **Financial liabilities at fair value through profit or loss**

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

#### **Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR

method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### **Derecognition**

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

#### **Offsetting of financial instruments**

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

#### **g. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on educational material on IND AS-18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since, the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT)/Goods and Service tax is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

#### **Sale of goods**

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

#### **Revenue from constructed properties**

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.

#### **Shared Service Income**

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



### **Interest Income**

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

### **Dividend Income**

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

### **Job work income**

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

### **Export benefits**

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

## **h. Inventories**

### **A. Inventories in manufacturing business**

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

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

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

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

### **B. Inventories in real estate business**

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

- (A) Completed Unsold inventory is valued at lower of cost and net realizable value. Cost is determined by including cost of land, materials, services and related overheads.
- (B) Work in progress is valued at cost. Cost comprises value of land (including development rights), materials, services and other overheads related to projects under construction.

## **i. Taxes**

### **Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 and the income



computation and disclosure standards (ICDS) enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

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

### Deferred tax

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

- ▶ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ▶ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- ▶ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ▶ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

Deferred tax includes Minimum Alternate Tax (MAT) recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during specified period, i.e. the period for which MAT credit is allowed to be carried forward. The Group reviews the "MAT

credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

#### **GST (Goods and Service tax )/ Sales/ value added taxes paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of GST (Goods and Service tax )/ Sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of Other current assets or liabilities in the balance sheet.

#### **j. Borrowing costs**

Borrowing cost includes interest expense as per effective interest rate [EIR]. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time that the asset are substantially ready for their intended use. Where fund are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing incurred. Where surplus funds are available out of money borrowed specifically to finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rate applicable to relevant general borrowing of the Group during the year. Capitalisation of borrowing cost is suspended and charged to profit and loss during the extended periods when the active development on the qualifying project is interrupted. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

#### **k. Leases**

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

##### **Group as a lessee**

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

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

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

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

## I. Provision and Contingent liabilities

### Provisions

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

### Contingent liabilities

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

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

## m. Employee benefits

### Provident fund

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

### Gratuity

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Max Speciality Films Limited, subsidiary of the Company has also made contribution to Life Insurance Corporation (LIC) towards a policy to cover the gratuity liability of the employees to an extent. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

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

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Group recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

- (i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.
- (ii) Net interest expenses or income

**Superannuation fund**

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

**Compensated Absences**

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it 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 Group has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

**Short-term obligations**

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

**Long term incentive plan**

Employees of the Group receives defined incentive, whereby employees render services for a specified period. Long term incentive is measured on accrual basis over the period as per the terms of contract.

**n. Share-based payments**

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

**Equity-settled transactions**

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognized, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance

conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

#### **Cash-settled transactions**

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

#### **o. Cash and cash equivalents**

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

#### **p. Earning per share**

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

#### **q. Foreign currencies**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). the Group's financial statements are presented in Indian rupee (₹) which is also the Group's functional and presentation currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction. However, for practical reasons, the Group uses an average rate if the average approximates the actual rate at the time of the transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.



Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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

**r. Fair value measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Group's management determines the policies and procedures for both recurring and non-recurring fair value measurement, such as derivative instruments measured at fair value.

External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. The management decided, after discussions with the Group's external valuers which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies.

The management in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

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

Disclosures for valuation methods, significant estimates and assumptions ( note 38)

Quantitative disclosures of fair value measurement hierarchy (note 38)

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

#### **s. Derivative instrument**

##### **Initial recognition and subsequent measurement**

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

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

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- (iii) Hedges of a net investment in a foreign operation

#### **t. Government Grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on the basis of accomplishment of export obligations.

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

### **2.3 Significant accounting judgements, estimates and assumptions**

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

#### **Judgements**

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

##### **(a) Operating lease commitments - Group as lessee**

The Group has taken various commercial properties on leases. the Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Refer Note 34.





### **Estimates and assumptions**

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

#### **(a) Taxes**

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

#### **(b) Defined benefit plans**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 36.1.

#### **(c) Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The Group uses Net asset value for valuation of investment in mutual funds. Refer Note 38 related to Fair value disclosures.

## **2.4 Standards issued but not yet effective**

The standard issued, but not yet effective up to the date of issuance of the Group's financial statements is disclosed below. The Group intends to adopt the standard when it becomes effective.

The Ministry of Corporate Affairs (MCA), has issued the Companies ( Indian Accounting Standards) Amendment Rules, 2017 and Companies ( Indian Accounting Standards) Amendment Rules, 2018 amending the following standards :

#### **a) Appendix B to IND AS 21, Foreign currency transactions and advance consideration:**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of

the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix. The Appendix is effective for annual periods beginning on or after 1st April 2018. However, since the Group's current practice is in line with the interpretation, the Group does not expect any effect on its financial statements.

**(b) IND AS 115 Revenue from Contracts with Customers:**

INDAS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under IND AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IND AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Group expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions of the Group. IND AS 115 is effective for the Group in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within IND AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying IND AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in IND AS 115 (the modified retrospective method).

The Group continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of IND AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Group's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard to its contractual arrangements. The Group has established an implementation team to implement IND AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Upon adoption the Group expects there to be a change in the manner that variable consideration in certain revenue arrangements is recognized from the current practice of recognizing such revenue as the services are performed and the variable consideration is earned to estimating the achievability of the variable conditions when the Group begins delivering services and recognizing that amount over the contractual period. The Group also expects a change in the manner that it recognizes certain incremental and fulfilment costs from expensing them as incurred to deferring and recognizing them over the contractual period. A reliable estimate of the quantitative impact of IND AS 115 on the financial statements will only be possible once the implementation project has been completed.

## 3. PROPERTY, PLANT AND EQUIPMENT (PPE) AND INVESTMENT PROPERTY

₹ in Lakhs

	Land (Freehold)	Building	Leasehold improvements	Plant and equipment	Furniture and fixture	Office equipment	Computers and data processing units	Motor vehicles	Total
<b>At cost</b>									
<b>Deemed Cost as at April 1, 2016</b>	<b>1,685.81</b>	<b>4,247.86</b>	<b>44.70</b>	<b>20,185.89</b>	<b>87.28</b>	<b>112.24</b>	<b>172.53</b>	<b>131.37</b>	<b>26,667.68</b>
Additions	17.97	364.53	0.71	4,319.00	27.44	28.52	54.12	150.44	4,962.73
Disposals	-	-	-	(1.99)	(23.29)	(33.54)	(7.21)	(82.78)	(148.81)
Transfer from CWIP	-	-	-	2,015.57	10.86	-	60.82	-	2,087.25
<b>As at March 31, 2017</b>	<b>1,703.78</b>	<b>4,612.39</b>	<b>45.41</b>	<b>26,518.47</b>	<b>102.29</b>	<b>107.22</b>	<b>280.26</b>	<b>199.03</b>	<b>33,568.85</b>
Additions	37.69	3.04	2.88	1,106.51	2.27	5.21	26.78	85.94	1,270.32
Disposals	-	-	-	(0.57)	-	(2.02)	(1.46)	(73.82)	(77.87)
Assets held for sale (refer note 3d)	-	-	-	(464.08)	-	-	-	-	(464.08)
<b>As at March 31, 2018</b>	<b>1,741.47</b>	<b>4,615.43</b>	<b>48.29</b>	<b>27,160.33</b>	<b>104.56</b>	<b>110.41</b>	<b>305.58</b>	<b>211.15</b>	<b>34,297.22</b>
<b>Depreciation</b>									
Charge for the year	-	122.44	15.76	1,573.57	18.92	36.22	84.72	64.07	1,915.70
Disposals for the year	-	-	-	(1.44)	(15.87)	(31.03)	(6.28)	(44.31)	(98.93)
<b>As at March 31, 2017</b>	<b>-</b>	<b>122.44</b>	<b>15.76</b>	<b>1,572.13</b>	<b>3.05</b>	<b>5.19</b>	<b>78.44</b>	<b>19.76</b>	<b>1,816.77</b>
Charge for the year	-	128.92	16.98	1,848.59	15.72	29.27	81.29	52.68	2,173.45
Disposals for the year	-	-	-	(0.11)	-	(1.34)	(0.98)	(43.73)	(46.16)
Loss on asset held for sale (refer note 3d)*	-	-	-	(97.29)	-	-	-	-	(97.29)
<b>As at March 31, 2018</b>	<b>-</b>	<b>251.36</b>	<b>32.74</b>	<b>3,323.32</b>	<b>18.77</b>	<b>33.12</b>	<b>158.75</b>	<b>28.71</b>	<b>3,846.77</b>
<b>As at March 31, 2018</b>	<b>1,741.47</b>	<b>4,364.07</b>	<b>15.55</b>	<b>23,837.01</b>	<b>85.79</b>	<b>77.29</b>	<b>146.83</b>	<b>182.44</b>	<b>30,450.45</b>
<b>As at March 31, 2017</b>	<b>1,703.78</b>	<b>4,489.95</b>	<b>29.65</b>	<b>24,946.34</b>	<b>99.24</b>	<b>102.03</b>	<b>201.82</b>	<b>179.27</b>	<b>31,752.08</b>

\* includes Rs. 19.02 lacs on account of de-recognition of government grant

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Capital work-in-progress	23,357.40	1,577.83	2,101.00
<b>Total</b>	<b>23,357.40</b>	<b>1,577.83</b>	<b>2,101.00</b>

Notes :

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

Refer note no 13 and 18 (i) for charge created on property, plant and equipment as security against borrowings.

**b) Capitalised borrowing costs**

The Group started the construction of a Thermal Line and Coating Line in financial year 2015-16. This project was completed in financial year 2016-17. Borrowing cost capitalised in Thermal and Coating line is Rs. Nil ( March 31, 2017: Rs 60.41 Lakhs and Rs 21.10 Lakhs, April 1, 2016: Rs 60.68 Lakhs and Rs 62.93 Lakhs respectively)

The rate used to determine the amount of borrowing costs eligible for capitalisation was based on effective interest rate of the borrowing.

IND-AS 101 Exemption: The Company has availed the exemption available under Ind-AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under Indian GAAP net of adjustment such as government grants. Regarding the application of deemed cost, the Company has disclosed the cost as at April 1, 2016 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follow :

Particulars	Land (Freehold)	Building	Leasehold improvements	Plant and equipment	Furniture and fixture	Office equipment	Computers and data processing units	Motor vehicles	Total
Gross Block as on 1st April 2015	1,685.81	4,475.07	47.29	23,384.58	124.29	234.46	318.12	235.45	<b>30,505.07</b>
Accumulated depreciation as on 1st April 2016	-	227.21	2.59	3,198.69	37.01	122.22	145.59	104.08	<b>3,837.39</b>
Deemed cost as at April 1, 2016	1,685.81	4,247.86	44.70	20,185.89	87.28	112.24	172.53	131.37	<b>26,667.68</b>

₹ in Lakhs

**c) Asset under construction** as at March 31, 2018 comprises expenditure for the BOPP Line 5 plant in the course of construction. Total amount of CWIP is Rs. 23,382.54 Lakhs (March 31, 2017: Rs. 1,312.08 Lakhs, April 1, 2016: Rs. 2175.59 Lakhs). Borrowing cost capitalised in BOPP Line 5 is Rs. 1,200.51 Lakhs (March 31, 2017: Rs 145.41 Lakhs, April 1, 2016: Rs 24.37 Lakhs)

**d) Assets held for sale:** The Group has imported certain Plant & machinery without payment of import duties under EPCG scheme in the financial year 2008-09. However as on March 31, 2018, the Company has held those Plant & machinery for sale. The Company is also liable to pay custom duty saved at the time of import of capital goods along with interest. The asset has been revalued at estimated realisable value and carrying amount over and above of realisable value of asset has been booked as loss on asset held for sale in profit & loss account.

Particulars	Amount (₹ in Lakhs)
Carrying value of asset as on 31-03-2018	385.83
Less: Derecognition of government grant	(19.04)
Less: Estimated realisable value	(128.00)
Provision for diminution on asset held for sale	238.79
Duty payable	137.08
<b>Total Loss on asset held for sale</b>	<b>375.87</b>

e) Depreciation includes Rs. 0.52 lakhs (March 31, 2017 - Rs. 0.14 lakhs) is capitalised and part of inventory

#### 4. INTANGIBLE ASSETS

	Computer software	Books - ISC	Goodwill	Total	Intangible assets under development
<b>Deemed Cost as at April 1, 2016</b>	<b>272.78</b>	-	<b>167.09</b>	<b>439.87</b>	<b>74.58</b>
Additions	193.72	-	-	193.72	43.41
Disposals	(4.66)	-	-	(4.66)	(61.64)
<b>As at March 31, 2017</b>	<b>461.84</b>	-	<b>167.09</b>	<b>628.93</b>	<b>56.35</b>
Additions	37.20	25.96	-	63.16	164.13
Disposals	-	-	-	-	13.52
<b>As at March 31, 2018</b>	<b>499.04</b>	<b>25.96</b>	<b>167.09</b>	<b>692.09</b>	<b>206.96</b>
<b>Amortization</b>					
Amortisation Charge for the year	112.87	-	-	112.87	-
Disposals for the year	(4.43)	-	-	(4.43)	-
<b>As at March 31, 2017</b>	<b>108.44</b>	-	-	<b>108.44</b>	-
Amortisation Charge for the year	109.13	6.52	-	115.65	-
Disposals for the year	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>217.57</b>	<b>6.52</b>	-	<b>224.09</b>	-
<b>Net Book Value</b>					
<b>As at March 31, 2018</b>	<b>281.47</b>	<b>19.44</b>	<b>167.09</b>	<b>468.00</b>	<b>206.96</b>
<b>As at March 31, 2017</b>	<b>353.40</b>	-	<b>167.09</b>	<b>520.49</b>	<b>56.35</b>

IND-AS 101 Exemption: The Company has availed the exemption available under Ind-AS 101, whereas the carrying value of property, plant and equipment has been carried forwarded at the amount as determined under Indian GAAP net of adjustment such as government grants. Regarding the application of deemed cost, the Company has disclosed the cost as at April 1, 2016 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follow :

Particulars	Computer software	Goodwill (Note 4.01)	Total
Gross Block as on 1st April 2016	436.21	278.49	<b>714.70</b>
Accumulated depreciation as on 1st April 2016	163.43	111.40	<b>274.83</b>
Deemed cost as at April 1, 2016	272.78	167.09	<b>439.87</b>

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

### **Impairment testing of goodwill**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non – financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

#### **4.02 Deemed Cost:**

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Group has elected to consider carrying value of its goodwill as its deemed cost on the date of transition to Ind AS.

#### **4.03 Depreciation includes Rs. 0.08 lakhs (March 31, 2017 - Rs. Nil) is part of inventory**

## 5. NON-CURRENT FINANCIAL ASSETS

## i) Investments

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>a) Investment in Equity Shares ( valued at Fair value through profit and loss)</b>			
<b>FSN E-Commerce Ventures Private Limited</b>	1,866.14	1,754.71	-
134,977 ( March 31, 2017 - 269,955; April 1, 2016 - Nil) Equity Shares of Face Value Rs. 10 each fully paid up (Fair value per share, March 31, 2018 : Rs. 1,382.56, March 31, 2017 : Rs. 650.00, April 1, 2016 : Nil)			
<b>Azure Hospitality Private Limited</b>	0.04	0.04	-
Unquoted equity instruments (valued at cost unless stated otherwise) 100 (March 31, 2017 - 100; April 1, 2016 - Nil) Equity Shares of Face Value Rs.10 each fully paid up (Fair value per equity share, March 31, 2018 : Rs. 44.01, March 31, 2017 : Rs. 43.99, April 1, 2016 : Nil))			
<b>b) Investment in Debentures ( valued at Fair value through profit and loss)</b>			
<b>Azure Hospitality Private Limited</b>	-	3,349.97	-
Nil (March 31, 2017 - 7,615,947; April 1, 2016 - Nil) Series-B Compulsory Convertible Debentures ( Fair value per debenture, March 31, 2018 : Nil, March 31, 2017: Rs. 43.99, April 01, 2016 : Nil)			
<b>c) Investment in Preference Shares ( valued at Fair value through profit and loss)</b>			
<b>Azure Hospitality Private Limited</b>	7,144.95	-	-
16,234,829 (March 31, 2017 - Nil; April 1, 2016 - Nil) Series-C Preference Shares (Fair value per preference share, March 31, 2018 : Rs. 44.01, March 31, 2017: Nil, April 01, 2016 : Nil) of Face value of Rs. 10 each fully paid up *			
<b>d) Investment in IAN Fund</b>			
22,950.24 ( March 31, 2017 - Nil; April 1, 2016 - Nil) at (Fair value per unit, March 31, 2018 : Rs.72.05, March 31, 2017: Nil, April 01, 2016 : Nil) of Face value of Rs. 10	16.54	-	-
	<b>9,027.67</b>	<b>5,104.72</b>	-
<b>Non-Current</b>	<b>9,027.67</b>	<b>5,104.72</b>	-
<b>Aggregate value of unquoted investments</b>	<b>9,027.67</b>	<b>5,104.72</b>	-
<b>Aggregate value of quoted investments</b>	-	-	-

## Note:

- a) Series-B 0.01% Coupon Compulsory Convertible Debentures will be convertible into one equity share per debenture maximum upto fifteen years .
- b) Series-C 0.01% Cumulative Dividend Preference Shares of Nominal will be convertible into one equity share per preference shares maximum upto fifteen years

\* During the year, 7,615,947 Compulsory Convertible Debentures is converted into 16,234,829 Series C Compulsory Convertible Preference Shares



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

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security deposits*	459.74	354.53	295.43
Loan to employees	2.60	1.77	3.80
	<b>462.34</b>	<b>356.30</b>	<b>299.23</b>

\*Security deposits include due to related parties Rs. 77.31 Lakhs (March 31, 2017: Rs. 25.56 Lakhs, April 1, 2016: Rs. Nil)

**iii) Other non current financial asset**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Insurance claim recoverable	747.56	-	0.76
	<b>747.56</b>	<b>-</b>	<b>0.76</b>

**(iv) Other bank balances**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deposits with remaining maturity for more than 12 months	0.25	0.25	-
	<b>0.25</b>	<b>0.25</b>	<b>-</b>

**6. NON-CURRENT TAX ASSETS**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance Income Tax and Tax deducted at source	279.92	316.38	21.25
	<b>279.92</b>	<b>316.38</b>	<b>21.25</b>

**7. OTHER NON CURRENT ASSETS**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>(i) Other non current assets (unsecured considered good unless otherwise stated)</b>			
Capital advances	273.63	233.10	1,950.60
Excise duty deposited under protest	308.70	-	-
Prepaid expenses*	671.17	6.25	160.54
	<b>1,253.50</b>	<b>239.35</b>	<b>2,111.14</b>

\*includes expenses of Rs. 286.92 lakhs ( March 31, 2017: Nil, April 1, 2016: Nil) incurred towards proposed rights issue

**8. INVENTORIES (AT COST OR NRV WHICHEVER IS LESS)**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Raw materials and Packing materials [including stock in transit Rs 1,295.94 Lakhs (March 31, 2017: Rs. 1,100.37 Lakhs, April 1, 2016: Rs. 582.50 Lakhs)]	4,375.62	3,819.99	2,858.96
Stores and spares	807.23	1,229.44	1,226.91

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Work in progress-			
Real Estate	62,430.01	5,057.57	-
BOPP Film	1,047.00	1,929.71	1,040.80
Finished goods [(including in transit Rs. 611.80 Lakhs (March 31, 2017: Rs. 648.47 Lakhs, April 1, 2016: Rs. 319.94 Lakhs)), (including trial run stock of Rs. Nil (March 31, 2017: Rs. Nil, April 1, 2016: Rs. 3.27 Lakhs))]	1,061.84	823.79	680.38
	<b>69,721.70</b>	<b>12,860.50</b>	<b>5,807.05</b>

\* includes Rs. 57.06 lakhs ( March 31, 2017 : Rs. 108.14 Lakhs; April 1, 2016 : Nil) of construction materials relating to real estate business

## 9. CURRENT FINANCIAL ASSETS

### (i) Other investment

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Quoted mutual funds ( valued at Fair value through profit and loss)</b>			
UTI Money Market Fund - Institutional Plan - Direct Growth Plan - Face value Rs.1,000/- per unit fully paid (Units - 97,391.06, NAV - Rs. 1,949.74) ( March 31, 2017 - Units - 11,064.87 , NAV -Rs. 1,824.22, April 1, 2016 - Nil)	1,898.88	201.85	-
DSP Black rock Liquidity Fund Plan - Direct Fund Growth - Face value Rs.1,000/- per unit fully paid (Units - Nil) , ( March 31, 2017 - Units - 110,369.86 , NAV - Rs. 2,325.78, April 1, 2016 - Nil)	-	2,566.96	-
Invesco India Liquid Fund Plan - Direct Fund Growth - Face value Rs.1,000/- per unit fully paid (Units - 71,625.62 , NAV - Rs. 2,392.07) ( March 31, 2017 - Units - 114,668.99 , NAV - Rs. 2,238.10, April 1, 2016 - Nil)	1,713.33	2,566.41	-
JM High Liquidity Fund Plan - Direct Growth - Face value Rs.1,000/- per unit fully paid (Units - 2,102,450.37 , NAV - Rs. 47.57) ( March 31, 2017 - Units - 5,767,025.53 , NAV - Rs. 44.51, April 1, 2016 - Nil)	1,000.19	2,567.13	-
Kotak Floater Short Term Fund Plan - Direct Fund Growth - Face value Rs.1,000/- per unit fully paid (Units - Nil) ( March 31, 2017 - Units - 96,161.91 , NAV - Rs. 2,669.38, April 1, 2016 - Nil)	-	2,566.93	-

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Aditya Birla Sun Life Cash Plus Plan - Growth Direct Plan - Face value Rs.1,000/- per unit fully paid (Units - 217.26 , NAV - Rs. 279.31) ( March 31, 2017 - Units - 698,079.95 , NAV - Rs. 261.31, April 1, 2016 - Nil)	0.60	1,824.14	-
Axis Mutual Fund Plan - Direct Fund Growth - Face value Rs.1,000/- per unit fully paid (Units - 58,143.07 , NAV - Rs. 1,927.53, March 31, 2017- Nil, March 31, 2016- Nil)	1,120.73	-	-
	<b>5,733.73</b>	<b>12,293.42</b>	-
<b>Aggregate value of unquoted investments</b>	-	-	-
<b>Aggregate amount of quoted mutual fund</b>	<b>5,733.73</b>	<b>12,293.42</b>	-

**(ii) Trade receivables**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Unsecured :-</b>			
Trade receivables - considered good	10,868.50	11,368.41	14,849.77
Trade receivables - considered doubtful	237.97	219.58	39.80
Trade receivables from related parties - considered good (refer note 40(b))	68.43	32.15	-
Less: Impairment allowance for trade receivable considered doubtful	(237.97)	(219.58)	(39.80)
	<b>10,936.93</b>	<b>11,400.56</b>	<b>14,849.77</b>

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days.

For terms and conditions relating to receivables from related parties, refer note 40(b)

**(iii) Loans (amortized cost) (unsecured considered good unless otherwise stated)**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Loan to employee	16.28	16.01	19.66
Interest accrued on deposits and others	21.72	36.83	31.21
Security deposits	25.96	8.37	-
Security deposits to related parties ( refer note 40 (b))	-	48.00	48.00
Advance to related parties	-	57.93	-
	<b>63.96</b>	<b>167.14</b>	<b>98.87</b>

**(iv) Cash and cash equivalents**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Balances with banks:</b>			
On current accounts	627.65	191.25	485.80
Deposits with remaining maturity for less than 12 months	-	-	800.00
Cash on hand	5.62	1.83	2.21
	<b>633.27</b>	<b>193.08</b>	<b>1,288.01</b>

## Changes in liabilities arising from financing activities

₹ in Lakhs

Particulars	1-Apr-17	Cash flows	others*	31-Mar-18
Current borrowings	12,045.62	30,985.07	125.31	43,156.00
Non- current borrowings ( including current maturities)	20,467.83	2,105.14	2171.94	24,744.91

\* Other includes Interest accrued during the financial year.

₹ in Lakhs

Particulars	1-Apr-16	Cash flows	others*	31-Mar-17
Current borrowings	7,724.36	3,505.00	816.26	12,045.62
Non- current borrowings ( including current maturities)	19,648.43	(1,640.31)	2459.71	20,467.83

\* Other includes Interest accrued during the financial year.

## (v) Other bank balances

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Deposits:</b>			
(i) Margin money deposits #	3.50	4.88	1.24
	<b>3.50</b>	<b>4.88</b>	<b>1.24</b>

## # Margin money deposits given as security

Margin money has been deposited with the bank as security for bills of exchange discounted without letter of credit.

## (vi) Derivative instruments at fair value through profit or loss

₹ in Lakhs

## Derivatives not designated as hedges

Foreign exchange forward contracts	53.67	41.91	18.63
	<b>53.67</b>	<b>41.91</b>	<b>18.63</b>

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

## (vii) Other financial assets

₹ in Lakhs

Other receivables #	94.15	108.81	109.01
Unbilled revenue	543.74	-	-
	<b>637.89</b>	<b>108.81</b>	<b>109.01</b>

# other receivables includes Rs. 20.63 lakhs ( March 31, 2017: 21.17 lakhs; April 1, 2016: Nil) from related parties. Refer note 40(b)

## Break up of financial assets at amortised cost

₹ in Lakhs

<b>Non-current financial assets</b>			
Loans (refer note 5(ii))	462.34	356.30	299.23
Other bank balances (refer note 5(iv))	0.25	0.25	-
<b>Current financial assets</b>			
Trade receivables (refer 9(ii))	10,936.93	11,400.56	14,849.77
Loans (refer 9(iii))	63.96	167.14	98.87
Cash and cash equivalents (refer 9(iv))	633.27	193.08	1,288.01
Other bank balances (refer note 9(v))	3.50	4.88	1.24
Other current financial assets (refer 9(vii))	637.89	108.81	109.01
	<b>12,738.14</b>	<b>12,231.02</b>	<b>16,646.13</b>

**10. OTHER CURRENT ASSETS (UNSECURED CONSIDERED GOOD, UNLESS OTHERWISE STATED)**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other advances	913.42	993.88	440.42
Other advances - related party (refer note 40 (b))	231.66	-	-
Prepaid expenses	410.42	356.80	193.25
Excise duty recoverable on export goods	602.52	-	412.63
Balance with statutory authorities	2,536.65	381.75	679.52
Export benefits receivables	404.43	433.72	336.85
	<b>5,099.10</b>	<b>2,166.15</b>	<b>2,062.67</b>

**11. SHARE CAPITAL AND OTHER EQUITY**

**(i) Equity share capital**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>a) Authorized Share Capital</b>			
150,000,000 (March 31, 2017 - 110,000,000; April 1, 2016 - 60,000,000) equity shares of Rs.10/- each	15,000.00	11,000.00	6,000.00
	<b>15,000.00</b>	<b>11,000.00</b>	<b>6,000.00</b>
<b>Issued, subscribed and fully paid-up</b>			
72,648,105 (March 31, 2017 - 68,977,878; April 1, 2016 - 53,396,800) equity shares of Rs.10/- each fully paid up	7,264.81	6,897.79	5,339.68
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>7,264.81</b>	<b>6,897.79</b>	<b>5,339.68</b>

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

₹ in Lakhs

	March 31, 2018		March 31, 2017		April 1, 2016	
<b>Equity shares</b>	<b>No. of shares</b>	<b>₹ in Lakhs</b>	<b>No. of shares</b>	<b>₹ in Lakhs</b>	<b>No. of shares</b>	<b>₹ in Lakhs</b>
At the beginning of the period	68,977,878	6,897.79	53,396,800	5,339.68	53,396,800	5,339.68
Add: Shares issued at incorporation of the Company	-	-	-	-	-	-
Add: Issued during the period under scheme of demerger	-	-	-	-	-	-
Add: Shares issued for stock options exercised during the year (Refer note no 36.3)	221,333	22.13	57,208	5.72	-	-
Add: Shares issued during the year/period (Refer note no. 46)	3,448,894	344.89	15,523,870	1,552.39	-	-
<b>Outstanding at the end of the period</b>	<b>72,648,105</b>	<b>7,264.81</b>	<b>68,977,878</b>	<b>6,897.79</b>	<b>53,396,800</b>	<b>5,339.68</b>

**c) Terms and rights attached to equity shares**

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

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

₹ in Lakhs

Name of the Shareholder	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
<b>Equity shares of Rs. 10 each fully paid-up</b>						
New York Life International Holdings Limited	15,523,870	21.37%	15,523,870	22.51%	-	-
Max Ventures Investment Holdings Private Limited.	13,105,500	18.04%	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	6.56%	4,763,774	6.91%	-	-
Siva Enterprises Private Limited	5,810,598	8.00%	2,361,704	3.42%	-	-
GS Mace Holdings Limited	-	-	-	-	3,439,276	6.44%

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

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

The Company has issued 221,333 equity shares during the year ended March 31, 2018 and 57,208 Equity shares during the year ended March 31, 2017 on exercise of options granted under the Employee Stock Option Plan 2016 of Max Ventures and Industries Limited, for details refer note 36.3

**f) Increase in Authorised Share Capital**

Pursant to shareholders approval in December 2017, the company has increased its authorised share capital from Rs. 11,000 lakhs to Rs. 15,000 lakhs

**12. OTHER EQUITY**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital reserve (refer note a below)	13,822.40	13,822.40	13,822.40
Securities premium account (refer note b below)	12,873.12	10,497.98	-
Employee stock options outstanding (refer note c below)	20.91	24.28	24.28
Retained earnings (refer note d below)	7,526.37	1,171.25	1,848.33
	<b>34,242.80</b>	<b>25,515.91</b>	<b>15,695.01</b>
Notes:			
<b>a) Capital reserve</b>			
At the beginning of the year/ period	13,822.40	13,822.40	13,822.40
	<b>13,822.40</b>	<b>13,822.40</b>	<b>13,822.40</b>
<b>b) Securities premium</b>			
At the beginning of the year/ period	10,497.98	-	-
Add: premium on Preferential issue of equity shares (refer note 46)	2,345.25	10,556.24	-
Add: Addition/deletion on equity shares	26.60	-	-
Add: additions on ESOPs exercised (refer note 36.3)	6.01	6.67	-
Less: share issue expenses	(2.72)	(64.93)	-
	<b>12,873.12</b>	<b>10,497.98</b>	-

	₹ in Lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>c) Employee stock options outstanding</b>			
At the beginning of the year/ period	24.28	24.28	24.28
Add: expense recognized during the year (refer note 36.3)	2.64	6.67	-
Less: transferred to securities premium on exercise of stock options	6.01	6.67	-
	<b>20.91</b>	<b>24.28</b>	<b>24.28</b>
<b>d) Retained earnings</b>			
At the beginning of the year/ period	1,171.25	1,848.33	1,848.33
Profit/(Loss) for the period/year	370.35	(669.50)	-
Non-controlling interest on stake purchase (refer note 47)	197.15	-	-
Gain on sale of subsidiary (refer note 47)	5,765.38	-	-
Items of other comprehensive income recognized directly in retained earnings			
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	22.24	(7.58)	-
	<b>7,526.37</b>	<b>1,171.25</b>	<b>1,848.33</b>

### 13. BORROWINGS

	₹ in Lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-current borrowings :-</b>			
<b>Term loans (secured)</b>			
From banks [refer note (i) to (vii) below]	20,067.49	13,067.52	12,361.48
From non-banking financial company [refer note (viii) below]	-	2,887.50	2,962.50
<b>Others</b>			
Buyers credit foreign currency (secured) [refer note (ix) below]	-	2,837.19	1,917.64
<b>Vehicle loans (secured) [refer note (x) below]</b>	51.51	78.32	58.66
<b>Current borrowings :-</b>			
<b>Term loans (secured)</b>			
From banks [refer note (i) to (vii) below]	1,371.43	947.50	846.34
From non-banking financial company [refer note (viii) below]	-	75.00	37.50
<b>Others</b>			
Buyers credit foreign currency (secured) [refer note (ix) below]	3,041.89	363.81	1,250.84
<b>Vehicle loans (secured) [refer note (x) below]</b>	46.77	49.91	37.26
<b>Interest accrued and due on borrowings</b>	-	114.60	168.59
<b>Interest accrued but not due on borrowings</b>	165.82	46.48	7.62
	<b>24,744.91</b>	<b>20,467.83</b>	<b>19,648.43</b>
<b>Less: Amount disclosed under "other current financial liabilities" [refer note 18(iii)]</b>	<b>4,625.91</b>	<b>1,597.30</b>	<b>2,348.15</b>
	<b>20,119.00</b>	<b>18,870.53</b>	<b>17,300.28</b>
Aggregate Secured loans	<b>24,744.91</b>	<b>20,467.83</b>	<b>19,648.43</b>
Aggregate Unsecured loans	-	-	-



**Term loan from banks :-**

- i) Term loan from Yes Bank Limited amounting to Rs. 7,951.32 Lakhs (March 31, 2017: Rs. 8,063.92 Lakhs, April 1, 2016: Rs. 8,123.80 Lakhs) 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. 3,845.00 Lakhs (March 31, 2017: Rs. 4,540.17 Lakhs, April 1, 2016: Rs. 4,768.92 Lakhs) 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 8.70% p.a. to 12.35% p.a.
- iii) Term loan from Yes Bank Limited amounting to Rs. 1,498.89 Lakhs (March 31, 2017: Rs. 1,410.93 Lakhs, April 1, 2016: Rs. 315.10 Lakhs) 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 28th February 2019 carrying interest rate ranging from 8.70% p.a. to 9.30% p.a..
- iv) Term loan from Indusind Bank Limited amounting to Rs. 3167.42 Lakhs (March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil) 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 27 structured quarterly instalments to be commenced from 30th September 2018 carrying interest rate of 8.95% p.a..
- v) Term loan from Yes Bank Limited amounting to Rs. 2800.06 Lakhs (March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil) 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 28 structured quarterly instalments to be commenced from 1st December 2017 carrying interest rate of 8.70% p.a.
- vi) Term loan from IDFC Bank Limited amounting to Rs. 600.00 Lakhs (March 31, 2017: Rs. Nil, April 1, 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 27 structured quarterly instalments commenced from September 03, 2018 carrying interest rate of 9.15% p.a..
- vii) Term loan from Axis Bank Limited amounting to Rs. 1576.23 Lakhs (March 31, 2017: Rs. Nil; April 1, 2016: Rs. Nil) was secured by way of first pari passu charge on the over area Land and Building (excluding assets/equipment/vehicles etc. specifically charged to other lenders) and exclusive hypothecation charge over all assets both present and future. The loan is repayable at the end of 48th month from the date of first disbursement i.e. March 27, 2018

**Term loan from non-banking financial company :-**

- viii) Term loan from Tourism Finance Corporation of India Limited amounting to Nil (March 31, 2017: Rs. 2,962.50 Lakhs; April 1, 2016: Rs. 3,000 Lakhs) 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 December 03, 2016 carrying interest rate ranging from 12.30% p.a. to 13.00% p.a..

**Buyers credit foreign currency (secured)**

- ix) Buyer credit foreign currency facility from Yes Bank Limited amounting to Rs. 3,041.89 Lakhs (March 31, 2017: Rs. 3,201.00 Lakhs, April 1, 2016: Rs. 3,168.48 Lakhs) 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.

**Vehicle loan (secured) :-**

- x) Vehicle loans amounting to Rs. 98.28 Lakhs (March 31, 2017: Rs. 128.23 Lakhs; April 1, 2016: Rs. 95.92 Lakhs) are secured by way of hypothecation of respective vehicles. The loans are repayable in 3 to 5 years. The rate of interest varies between 8.75% p.a. to 11.50% p.a.

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

**Undrawn borrowings:**

- xi) Term loan from Indusind bank Rs. 17,600 Lakhs and IDFC bank Rs.1,400 Lakhs has been sanctioned against which Rs. 14,660 Lakhs and Rs. 600 Lakhs respectively has been disbursed as on March 31, 2018.

**14. TRADE PAYABLES**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,391.32	2,033.42	-
	<b>1,391.32</b>	<b>2,033.42</b>	-

# Trade payables include due to related parties. Refer note 40(b)

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

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

**15. LONG TERM PROVISION**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for employee benefits			
Provision for gratuity (refer note 36.1)	513.01	470.13	353.26
	<b>513.01</b>	<b>470.13</b>	<b>353.26</b>

**16. DEFERRED TAX LIABILITIES**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(i) Deferred tax liability</b>			
Fixed Assets: Impact of differences in depreciation in block of fixed assets as per tax books and financial books	3,182.80	2,633.70	1,257.85
Difference in book base and tax base in investments	62.04	32.56	-
Impact on fair valuation of investments	315.88	-	-
<b>Gross deferred tax liability</b>	<b>3,560.72</b>	<b>2,666.26</b>	<b>1,257.85</b>

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(ii) Deferred tax assets</b>			
Impact of expenditure charged to the statement of profit and loss in the period but allowed for tax purposes on payment basis	563.43	475.35	471.23
Unabsorbed depreciation/ Business Losses	1,416.26	1,331.59	-
Others	536.33	134.68	24.88
<b>Gross deferred tax assets</b>	<b>2,516.02</b>	<b>1,941.62</b>	<b>496.11</b>
<b>Mat Credit</b>	<b>934.27</b>	<b>698.64</b>	<b>467.61</b>
<b>Deferred Tax (Asset)/Liability</b>	<b>110.43</b>	<b>26.00</b>	<b>294.13</b>

**17. OTHER NON CURRENT LIABILITIES**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Government grants	1,523.79	441.36	286.31
	<b>1,523.79</b>	<b>441.36</b>	<b>286.31</b>

**Movement of government grant is as below:**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
At the beginning of the period	441.36	286.31	286.31
Received during the period	1,467.81	796.66	-
Released to the statement of profit and loss	(385.38)	(641.61)	-
At the end of the period	<b>1,523.79</b>	<b>441.36</b>	<b>286.31</b>

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

**18. CURRENT FINANCIAL LIABILITIES**

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(i) Borrowings</b>			
Cash credit from banks (secured) [refer note (i) below]	1,657.35	2,445.34	5,701.78
Packing credit foreign currency (secured) [refer note (iv) below]	-	0.28	225.15
Loan from related party (Unsecured interest free) [refer note (vii) below]	-	5,600.00	-
Packing credit (unsecured) [refer note (v) below]	-	-	1,500.00
Bills discounted from banks (unsecured) [refer note (vi) below]	-	-	297.43
Working capital demand loan (secured) [refer note (ii) below]	29,678.73	4,000.00	-
Buyers credit (secured) [refer note (iii) below]	11,819.92	-	-
	<b>43,156.00</b>	<b>12,045.62</b>	<b>7,724.36</b>

- (i) Cash credit facilities from HDFC Bank Limited, Citi Bank Limited, Kotak Bank Limited, Indusind Bank Limited, Ratnagar Bank Limited, Yes Bank Limited and IDFC Bank Limited are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company, both present and future. The rate of interest on cash credit varies between banks ranging from 8.75% p.a. to 11.80% p.a. and are repayable on demand.
- (ii) a) Working capital demand loan from IDFC Bank Limited and HDFC Bank Limited are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company, both present and future. The tenor of WCDL ranges between 30 to 180 days. The rate of interest on working capital demand loans varies between 8.10% p.a. to 9.70% p.a.
- b) Working capital demand loan from IDFC Bank Limited secured by way of First Pari Passu charge on Company's immovable and movable fixed assets on Delhi one project at Noida and pledge on 30% share of the Company and NDU for another 21% stake. The said loan is repayable on August 14, 2018. The rate of interest on working capital demand loans is 9.30% p.a.

- (iii) Buyer credit foreign currency facility from Yes Bank Limited and Indusind Bank Limited Rs. 11,425.02 Lakhs (March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil) and Yes Bank Limited Rs 394.90 Lakhs ((March 31, 2017: Rs. Nil, April 1, 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 within a year carrying interest rate ranging from 0.22% p.a. to 2.57% p.a.
- (iv) 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 Max Speciality Films Limited, subsidiary, both present and future. The rate of interest on packing credit foreign currency varies between 1.50% p.a. to 2.79% p.a.
- (v) Packing credit facility from Deutsche Bank is repayable on demand carried interest rate of 9.50%.
- (vi) Bills discounted Rs. Nil (March 31, 2017: Rs. Nil, March 31, 2016: Rs 297.43 Lakhs) represents debtors discount without Letter of credit from Ratnagar Bank Limited with a tenor of 3 to 4 months.
- (vii) Interest free loan taken from related party and repayable on demand (refer note 40 (b))

**Undrawn borrowings:**

- (viii) Cash credit \Working capital demand loan\Packing credit\Bill discounting facilities from Yes Bank Limited, Kotak Mahindra bank Limited, Indusind Bank Limited, IDFC Bank Limited, HDFC Bank Limited and Axis Bank limited has been sanctioned to the tune of Rs 3,000 Lakhs, Rs 5,000 Lakhs, Rs. 2,000 Lakhs, Rs 4,000 Lakhs, Rs. 3,000 Lakhs and Rs. 15,000 Lakhs respectively. The amount utilised against the sanction facility as on March 31, 2018 from Yes Bank Limited, Kotak Mahindra Bank Limited, Indusind Bank Limited, IDFC Bank Limited and HDFC Bank limited is Rs 459.05 Lakhs, Nil, Nil, Rs. 3,898.31 Lakhs, Rs. 2,000 Lakhs and Rs. 13,400 Lakhs respectively.

	₹ in Lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>(ii) Trade payables</b>			
Total outstanding dues of micro enterprises and small enterprises*	86.78	18.62	89.24
Total outstanding dues of creditors other than micro enterprises and small enterprises #	16,353.95	8,451.98	5,282.22
	<b>16,440.73</b>	<b>8,470.60</b>	<b>5,371.46</b>

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

	₹ in Lakhs		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	86.78	Nil	22.58
The interest due on unpaid principal amount remaining as at the end of each accounting year	4.29	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	Nil

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
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	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	4.29	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	0.13	0.28	0.01

# Trade payables include due to related parties. Refer Note 40 (b) for amount due to related parties.

#### Terms and conditions of the above financial liabilities:

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

#### (iii) Other current financial liabilities

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current maturity of long term borrowings (refer note 13)	4,625.91	1,597.30	2,348.15
Security deposits	115.26	154.68	127.19
Capital creditors	2,511.50	269.22	171.74
	<b>7,252.67</b>	<b>2,021.20</b>	<b>2,647.08</b>

\*Capital creditors include due to related parties Rs.13.19 lakhs ( March 31, 2017 - Rs. Nil, April 1, 2016 - Rs. Nil). Refer note 40(b)

### 19. SHORT TERM PROVISION

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for employee benefits			
- Provision for leave encashment (refer note 36.2)	215.20	182.48	147.91
- Provision for gratuity (refer note 36.1)	89.00	90.90	90.53
	<b>304.20</b>	<b>273.38</b>	<b>238.44</b>

### 20. OTHER CURRENT LIABILITIES

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance from customers	14,209.71	863.57	162.76
Statutory dues	478.40	361.01	274.89
Dividend distribution tax payable	-	-	70.70
	<b>14,688.11</b>	<b>1,224.58</b>	<b>508.35</b>

## 21. REVENUE FROM OPERATIONS

	₹ in Lakhs	
	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>Sale of products</b>		
Bi-axially oriented polypropylene film	67,140.65	70,267.63
Revenue from sale of constructed properties	2,609.69	-
<b>Total</b>	<b>69,750.34</b>	<b>70,267.63</b>
<b>Revenue from services</b>		
Income from shared services	131.36	200.51
<b>Other operating Income</b>		
Gain on sale of current investments	728.52	13.67
Net Gain on sale of non-current investments	1,077.36	-
Fair value gain on financial instruments at fair value through profit or loss	118.94	94.09
Fair value gain on non-current investments at fair value through profit or loss	989.39	-
Interest income on fixed deposits	-	3.94
Export benefits	328.39	284.98
Waste of plastic sale	382.05	447.38
Income from government grant	385.38	641.61
<b>Total</b>	<b>73,891.73</b>	<b>71,953.81</b>

Sale of products includes excise duty collected from customers of Rs. 1,402.25 Lakhs (March 31, 2017: Rs. 5,808.50 Lakhs). Sale of products net of excise duty is Rs. 68,348.09 Lakhs (March 31, 2017: Rs. 64,459.13 Lakhs).

According to the requirement of IND AS, revenue for the corresponding year ended March 31, 2017 were reported inclusive of excise duty. The Government of India has implemented Goods and Service Tax ("GST") from July 1, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, per IND AS 18, the revenue for the year ended March 31, 2018, is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative income from operations of the Company would have been as follows:

Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended March 31, 2018 is not comparable March 31, 2017.

	₹ in Lakhs	
	for the year ended March 31, 2018	for the year ended March 31, 2017
Revenue from sale of products ( net of excise duty)	68,348.09	64,459.13
<b>22. OTHER INCOME</b>		
<b>Interest income on</b>		
- on fixed deposits	0.03	-
- on security deposit	10.17	3.02
- others	252.20	147.77
Gain on mutual fund investments	48.73	-
Liabilities/provisions no longer required written back	12.18	16.48
Gain on foreign exchange fluctuation (net)	607.63	800.76
Net gain on disposal of property, plant and equipment	11.88	2.97
Scrap sale	167.37	207.04
Miscellaneous income	29.57	22.51
	<b>1,139.76</b>	<b>1,200.55</b>

**23. COST OF RAW MATERIALS CONSUMED**

₹ in Lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
Inventories at beginning of year	3,819.99	2,858.96
Add: Purchases	58,995.60	53,596.86
Less: inventory at the end of year	4,375.62	3,819.99
Cost of raw materials consumed (refer note 50)	<b>58,439.97</b>	<b>52,635.83</b>

**24. (INCREASE)/ DECREASE IN WORK-IN-PROGRESS AND FINISHED GOODS**

₹ in Lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>a) Inventories at end of the year</b>		
<b>Work in progress-</b>		
Real Estate	62,430.01	5,057.57
BOPP Film	1,047.00	1,929.71
Finished goods	1,061.84	823.79
	<b>64,538.85</b>	<b>7,811.07</b>
<b>b) Acquisition adjustment- Real Estate</b>	<b>50,615.99</b>	-
<b>c) Inventories at beginning of the year</b>		
<b>Work in progress-</b>		
Real Estate	5,057.57	-
BOPP Film	1,929.71	1,040.80
Finished goods	823.78	680.38
	<b>7,811.06</b>	<b>1,721.18</b>
<b>Net (Increase)/ decrease in work-in-progress and finished goods (c+b-a)</b>	<b>(6,111.79)</b>	<b>(6,089.89)</b>
<b>Details of inventory</b>		
<b>Work-in-progress</b>		
BOPP Film	1,047.00	1,929.71
Real Estate	62,430.01	5,057.57
	<b>63,477.01</b>	<b>6,987.28</b>
<b>Finished goods</b>		
BOPP Film	1,061.84	823.79
	<b>1,061.84</b>	<b>823.79</b>

**25. EMPLOYEE BENEFITS EXPENSE**

₹ in Lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
Salaries, wages and bonus	3,575.54	3,637.22
Contribution to provident and other funds	215.97	202.05
Gratuity expense* (refer note 36.1)	113.10	101.66
Staff welfare expenses	216.23	230.09
	<b>4,120.84</b>	<b>4,171.02</b>

\* excludes costs capitalised Rs. 4.86 lakhs ( March 31, 2017 - Rs. 4.66 lakhs ) in inventory and Capital work in progress



## 26. FINANCE COSTS

₹ in Lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
Interest on term loan	2,433.02	2,364.16
Interest on others	125.31	816.27
Interest on delay in deposit of advance tax	8.00	0.09
Bank charges	897.25	313.05
	<b>3,463.58</b>	<b>3,493.57</b>
Less: Finance cost capitalisation	(1,161.59)	(217.58)
	<b>2,301.99</b>	<b>3,275.99</b>

## 27. DEPRECIATION AND AMORTIZATION EXPENSE\*

₹ in Lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
Depreciation of tangible assets (refer note 3)	2,172.93	1,915.55
Amortization of intangible assets (refer note 4)	115.57	112.88
	<b>2,288.50</b>	<b>2,028.43</b>

\* Depreciation includes Rs. 0.60 lakhs (March 31, 2017 - Rs. 0.14 lakhs) is capitalised and part of inventory (work in progress)

## 28. OTHER EXPENSE

₹ in Lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
Consumption of stores and spares	672.20	812.32
(Increase) / decrease of excise duty on inventories	(82.08)	11.89
Power and fuel	4,493.63	4,437.00
Processing charges	37.92	21.71
Recruitment and training expenses	94.42	64.66
Rent (refer note no 34(c))	348.05	314.77
Insurance expenses	183.80	185.52
Rates and taxes	108.84	247.42
Repairs and maintenance:	-	-
Building	105.79	135.16
Plant and equipments	418.91	462.07
Others	274.65	261.50
Printing and stationery	39.59	55.74
Travelling and conveyance	522.53	562.75
Communication costs	64.01	68.12
Legal and professional (refer note no 28.1)	851.31	701.09
Directors' sitting fees	158.12	158.00
Advertisement and sales promotion	40.77	145.37
Product development expenses	63.34	312.60
Commission to other than sole selling agents	110.09	86.03
Freight and forwarding charges	2,297.58	2,422.99
Allowances for doubtful debt	22.91	186.58
Provision for diminution on asset held for sale (net) (Refer note 3(d))	238.79	-
Provision for doubtful advances	-	8.26
Bad debts written off	-	202.15
Charity and donation	0.10	0.45
CSR expenditure (refer note no 41)	39.62	26.57
Shared Service charges	105.84	142.52
Provision of duty on assets discarded/ held for sale (Refer note 3 (d))	137.08	-
Miscellaneous expenses	126.92	122.65
	<b>11,474.73</b>	<b>12,155.89</b>

**28.1 PAYMENT TO AUDITOR (INCLUDED IN LEGAL AND PROFESSIONAL FEE)**

₹ in Lakhs

	for the year ended March 31, 2018	for the year ended March 31, 2017
<b>As auditor:</b>		
Audit fee	40.25	30.95
Other services (certification fees)*	73.94	4.00
Reimbursement of expenses	4.98	0.44
	<b>119.17</b>	<b>35.39</b>

\* Fees of Rs. 54.40 lakhs towards right issue have been taken to other non current assets (refer note 7)

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

Name of the Subsidiary	Principal activities	Country of Incorporation	Proportion of ownership as at		
			March 31, 2018	March 31, 2017	April 1, 2016
<b>Subsidiary</b>					
Max Speciality Films Limited	Manufacturing and selling of a wide range of sophisticated packaging unmetallised BOPP films and metallised BOPP films including High Barrier films, Thermal Lamination films and Leather finishing foils;	India	51%*	99%	99%
Max Estates Limited (refer note a)	Construction and development of residential and commercial properties	India	100%	100%	-
Max I. Limited (refer note b)	Making investments in various companies and primarily engaged in growing and nurturing these business investments	India	100%	100%	-
Max Learning Limited (refer note c)	Exploring opportunities/ establishing schools	India	100%	100%	-
Wise Zone Builders Private Limited (refer note d)	Construction and development of residential and commercial properties	India	100%	-	-

a) Incorporated on 22nd March 2016

b) Incorporated on 23rd June 2016

c) Incorporated on 23rd August 2016

d) It was acquired by Max Estates Limited on 29th April ,2017

\* Refer note 47

### 30. INCOME TAXES

₹ in Lakhs

	for year ended March 31, 2018	for year ended March 31, 2017
<b>(a) Income tax expense in the statement of profit and loss comprises :</b>		
<b>Current Income Tax</b>		
Current income tax charge	645.43	95.09
Adjustment in respect of current income tax of previous year	5.49	4.61
<b>Deferred Tax</b>		
Relating to origination and reversal of temporary differences	128.52	(266.43)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>779.44</b>	<b>(166.73)</b>

### 31. COMPONENTS OF OTHER COMPREHENSIVE INCOME

₹ in Lakhs

	for year ended March 31, 2018	for year ended March 31, 2017
Re-measurement (gains)/ losses on defined benefit plans (refer note: 36.1 )	67.80	(9.37)
Income tax related to items recognized in OCI during the period/year	23.26	(1.72)
<b>Income tax related to items recognized in OCI during the year</b>	<b>44.54</b>	<b>(7.65)</b>

### 32. EARNING PER SHARE

₹ in Lakhs

	for year ended March 31, 2018	for year ended March 31, 2017
<b>Basic EPS</b>		
Profit after tax (Rs. in Lakhs)	370.35	(669.50)
Net profit/(loss) for calculation of basic EPS	370.35	(669.50)
Weighted average number of equity shares outstanding during the year (Nos.)	72,054,035	55,242,723
Basic earnings per share (Rs.)	<b>0.51</b>	<b>(1.21)</b>
<b>Dilutive EPS</b>		
Profit after tax (Rs. in Lakhs)	370.35	(669.50)
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)*	72,870,276	56,132,659
AntiDiluted/Diluted earnings per share (Rs.)	<b>0.51</b>	<b>(1.21)</b>
<b>Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)*</b>		
Weighted average number of equity shares outstanding during the year (Nos.)	72,054,035	55,242,723
Add: ESOP/Warrants	816,241	889,936
	<b>72,870,276</b>	<b>56,132,659</b>

Note: The conversion effect of potential dilutive equity shares are anti dilutive in nature in year ended March 31, 2017, hence the effect of potential equity shares are ignored in calculating diluted earnings per share for the year ended March 31, 2017.

**33. INCOME TAX**

The major components of income tax expense for the year March 31, 2018, and March 31, 2017 are :

**Statement of profit and loss :****Profit and loss section**

₹ in Lakhs

Particulars	for year ended March 31, 2018	for year ended March 31, 2017
<b>Current income tax :</b>		
Current tax	645.43	95.09
Adjustment of tax relating to earlier years	5.49	4.61
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	128.52	(266.43)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>779.44</b>	<b>(166.73)</b>

**OCI section :**

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

₹ in Lakhs

Particulars	for year ended March 31, 2018	for year ended March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	23.26	(1.72)
<b>Tax related to items recognized in OCI during the period/year</b>	<b>23.26</b>	<b>(1.72)</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017

₹ in Lakhs

Particulars	for year ended March 31, 2018	for year ended March 31, 2017
Accounting profit before tax	1,115.00	(831.41)
<b>Accounting profit before income tax</b>	<b>1,115.00</b>	<b>(831.41)</b>
At India's statutory income tax rate of 34.608 % (March 31, 2017: 34.608 %)	385.88	(287.73)
<b>Non-Taxable Income for tax purposes:</b>		
Others	(29.69)	-
<b>Non-deductible expenses for tax purposes:</b>		
Disallowances on account of exempt income u/s 14A	-	59.55
Disallowance on account of finance costs incurred on business investments	-	72.14
Other non-deductible expenses	139.97	206.96
Tax relating to earlier years	5.49	4.61
<b>Others</b>		
Losses of subsidiary not being considered for deferred tax	297.14	94.46
Income Taxable at Lower rate	(19.34)	-
Difference in Tax Base and Book Base of Investments	-	(316.72)
<b>At the effective income tax rate</b>	<b>779.44</b>	<b>(166.73)</b>
Income tax expense reported in the statement of profit and loss	779.44	(166.73)
<b>Total tax expense</b>	<b>779.44</b>	<b>(166.73)</b>

**Deferred tax relates to the following:**

	₹ in Lakhs	
	for year ended March 31, 2018	for year ended March 31, 2017
<b>Deferred tax liabilities</b>	<b>3,560.72</b>	<b>2,666.26</b>
Accelerated depreciation for tax purposes	3,182.80	2,633.70
Difference in book base and tax base in investments	62.04	32.56
Impact on fair valuation of investments	315.88	-
<b>Gross deferred tax liabilities (a)</b>	<b>3,560.72</b>	<b>2,666.26</b>
<b>Deferred tax assets</b>	<b>2,516.02</b>	<b>1,941.62</b>
Effect of expenditure debited to the statement of Profit and Loss in the current year/earlier years but allowed for tax purposes in following years	563.43	475.35
Unabsorbed depreciation/ Business Losses	1,416.26	1,331.59
Others	536.33	134.68
<b>Gross deferred tax assets (b)</b>	<b>2,516.02</b>	<b>1,941.62</b>
<b>Mat Credit (c)</b>	<b>934.27</b>	<b>698.64</b>
<b>Deferred tax liabilities (net)</b>	<b>110.43</b>	<b>26.00</b>

**Reconciliation of deferred tax liabilities (net):**

	₹ in Lakhs	
Particulars	for year ended March 31, 2018	for year ended March 31, 2017
<b>Opening balance as of</b>	<b>26.00</b>	<b>294.12</b>
Tax expense/( income) during the period recognised in the statement of profit or loss	296.80	(26.94)
Tax expense/( income) during the period recognised in OCI	23.26	(1.72)
<b>Closing balance as at</b>	<b>346.06</b>	<b>265.46</b>
Mat Credit	(235.63)	(239.46)
<b>Closing balance as at</b>	<b>110.43</b>	<b>26.00</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group has business losses of INR 303.09 lakhs for March 31, 2017 for that are available for offsetting against future taxable profits of the Company which will expire in March 2025 and unabsorbed depreciation of INR 4,081.05 lakhs for March 31, 2017 for that are available for offsetting. The permanent and temporary differences for the year ended March 31, 2018 are based on the draft tax computation for the said period.

**34. A. COMMITMENTS AND CONTINGENCIES**

**A. Contingent liabilities not provided for**

	₹ in Lakhs	
S. No.	As at March 31, 2018	As at March 31, 2017
i. Claims against the group not acknowledged as debts (Refer note (a))	3,146.20	1,414.78
- Excise duty demands		
- Service tax demands		
ii. Contingent liability for pending C form's from customers (Refer note (b))	217.69	677.30
iii. Pending Legal Cases		

**Note:**

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

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

- b. Contingent liability for pending C forms from customers represent pending liability C forms liability from FY 2011-12 to FY 2017-18. The Company is under process of collecting the same from respective customers and the Company believes that the same would be collected before assessment of respective years.
- c. (i) Suit No. – 148 OF 2003 SURINDER MADAN SINGH VS. DINESH KUMAR & OTHERS BEFORE ACJ (Sr. Director) DEHRADUN- A suit for injunction was filed by Sh. Surinder Madan Singh (ex-owner of property) against S. Dinesh Kumar and 25 Others from trespassing on the property. The Court passed an interim order restraining Mr. Dinesh Kumar & Others from trespassing into the property and not to disturb peaceful possession of the Plaintiff which is still in force. An application was filed by the Trophy Estates Private Limited, Mr. Analjit Singh and Analjit Singh (HUF) for becoming a party in the matter. The matter is pending adjudication.

(ii) A Suit no. 565 of 1993 titled RK VERMA vs. SM SINGH was filed for cancellation of sale deed before Civil Judge (Snr. Div.) Dehradun. The Court dismissed the said suit on the basis of the submission made by co- Plaintiff that his lease deed is not of property no 226, Dehradun and that the said property no. 226 belongs to the Defendant and dismissed the suit against R.K. Verma on the ground of non- appearance. In the year 2012, R.K. Verma filed an application for restoration of suit before Civil Judge Snr. Div as well as an appeal. The matter is pending adjudication.

(iii) CASE NO. 3 OF 2011-12 before Assistant Collector Class I, Dehradun- R. K. Verma filed a case before Assistant Collector class I, Dehradun for declaration of the Sale Deeds as null and void. The Court vide order dated 23rd July, 2012 quashed the said suit as the land is an abadi land and the court has no jurisdiction. On 22nd August, 2012 an appeal was filed by Dr. R. K. Verma before Additional Commissioner, Garhwal Division, Uttarakhand. The appeal was dismissed on ground of non-appearance on 24 July, 2013. In September, 2013 application was moved by the Dr. R. K. Verma for restoration of appeal. This was also dismissed on 16th January 2015 on the ground of jurisdiction (i.e. abadi land). Thereafter, Second Appeal was filed by Dr. R. K. Verma before additional Commissioner / Chief Revenue Commissioner. The Court dismissed the appeal on 13th August 2015 on the ground that the property is abadi property and hence the court has no jurisdiction to hear the said appeal. Dr. R.K. Verma filed a Civil Miscellaneous Writ Petition no. 2159 of 2015 before High Court of Nainital challenging the order dated 13th August 2015 passed by additional Commissioner /Chief Revenue Commissioner on the ground that no opportunity of hearing was granted by the Chief Revenue Commissioner. The matter is pending adjudication.

**B Capital and other commitments****A. Capital commitment**

	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	10,730.12	12,769.93
Less: Capital advances	273.63	233.10
<b>Net capital commitment for acquisition of capital assets</b>	<b>10,456.49</b>	<b>12,536.83</b>

### C Operating lease commitments - Company as lessee

The Group 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. 348.05 lakhs (March 31, 2017: Rs. 314.77 Lakhs).

(i) Future minimum lease rentals payable under non cancellable operating leases as at 31st March are as follows :

	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
- Within one year	325.94	325.95
- After one year but not more than 5 years	780.22	1,106.16
- More than 5 years	494.48	445.62

### D Other Commitments

The Group has entered into an agreement to sell dated July 14, 2017 ("Agreement to Sell") with Pharmax Corporation Limited for the purchase of built-up area of the first floor of the building and 50% of the built up area of the second floor of the building along with an undivided interest equivalent to 50% of the underlying parcel of land and pro rata allocation of the common areas, along with the rights, easements, privileges appurtenant thereto, including but not limited to, any further increase in FAR area if and when allowed by the authorities at Max House for the development of the Okhla Project currently being held by Pharmax Corporation Limited for an aggregate consideration of Rs. 2,750 lakhs. Subsequently, by an Amendment Agreement to the Agreement to Sell dated March 1, 2018, the consideration was revised to Rs. 2,700 lakhs.

### Annexure- V

#### Notes forming part of the financial statements

### 35. OTHER NOTES TO ACCOUNTS

#### A) Acquisition of Wise Zone Builders Private Limited (Wise)

On April 29th 2017, the Group has acquired 100% stake in Wise Zone Builders Private Limited (Wise), a non-listed entity in India. The identifiable assets and liabilities of Wise as at the date of acquisition were:-

	₹ in Lakhs
<b>Assets</b>	
Inventories (Refer note (i))	50,615.99
Cash and cash equivalents	0.87
	<b>50,616.86</b>
<b>Liabilities</b>	
Other non-current liabilities	4,825.48
Short term borrowings	6,315.00
Other current liabilities	39,475.72
	<b>50,616.20</b>
<b>Total identifiable net assets at fair value</b>	<b>0.66</b>
<b>Purchase consideration transferred</b>	<b>1.00</b>
<b>Net Cash flows on acquisition</b>	<b>1.00</b>

- (i) The Group has got 3352 sqmt of land in Delhi one Project situated at Plot no C 001/A, Sector 16, Noida  
(ii) The Group has taken over the liabilities payable to Piveta Estates Private Limited, related party and to the Noida Authority .





### **(B) Approval from shareholders for cancellation of area purchase agreement**

Noida Authority had leased Plot No. C-001/A, Sector 16B, Noida admeasuring 40,056.72 square meters (Forty thousand fifty six point seventy two) (hereinafter referred to as the "Land") in favour of Boulevard Projects Private Limited ("BPPL"), the special purpose company of Vistar Constructions Private Limited, Three C Developers Private Limited, Advance eGraphics Complogic Solutions Private Limited and Jaksons Limited for a term of ninety (90) years commencing from June 29, 2010 ("Lease Deed"). In terms of the said Lease Deed and after obtaining requisite approvals, BPPL initiated the process of constructing a commercial complex for commercial activities including hotel, commercial areas, office, retail outlets etc. by the name of 'Delhi One' ("Complex") on the Land.

Piveta Estates Private Limited ('Piveta'), an entity forming part of the Promoter group is a customer of BPPL who had executed an Agreement dated September 4, 2013 and an addendum thereto dated July 27, 2016 with BPPL for purchase of Super Built Up Area admeasuring 5,91,104 square feet (Five lakh ninety one thousand one hundred and four) along with car parking area, all passageways and other facilities at the Complex (referred as 'Piveta's Tower'). BPPL obtained an in-principle approval from Noida Authority dated February 3, 2017 for the sub-division of the Plot No. C-001/A, Sector-16B, Noida into sub plot no. C-1A/1, Sector 16B, Noida admeasuring 3,352 square meters (Three thousand three hundred fifty-two) containing Piveta's Tower ("Sub-Divided Plot") in favour of Wise Zone Builders Private Limited (then a wholly owned subsidiary of BPPL) ("Wise"). Subsequently, BPPL, Wise and the Noida Authority entered into a Sub-Lease Deed dated April 28, 2017 by which BPPL demised the Sub-Divided Plot on lease to Wise.

In the year 2013, Piveta sold out 115,000 sqft. collectively to (i) Max India Limited, now renamed as Max Financial Services Limited ('MFSL') and (ii) Max Life Insurance Company Limited ("MLIC") for Rs. 140.30 Crores.

Upon obtaining consent from Piveta, BPPL and Wise entered into a Novation Agreement dated April 29, 2017 under which BPPL novated its rights and obligations for development, further construction and conveyance of Piveta's Tower, and assets/area under construction in favour of Wise. Thereafter, Max Estates Limited, a wholly owned subsidiary of the Company purchased 100% of the share capital of Wise by executing a share purchase agreement dated April 29, 2017. Basis the above, Wise became a step down wholly owned subsidiary of the Company w.e.f. April 29, 2017. Further, Noida Authority also recognized the change in shareholding pattern of Wise vide their letter dated October 26, 2017. Piveta requested Wise to cancel the entire Area Purchase Agreement dated September 4, 2013, addendum agreement dated July 27, 2016, and all other related agreements executed by it for purchase of aggregate Super Built Up Area admeasuring 591,104 square feet along with car parking area, all passageways and other facilities at the Complex.

Piveta requested Wise to cancel the entire Area Purchase Agreement dated September 4, 2013, addendum agreement dated July 27, 2016, and all other related agreements executed by it for purchase of aggregate Super Built Up Area admeasuring 591,104 square feet along with car parking area, all passageways and other facilities at the Complex.

The shareholders of Company on December 19, 2017, through a postal ballot process on November 7, 2017, approved the cancellation of area purchase agreement dated September 4, 2013, addendum agreement dated July 27, 2016, and agreement dated July 27, 2016 and all other related agreements executed by Company for the purchase of aggregate super built up area admeasuring 591,104 square feet along with car parking area, all passageways and other facilities at the complex between Piveta and Boulevard Projects Private Limited, erstwhile holding company of Wise. Consequent to above approval, rights and obligations of Piveta towards sale of 115,000 square feet area to Max Financial Services Limited and Max Life Insurance Company Limited aggregating to ₹ 14,030 lakhs will be assigned/novated in favour of Wise.

On February 5, 2018, Wise availed a loan of ₹ 25,000 lakhs from IDFC Bank Limited to finance its payment made for the transfer of rights for commercial towers situated at Max Towers located in the Delhi One campus, Noida.

### 36.1 GRATUITY

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

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Max Speciality Films Limited has purchased insurance policy, which is basically a year - on - year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset.

#### Description of Risk Exposures

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

- Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability

The following table summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans :

	₹ in Lakhs		
	March 31, 2018	March 31, 2017	April 1 2016
<b>a) Reconciliation of opening and closing balances of defined benefit obligation</b>			
Defined benefit obligation at the beginning of the period/year	691.85	670.76	670.76
Interest costs	50.53	52.32	-
Current service cost	76.98	71.70	-
Benefit paid	(92.04)	(110.77)	-
Acquisition adjustment	-	1.55	-
Remeasurement of (Gain)/loss in other comprehensive income	(69.44)	6.29	-
<b>Defined benefit obligation at period/year end</b>	<b>657.88</b>	<b>691.85</b>	<b>670.76</b>
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>			
Fair value of plan assets at beginning of the period/year	130.80	226.97	226.97
Interest Income	9.55	17.70	-
Benefits paid	(82.84)	(110.77)	-
Remeasurement of (Gain)/loss in other comprehensive income	(1.64)	(3.08)	-
<b>Fair value of plan assets at year end</b>	<b>55.87</b>	<b>130.82</b>	<b>226.97</b>
<b>c) Net defined benefit asset/ (liability) recognized in the balance sheet</b>			
Fair value of plan assets	55.87	130.82	226.97
Present value of defined benefit obligation	657.88	691.85	670.76
<b>Amount recognized in balance sheet- asset / (liability)</b>	<b>(602.01)</b>	<b>(561.03)</b>	<b>(443.79)</b>

₹ in Lakhs

	March 31, 2018	March 31, 2017	April 1 2016
d) <b>Other comprehensive income</b>			
Actuarial changes arising from changes in demographic assumptions	(5.77)	-	-
Actuarial changes arising from changes in financial assumptions	(47.49)	27.61	-
Actuarial changes arising from changes in experience adjustments	(16.18)	(21.32)	10.43
	<b>(69.44)</b>	<b>6.29</b>	<b>10.43</b>
e) <b>Net defined benefit expense (recognized in the statement of profit and loss for the period/year)</b>			
Current service cost	76.98	71.70	
Interest cost on benefit obligation	40.98	34.62	
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>117.96</b>	<b>106.32</b>	

\* capitalised Rs.4.86 lakhs ( March 31, 2017 - Rs. 4.66 lakhs ) in inventory

f) <b>Broad categories of plan assets as a percentage of total assets</b>			
Insurer managed funds in Max Speciality Films Limited , Subsidiary	100%	100%	100%

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

₹ in Lakhs

Assumption particulars	As At March 31, 2018	As At March 31, 2017	As At April 1 2016
Discount rate	7.3%-7.8%	7.3% - 7.9%	7.3% - 8%
Future Salary Increases	8% - 10%	9% - 10%	9% - 10%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%	100.00%

h) <b>Quantitative sensitivity analysis for significant assumptions is as below:</b>	March 31, 2018	March 31, 2017	April 1 2016
Increase / (decrease) on present value of defined benefits obligations at the end of the period/year			
Discount rate			
Increase by 0.50%	(44.31)	(56.47)	(48.18)
Decrease by 0.50%	49.95	67.16	54.71
Salary growth rate			
Increase by 0.50%	48.25	65.56	53.53
Decrease by 0.50%	(43.87)	(56.17)	(48.08)
i) <b>Maturity profile of defined benefit obligation (valued on undiscounted basis)</b>	March 31, 2018	March 31, 2017	April 1 2016
Within the next 12 months (next annual reporting period)	43.15	36.13	
Between 2 and 5 years	195.54	162.35	
Beyond 5 Years	419.19	493.36	
<b>Total expected payments</b>	<b>657.88</b>	<b>691.84</b>	<b>670.76</b>

- j) The average duration of the defined benefit plan obligation at the end of the reporting period is 12 - 21 Years (March 31, 2017 : 12 -20 years)
- k) The Group expects to contribute Rs 88.72 Lakhs (March 31, 2017: Rs.90.94 Lakhs March 31, 2016 : Rs.90.54 Lakhs) to the planned assets during the next financial year.

- l) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
- m) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- n) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.
- o) **Risk Exposure**

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

**Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

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

### 36.2 Leave Encashment (unfunded)

The Company recognises the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation.

The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year :

Particulars	₹ in Lakhs	
	March 31, 2018	March 31, 2017
Liability at the beginning of the period	182.48	147.91
Benefits paid during the period	30.85	30.50
Acquisition adjustment during the period/year	-	1.90
Provided during the period	63.57	63.17
<b>Liability at the end of the period</b>	<b>215.20</b>	<b>182.48</b>

### 36.3 Employee Stock Option Plan

#### Employee Stock Option Plan – 2006 ("the 2006 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 (MFS) to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company) shall be allotted one stock option by the Company under the new ESOP scheme for every five stock option held in MFS. Accordingly, ESOP outstanding as on the effective date in MFS shall be allocated between the demerged company and resulting companies. Accordingly, 500,712 stock options were granted to the employees of MFSL and outstanding as on Effective date i.e. January 15, 2016 are eligible for stock options under new ESOP scheme on similar terms and conditions.

The details of activity under the Scheme are summarized below:

Particulars	March 31, 2018		March 31, 2017		April 01, 2016	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	443,504	10.00	500,712	10.00	-	-
Option grant during the year	-	10.00	-	-	627,757	10.00
Forfeited during the year	-	10.00	-	-	30,800	10.00
Exercised during the year	221,333	10.00	57,208	10.00	96,245	10.00
Outstanding at the end	222,171	10.00	443,504	10.00	500,712	10.00
Exercisable at the end	1,130	10.00	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 (March 31, 2017 : Rs 10.00) per share.

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2018 are as follows:

Date of grant	March 31, 2018		March 31, 2017		April 01, 2016	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
21-Jan-16	222,171	1.87	443,504	2.61	500,712	3.61

During the year ended March 31, 2018, 221,333 ( March 31, 2017 - 57,208) nos of stock options were allotted to the aforesaid option holders by the Company.

- 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. 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. 193,570 options were granted during the year w.e.f April 01, 2018 under this plan.

### 36.4 Phantom Stock Policy (Cash Settled)

During the current year, Nomination & Remuneration Committee has approved the Phantom stock policy where during the year, Group has granted 94,761 units to its employees that entitle them to a cash payment after exercise of option on its vesting date. The amount of cash payment is determined based on the increase in the share price of the Group between grant date and the time of exercise. NRC has approved conversion of unvested phantom stock option of its employees into ESOP w.e.f April 1, 2018 where unvested Phantom stock options (cash settled) i.e. 144,333 units will get converted into Employee stock option (equity settled) and employees will be entitled for 193,570 employee stock options under Employee Stock Option Plan - 2016. Total ESOP grant value is determined based on estimated benefit value for unvested PSPs as originally anticipated at time of PSP grant, plus a top up benefit to compensate for delayed vesting. However, the liability recognised under this PSP plan of Rs. 23.12 lakhs doesn't have the material impact on conversion of plan.

₹ in Lakhs

	As At March 31, 2018	As At March 31, 2017
Opening Balance	-	-
Expenses during the period/ year	23.12-	-
Closing Balance	23.12-	-

### 36.5 Provident Fund

The Company and Max Speciality Films Limited, subsidiary of the Company is participating in a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its affiliates, which is managed by Max Financial Services Limited. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per Ind AS-19.

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

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation for "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max Financial Services Limited and its affiliates based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2018 as per the actuarial valuation of active members are as follows:

₹ in Lakhs

	March 31, 2018	March 31, 2017
Plan assets at year end at fair value	2,332.64	2,541.44
Present value of defined benefit obligation at year end	2,300.33	2,503.31
Surplus as per actuarial certificate	32.31	38.13
<b>Shortfall recognized in balance sheet</b>	-	-
Active members as at year end (Nos)	434	428

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

₹ in Lakhs

	March 31, 2018	March 31, 2017
Discount rate	7.18%	7.51%
Yield on existing funds	8.94%	8.79%
Expected guaranteed interest rate	8.55%	8.65%

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

₹ in Lakhs

	March 31, 2018	March 31, 2017
Employer's Contribution towards Provident Fund (PF)	58.58	61.37
	<b>58.58</b>	<b>61.37</b>

### 37. HEDGING ACTIVITIES AND DERIVATIVES

Derivative not designated as hedging instruments.

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

### 38. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

₹ in Lakhs

Category	Carrying value			March 31, 2018	March 31, 2017	April 1, 2016
	March 31, 2018	March 31, 2017	April 1, 2016			
<b>Financial asset at amortized cost</b>						
<b>Non-Current</b>						
Loans (refer note no 5 (ii))	462.34	356.30	299.23	462.34	356.30	299.23
Financial assets (refer note no 5 (iii))	747.56	-	0.76	747.56	-	0.76
<b>Current</b>						
Loans (refer note no 9(iii))	63.96	167.14	98.87	63.96	167.14	98.87
Other-current financial assets (9(vii))	637.89	108.81	109.01	637.89	108.81	109.01
<b>Financial asset measured at fair value</b>						
<b>Non-Current</b>						
Investments (refer note no 5(i))	9,027.67	5,104.72	-	9,027.67	5,104.72	-
<b>Current</b>						
Current derivative instruments (refer note no 9(vi))	53.67	41.91	18.63	53.67	41.91	18.63
Current investments (refer note no 9(i))	5,733.73	12,293.42	-	5,733.73	12,293.42	-
<b>Financial liabilities at amortized cost</b>						
Non-Current borrowings including current maturities (refer note 13 and (18(iii)))	24,744.91	20,467.83	19,648.43	24,744.91	20,467.83	19,648.43
Current borrowings (refer note 18(i))	43,156.00	12,045.62	7,724.36	43,156.00	12,045.62	7,724.36

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

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

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

The fair value of loan taken, other non current financial assets and other non current financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable inputs in the model, of which the significant observable inputs are market rate of interest which is 9-11% approximately. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.



The fair value of investment in unquoted equity shares/ debt instruments and preference shares have been estimated using a discounted cash flow model. The valuation requires the management to make certain assumptions about the model inputs, including growth rate , discount rate etc. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value for these unquoted investments

The Group has investment in quoted mutual funds being valued at quoted market price in active markets.

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

The fair values of the Group's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

### Fair value hierarchy

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

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

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

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

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2018

₹ in Lakhs

Particulars	Carrying value March 31, 2018	Fair value		
		Level 1	Level 2	Level 3
Loans (refer note no 5 (ii))	462.34	-	462.34	-
Non-Current financial assets (refer note no 5 (iii))	747.56	-	747.56	-
Current Loans (refer note no 9(iii))	63.96	-	63.96	-
Other-current financial assets (9(vii))	637.89	-	637.89	-
Current derivative instruments (refer note no 9 (vi))	53.67	-	53.67	-
Non-Current investments ( refer note no 5(i))	9,027.67	-	-	9,027.67
Current investments (refer note no 9(i))	5,733.73	5,733.73	-	-

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2017

₹ in Lakhs

Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Loans (refer note no 5 (ii))	356.30	-	356.30	-
Current Loans (refer note no 9(iii))	167.14	-	167.14	-
Other-current financial assets (9(vii))	108.81	-	108.81	-
Current derivative instruments (refer note no 9(vi))	41.91	-	41.91	-
Non-Current investments ( refer note no 5(i))	5,104.72	-	-	5,104.72
Current investments (refer note no 9(i))	12,293.42	12,293.42	-	-

(iii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on April 1, 2016

₹ in Lakhs

Particulars	Carrying value April 1, 2016	Fair value		
		Level 1	Level 2	Level 3
Loans (refer note no 5 (ii))	299.23	-	299.23	-
Current Loans (refer note no 9(iii))	98.87	-	98.87	-
Current derivative instruments (refer note no 9(vi))	18.63	-	18.63	-
Other-current financial assets (9(vii))	109.01	-	109.01	-

(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2018

₹ in Lakhs

Particulars	Carrying value March 31, 2018	Fair value		
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note 13, 18(iii))	24,744.91	-	24,744.91	-
Current borrowings (refer note 18(ii))	43,156.00	-	43,156.00	-

(v) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2017

₹ in Lakhs

Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note 13, 18(iii))	20,467.83	-	20,467.83	-
Current borrowings (refer note 18(ii))	12,045.62	-	12,045.62	-

(vi) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on April 1, 2016

₹ in Lakhs

Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note 13, 18(iii))	19,648.43	-	19,648.43	-
Current borrowings (refer note 18(ii))	7,724.36	-	7,724.36	-

Reconciliation of fair value measurement of investment in unquoted equity shares/debentures/preference shares/ venture capital fund measured at FVTPL: (Level III)

Particulars	₹ in Lakhs
<b>As at April 01, 2016</b>	-
Purchase	5,104.72
Impact of fair value movement sales	-
<b>As at March 31, 2017</b>	<b>5,104.72</b>
Purchase	3,722.94
Impact of fair value movement sales	989.39
	(789.38)
<b>As at March 31, 2018</b>	<b>9,027.67</b>

The significant unobservable inputs used in the fair value measurement categorised with Level 3 of the fair value hierarchy together with quantitative sensitivity analysis as on March 31, 2018 and March 31, 2017.

**Description of significant unobservable inputs to valuation:**

Particulars	Valuation technique	Significant unobservable inputs	Increase/decrease in rate	March 31, 2018	March 31, 2017
Unquoted debentures, Preference shares and Equity Shares of Azure Hospitality Private Limited	DCF	Growth Rate	1%	Increase in Growth rate by 1% leads to profit higher by Rs. 2,394 lakhs and decrease in growth rate by 1% leads to profit lower by Rs. 1,596 lakhs	Increase in Growth rate by 1% leads to profit higher by Rs. 1,123 lakhs and decrease in growth rate by 1% leads to profit lower by Rs. 749 lakhs
Unquoted debentures, Preference shares and Equity Shares of Azure Hospitality Private Limited	DCF	Discount rate	1%	Increase in Discount rate by 1% leads to profit lower by Rs. 339 lakhs and decrease in growth rate by 1% leads to profit higher by Rs. 355 lakhs	Increase in Discount rate by 1% leads to profit lower by Rs. 160 lakhs and decrease in growth rate by 1% leads to profit higher by Rs. 166 lakhs
Unquoted equity shares of FSN E-Commerce Ventures Private Limited	DCF	Growth Rate	1%	Increase in Growth rate by 1% leads to profit higher by Rs. 192 lakhs and decrease in growth rate by 1% leads to profit lower by Rs. 151 lakhs	Increase in Growth rate by 1% leads to profit higher by Rs. 286 lakhs and decrease in growth rate by 1% leads to profit lower by Rs. 214 lakhs
Unquoted equity shares of FSN E-Commerce Ventures Private Limited	DCF	Discount rate	1%	Increase in Discount rate by 1% leads to profit lower by Rs. 203 lakhs and decrease in discount rate by 1% leads to profit higher by Rs. 259 lakhs	Increase in Discount rate by 1% leads to profit lower by Rs. 264 lakhs and decrease in discount rate by 1% leads to profit higher by Rs. 356 lakhs

The IAN Fund is holding units in seed and very early stage start-up companies and many of the companies has recently started operations. The Group has invested Rs. 22.98 lakhs in Fund and the fair value of the investment in IAN fund as on March 31, 2018 is Rs. 16.54 lakhs. The change in the valuation by 1% may not have material impact on the group.

**39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by Banking and Forex department under policies approved by the Board of Directors from time to time. The Banking and Forex department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The Board of Directors approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

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

#### a) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they become due. The Group employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Group while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Senior management of the Group.

The table below represents the maturity profile of Group's financial liabilities at the end of March 31, 2018, March 31, 2017 and April 01, 2016 based on contractual undiscounted payments :-

	₹ in Lakhs			
<b>April 1, 2016</b>	<b>0-1 Years</b>	<b>1-5 Years</b>	<b>More than 5 Years</b>	<b>Total</b>
Interest bearing borrowings	10,072.53	9,598.59	8,497.50	28,168.62
Trade payable	5,371.46			5,371.46
Other financial liabilities	298.93			298.93
<b>March 31, 2017</b>				
Interest bearing borrowings	13,642.92	13,098.57	6,445.79	33,187.28
Trade payable	8,470.60	2,033.42	-	10,504.02
Other financial liabilities	423.90	-	-	423.90
<b>March 31, 2018</b>				
Interest bearing borrowings	47,781.91	15,524.57	5,141.17	68,447.65
Trade payable	16,440.73	1,391.32	-	17,832.05
Other financial liabilities	2,626.76	-	-	2,626.76

#### Interest bearing borrowings \*

Excludes interest cash outflow as borrowings are on floating rate of interest.

#### Reconciliation of Interest bearing borrowings

		₹ in Lakhs		
	<b>Schedule no</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
(i) Non-Current borrowings	13	20,119.00	18,870.53	17,300.28
(ii) Short-term borrowings	18	43,156.00	12,045.62	7,724.36
(iii) Current maturity of long term borrowings	18	4,625.91	1,597.30	2,348.15
Processing fees adjusted from borrowings		546.74	673.83	795.83
		<b>68,447.65</b>	<b>33,187.28</b>	<b>28,168.62</b>

#### Reconciliation of other financial liability

		₹ in Lakhs		
	<b>Schedule no</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Other financial liabilities	18	7,252.67	2,021.20	2,647.08
Less: Current maturities of long term borrowings	18	(4,625.91)	(1,597.30)	(2,348.15)
		<b>2,626.76</b>	<b>423.90</b>	<b>298.93</b>

## **b) Credit risk**

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

### **(i) Trade receivables**

Customer credit risk is managed subject to the Group's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management team assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. An impairment analysis is performed at each reporting date on group\category basis. The calculation is based on exchange losses historical data and available facts as on date of evaluation. Trade receivables comprise a widespread customer base. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

### **(ii) Financial instruments and cash deposit**

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Group. The Group's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018, March 31, 2017 is the carrying amounts as illustrated in note 5 and 9.

## **c) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2018, and March 31, 2017.

### **(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Group evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

#### **Foreign currency risk sensitivity**

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

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

₹ in Lakhs

Currency	March 31, 2018 Foreign currency	March 31, 2018 Indian rupees	Currency	Increase/ decrease in rate	Impact on profit before tax (Decrease in rate)	Impact on profit before tax (Increase in rate)
Trade payables	2.31	188.52	Euro	1%	1.89	(1.89)
Capital trade payables	22.91	1,867.17	Euro	1%	18.67	(18.67)
Buyers credit-Short term borrowings	57.55	4,691.00	Euro	1%	46.91	(46.91)
Buyers credit-Long term borrowings	15.01	1,223.31	Euro	1%	12.23	(12.23)
Trade receivables	15.10	1,137.60	Euro	1%	(11.38)	11.38
Trade payables	1.36	126.47	GBP	1%	1.26	(1.26)
Trade receivables	0.49	44.85	GBP	1%	(0.45)	0.45
Buyers credit-Short term borrowings	0.03	2.59	GBP	1%	0.03	(0.03)
Trade payables	23.31	1,523.20	USD	1%	15.23	(15.23)
Trade receivables	22.58	1,456.28	USD	1%	(14.56)	14.56
Buyers credit-Long term borrowings	0.72	46.76	USD	1%	0.47	(0.47)
Buyers credit-Short term borrowings	3.49	227.50	USD	1%	2.27	(2.27)

₹ in Lakhs

Currency	March 31, 2017 Foreign currency	March 31, 2017 Indian rupees	Currency	Increase/ decrease in rate	Impact on profit before tax (Decrease in rate)	Impact on profit before tax (Increase in rate)
Trade payables	3.90	275.70	Euro	1%	2.76	(2.76)
Buyers credit-Long term borrowings	14.96	1,058.72	Euro	1%	10.59	(10.59)
Interest Accrued but not due on Buyers Credit	0.06	4.58	Euro	1%	0.05	(0.05)
Trade receivables	3.39	229.79	Euro	1%	(2.30)	2.30
Trade payables	0.50	41.34	GBP	1%	0.41	(0.41)
Buyers credit-Short term borrowings	3.14	259.63	GBP	1%	2.60	(2.60)
Interest Accrued but not due on Buyers Credit	0.04	3.44	GBP	1%	0.03	(0.03)
Trade payables	0.78	3.74	Rand	1%	0.04	(0.04)
Trade payables	20.69	1,362.14	USD	1%	13.62	(13.62)
Trade receivables	11.80	753.93	USD	1%	(7.54)	7.54
Buyers credit-Short term borrowings	1.58	104.18	USD	1%	1.04	(1.04)
Buyers credit-Long term borrowings	28.49	1,875.18	USD	1%	18.75	(18.75)
Packing credit	0.00	0.28	USD	1%	0.00	(0.00)
Interest Accrued but not due on Buyers Credit	0.07	4.51	USD	1%	0.05	(0.05)

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

₹ in Lakhs

Particulars	Currency	March 31, 2018		March 31, 2017	
		Foreign currency	Indian Rupee	Foreign currency	Indian Rupee
Receivables (Forward contract Sell)	USD	0.84	54.32	8.45	539.63
Receivables (Forward contract Sell)	Euro	-	-	14.94	1,011.31
Receivables (Forward contract Sell)	GBP	0.94	85.28	0.84	66.97
Payables (Forward contract Buy)	USD	27.84	1,819.18	-	-
Payables (Forward contract Buy)	Euro	81.81	6,668.33	-	-
Payables (Forward contract Buy)	GBP	3.14	291.49	-	-

### (ii) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long term debt obligation at floating interest rates

₹ in Lakhs

Year	Increase/decrease in interest rate	Effect on profit before tax (Decrease)	Effect on profit before tax (Increase)
March 31,2018	0.50%	(139.46)	139.46
March 31,2017	0.50%	(99.77)	99.77

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

### iii) Commodity price risk

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

Commodity price sensitivity of Raw material

₹ in Lakhs

Nature	Change in year end price	Effect on profit before tax
For the year ended March 31, 2018	10%	(5,232.82)
For the year ended March 31, 2018	-10%	5,232.82
For the year ended March 31, 2017	10%	(4,654.59)
For the year ended March 31, 2017	-10%	4,654.59



**40. RELATED PARTY DISCLOSURES**

<b>Names of related parties where control exists irrespective of whether transactions have occurred or not</b>	
Subsidiary companies	Max Speciality Films Limited Max Estates Limited Max I. Limited Max Learning Limited
Step down subsidiary	Wise Zone Builders Private Limited
Names of other related parties with whom transactions have taken place during the year	
Key management personnel	Mr. Sahil Vachani (Managing Director) Mr. Analjit Singh (Director) Mr. Nitin Kumar Kansal ( Chief Financial Officer) w.e.f August 9, 2016 Mr. Gopalakrishnan Ramachandran ( Company Secretary) w.e.f January 15, 2018 Mr. Alok Goel ( Company Secretary) upto October 3, 2017 Mr. Mohit Talwar Mr. K.N Murthy Mr. D.K Mittal Ms. Sujata Keshavan w.e.f. March 17, 2017 Mr. Ashok Kacker w.e.f. January 15, 2016 Ms. Sujatha Ratnam upto June 28, 2017 Mr. S.K Bijlani upto March 8, 2017 Mr. N.C Singhal upto August 10, 2016
Relatives of Key Management personnel	Mr. Veer Singh (Son of Mr. Analjit Singh - Director) Ms. Piya Singh ( Daughter of Mr. Analjit Singh - Director)
Entities controlled or jointly controlled by person or entities where person has significantly influence	Max Ventures Private Limited Piveta Estates Private Limited Siva Realty Ventures Private Limited New Delhi House Services Limited Vana Enterprises Limited Four Season Foundation Lake View Enterprises Siva Enterprises Private Limited Leeu Collections South Africa Pty Limited Pharmax Corporation Limited Azure Hospitality Private Limited Max Healthcare Institute Limited Max Life Insurance Company Limited Max Bupa Health Insurance Company Limited Antara Purukul Senior Living Limited Icare Health Projects And Research Private Limited Max India Limited Max India Foundation Max Financial Services Limited Riga Foods LLP M/s Analjit Singh (HUF) Trophy Estates Private Limited Max UK Limited
Employee benefit Trust	Max Financial Services Limited Employees' Provident Fund Trust Max Speciality Films Limited Employees Group Superannuation Trust

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

₹ in Lakhs

S.No	Nature of transaction	Particulars	March 31, 2018	March 31, 2017
1	<b>Reimbursement of expenses (Received from)</b>	Piveta Estates Private Limited	11.26	2.79
		Four Season Foundation	0.03	12.60
		New Delhi House Services Limited	-	0.29
		Max Ventures Private Limited	3.34	33.95
		Max Financial Services Limited	2.50	-
		Max India Limited	0.14	-
		Max Healthcare Institute Limited	0.16	-
		Siva Realty Ventures Private Limited	0.08	0.75
		<b>Total</b>	<b>17.51</b>	<b>50.38</b>
2	<b>Reimbursement of expenses (Paid to)</b>	Max Financial Services Limited	159.68	151.33
		Max India Limited	0.13	-
		New Delhi House Services Limited	34.05	26.24
		Max Ventures Private Limited	7.08	13.56
		Leeu Collections South Africa Pty Limited	7.77	-
		Max Life Insurance Company Limited	4.65	-
		Max Healthcare Institute Limited	0.65	-
		Vana Enterprises Limited	0.27	-
		Icare Health Projects & Research Private Limited	14.95	82.23
		Piveta Estates Private Limited	0.38	1.54
		Riga Foods LLP	0.76	-
		<b>Total</b>	<b>230.37</b>	<b>274.90</b>
3	<b>Shared Services rendered (to)</b>	Max Ventures Private Limited	55.51	53.37
		Piveta Estates Private Limited	7.27	10.40
		Antara Purukul Senior Living Limited	14.01	39.71
		Pharmax Corporation Limited	49.38	46.46
		Four Season Foundation	2.19	47.85
		Siva Realty Ventures Private Limited	-	2.72
		Max Financial Services Limited	1.59	-
		Max India Limited	1.41	-
		<b>Total</b>	<b>131.36</b>	<b>200.51</b>
4	<b>Purchases of materials</b>	Siva Realty Ventures Private Limited	-	15.61
		<b>Total</b>	<b>-</b>	<b>15.61</b>
5	<b>Insurance expense</b>	Max Life Insurance Company Limited	18.13	2.71
		Max Bupa Health Insurance Company Limited	32.86	-
		<b>Total</b>	<b>50.99</b>	<b>2.71</b>
6	<b>Travelling and conveyance</b>	Max Ventures Private Limited	1.22	2.10
		Piveta Estates Private Limited	1.88	1.38
		Siva Realty Ventures Private Limited	3.86	15.42
		<b>Total</b>	<b>6.96</b>	<b>18.90</b>
7	<b>Legal and professional</b>	Max UK Limited	5.86	5.59
		<b>Total</b>	<b>5.86</b>	<b>5.59</b>
8	<b>Rent expense (Paid to)</b>	Veer Singh	-	29.28
		Lakeview Enterprises	57.98	52.56
		Piya Singh	96.63	58.56
		Pharmax Corporation Limited	-	-
		Max Ventures Private Limited	-	28.05
		Max Financial Services Limited	4.80	32.76
		<b>Total</b>	<b>159.41</b>	<b>201.21</b>
9	<b>Expenditure on corporate social responsibility</b>	Max India Foundation	-	19.30
		<b>Total</b>	<b>-</b>	<b>19.30</b>

₹ in Lakhs

S.No	Nature of transaction	Particulars	March 31, 2018	March 31, 2017
10	<b>Purchase of Tangible Assets</b>	Max Ventures Private Limited	0.98	3.90
		Trophy Estates Private Limited	-	-
		Piveta Estates Private Limited	9.54	2.48
		Siva Realty Ventures Private Limited	24.34	16.94
		<b>Total</b>	<b>34.86</b>	<b>23.32</b>
11	<b>Contribution to employee benefit Trust</b>	Max Financial services Limited Employees' Provident Fund Trust	117.16	122.73
		Max Speciality Films Limited Employees Group Superannuation Trust	15.41	14.85
		<b>Total</b>	<b>132.57</b>	<b>137.58</b>
12	<b>Key managerial remuneration - Short term employment benefits</b>	Sahil Vachani	214.98	224.45
		Alok Goel	46.21	56.46
		Nitin Kumar Kansal	65.01	36.33
		Gopalakrishnan Ramachandran	10.92	-
		<b>Total</b>	<b>337.12</b>	<b>317.24</b>
13	<b>Key managerial remuneration - Post employment benefits*</b>	Sahil Vachani	6.07	5.52
		Alok Goel	2.10	3.50
		Nitin Kumar Kansal	4.21	2.43
		Gopalakrishnan Ramachandran	0.48	-
		<b>Total</b>	<b>12.86</b>	<b>11.45</b>
14	<b>Sitting Fees to Directors</b>	Analjit Singh	3.00	6.00
		Mohit Talwar	31.00	25.00
		K.N Murthy	39.00	40.00
		D.K Mittal	22.00	24.00
		Sujata Keshavan	4.00	1.00
		Ashok Kacker	38.00	35.00
		Sujatha Ratnam	1.00	7.00
		S.K Bijlani	17.00	15.00
		N.C Singhal	-	4.00
		<b>Total</b>	<b>155.00</b>	<b>157.00</b>
15	<b>Loan taken</b>	Analjit Singh	-	6,100.00
		<b>Total</b>	<b>-</b>	<b>6,100.00</b>
16	<b>Loan repaid</b>	Analjit Singh	5,600.00	500.00
		<b>Total</b>	<b>5,600.00</b>	<b>500.00</b>
17	<b>Security deposit (given)</b>	Lakeview Enterprises	2.93	25.56
		Trophy Estates Private Limited	-	149.19
		Mr Analjit Singh	-	222.88
		Mr Analjit Singh HUF	-	30.23
		<b>Total</b>	<b>2.93</b>	<b>427.86</b>
18	<b>Land development rights taken</b>	Trophy Estates Private Limited	70.52	1,264.68
		Mr Analjit Singh	33.54	1,475.97
		Mr Analjit Singh HUF	14.29	256.25
		<b>Total</b>	<b>118.35</b>	<b>2,996.90</b>
19	<b>Interest on Initial Capex Pay Back</b>	Trophy Estates Private Limited	64.98	37.95
		Mr Analjit Singh	75.84	44.29
		Mr Analjit Singh HUF	13.17	7.69
		<b>Total</b>	<b>153.99</b>	<b>89.93</b>
20	<b>Issue of share warrants</b>	Siva Enterprises Private Limited	2,017.60	672.53
		<b>Total</b>	<b>2,017.60</b>	<b>672.53</b>

				₹ in Lakhs
S.No	Nature of transaction	Particulars	March 31, 2018	March 31, 2017
21	Purchase of stake in subsidiary	Pharmax Corporation Limited	352.80	-
		<b>Total</b>	<b>352.80</b>	-
22	Advance against land purchase	Pharmax Corporation Limited	202.02	-
		<b>Total</b>	<b>202.02</b>	-
23	Advances recoverable in cash or in kind	Pharmax Corporation Limited	186.03	-
		<b>Total</b>	<b>186.03</b>	-
23	Purchase of investments	Azure Hospitality Private Limited	3,794.98	3,349.50
		<b>Total</b>	<b>3,794.98</b>	<b>3,349.50</b>
24	Refund of Advance from Customers on Area Cancellation	Piveta Estates Private Limited	24,510.00	-
		<b>Total</b>	<b>24,510.00</b>	-
25	Advance from customers on area cancellation	Max India Limited	7,320.00	-
		Max Life Insurance Company Limited	6,710.00	-
		<b>Total</b>	<b>14,030.00</b>	-

40. (b) Balances outstanding at year end

₹ in Lakhs					
S.No	Nature of transaction	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
1	Statutory dues payable	Max Speciality Films Limited Employees Group Superannuation Trust	1.19	0.97	1.17
		Max Financial Services Limited Employees' Provident Fund Trust	9.58	3.38	9.12
		<b>Total</b>	<b>10.77</b>	<b>4.35</b>	<b>10.29</b>
2	Trade Receivables	Max Ventures Private Limited	62.45	-	-
		Piveta Estates Private Limited	1.73	1.93	-
		Antara Purukul Senior Living Limited	-	8.83	-
		Max Financial Services Limited	1.69	-	-
		Four Season Foundation	0.64	18.44	-
		Max India Limited	1.92	-	-
		Siva Realty Ventures Private Limited	-	2.95	-
		<b>Total</b>	<b>68.43</b>	<b>32.15</b>	-
3	Other Receivables	Max Ventures Private Limited	9.82	6.31	-
		Piveta Estates Private Limited	9.65	1.26	-
		Four Season Foundation	0.03	12.60	-
		Max India Limited	0.17	0.25	-
		Max Life Insurance Co. Limited	0.78	-	-
		New Delhi House Services Limited	0.09	-	-
		Siva Realty Ventures Private Limited	0.09	0.75	-
		<b>Total</b>	<b>20.63</b>	<b>21.17</b>	-

₹ in Lakhs

S.No	Nature of transaction	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
4	<b>Security Deposit (Receivable)</b>	LakeView Enterprises	28.99	43.56	18.00
		Veer Singh	-	30.00	30.00
		Piya Singh	48.32	-	-
		<b>Total</b>	<b>77.31</b>	<b>73.56</b>	<b>48.00</b>
5	<b>Trade payables</b>	New Delhi House Services Limited	4.80	3.23	0.94
		Lakeview Enterprises	-	11.71	7.19
		Max Life Insurance Company Limited	-	-	6.72
		Piya Singh	-	52.57	-
		Max Ventures Private Limited	1.07	-	26.22
		Piveta Estates Private Limited	8.60	3.47	0.45
		Siva Realty Ventures Private Limited	21.29	15.69	3.27
		Max UK Limited	8.81	5.59	5.42
		Max Healthcare Institute Limited	0.02	-	-
		Max India Limited	-	0.25	58.52
		Max Financial Services Limited	81.48	68.25	96.13
		Four Season Foundation	0.18	0.18	-
		Riga Foods LLP	0.75	-	-
		Icare Health Projects & Research Pvt Ltd	-	75.08	-
		<b>Total</b>	<b>127.00</b>	<b>236.02</b>	<b>204.86</b>
6	<b>Loan outstanding</b>	Analjit Singh	-	5,600.00	-
		<b>Total</b>	<b>-</b>	<b>5,600.00</b>	<b>-</b>
7	<b>Advances recoverable in cash or kind</b>	Max India Foundation	-	0.37	-
		Max Bupa Health Insurance Company Limited	0.89	-	1.64
		Pharmax Corporation Limited	231.66	-	-
		Max Life Insurance Company Limited	-	-	1.24
		<b>Total</b>	<b>232.55</b>	<b>0.37</b>	<b>2.88</b>
8	<b>Development rights payable #</b>	Trophy Estates Pvt Ltd	154.07	1,115.49	-
		Mr Analjit Singh	90.47	1,253.09	-
		Mr Analjit Singh HUF	31.21	226.02	-
		<b>Total</b>	<b>275.75</b>	<b>2,594.60</b>	<b>-</b>
9	<b>Interest Liability on Initial Capex Pay Back</b>	Trophy Estates Pvt Ltd	92.63	34.16	-
		Mr Analjit Singh	77.43	28.55	-
		Mr Analjit Singh HUF	18.76	6.92	-
		<b>Total</b>	<b>188.82</b>	<b>69.63</b>	<b>-</b>
10	<b>Advance from customers on area cancellation</b>	Max India Limited	7,320.00	-	-
		Max Life Insurance Company Limited	6,710.00	-	-
		<b>Total</b>	<b>14,030.00</b>	<b>-</b>	<b>-</b>
11	<b>Initial Pay Back (Construction &amp; Development Work)</b>	Trophy Estates Pvt Ltd	426.22	426.22	-
		Mr. Analjit Singh	497.43	497.43	-
		Mr Analjit Singh HUF	86.36	86.36	-
		<b>Total</b>	<b>1,010.01</b>	<b>1,010.01</b>	<b>-</b>

\* 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.

# During the year ended March 31, 2017 Max Estates Limited, Subsidiary of 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.

#### Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the period / year-end are unsecured and interest free and settlement occurs in cash\kind. There have been no guarantees provided or received for any related party receivables or payables. There is no impairment of receivables relating to amounts owed by related parties (March 31, 2017: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

#### 41. EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES :

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been framed by the Group. The areas for CSR activities are promoting preventive health care, promoting education, promoting gender equality and empowering women, ensuring environment sustainability and protection of flora and fauna, training to promote rural sports and rural development projects.

- (a) Gross amount required to be spent by the Group for the year ended March 31, 2018 is Rs. 29.56 Lakhs (March 31, 2017: Rs.26.38 Lakhs)
- (b) Amount spent during the year on :

₹ in Lakhs

Particulars	For the year ended March 31, 2018			For the year ended March 31, 2017		
	In cash (Rs. in Lakhs)	Yet to be paid in cash	Total (Rs. in Lakhs)	In cash (Rs. in Lakhs)	Yet to be paid in cash	Total (Rs. in Lakhs)
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) <b>On Purposes other than (i) above :</b>						
a) Promoting education	3.16	-	3.16	4.88	-	4.88
b) Ensuring environment sustainability and protection of flora and fauna	-	-	-	0.34	-	0.34
c) Health care services	0.03	-	0.03	0.20	-	0.20
d) Rural development projects	0.08	-	0.08	19.30	-	19.30
e) Training to promote rural sports	-	-	-	1.74	-	1.74
f) Promoting gender equality and empowering women	-	-	-	-	-	-
g) Contribution to Skill development programmes	36.35	-	36.35	-	-	-
h) Others	-	-	-	0.11	-	0.11
<b>Total</b>	<b>39.62</b>	<b>-</b>	<b>39.62</b>	<b>26.57</b>	<b>-</b>	<b>26.57</b>

**42 A. Reconciliation statement of equity as previously reported under IGAAP to IND AS**

₹ in Lakhs

	Footnotes	Balance sheet as at April 1, 2016		
		IGAAP	Adjustment	IND AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	9,13	26,528.93	138.75	26,667.68
Capital work-in-progress	9	2,104.57	(3.57)	2,101.00
Goodwill		167.09	-	167.09
Other Intangible assets		272.78	-	272.78
Intangible assets under development		74.58	-	74.58
Financial assets			-	
(i) Loans		299.23	-	299.23
(ii) Other non current financial assets		0.76	-	0.76
Non-current tax assets		22.03	(0.78)	21.25
Other non current assets	14,1	2,738.11	(626.97)	2,111.14
		<b>32,208.08</b>	<b>(492.57)</b>	<b>31,715.51</b>
<b>Current assets</b>				
Inventories	13	5,584.47	222.58	5,807.05
Financial assets				
(i) Trade receivables		14,849.77	-	14,849.77
(ii) Cash and cash equivalents		1,288.01	-	1,288.01
(iii) Other bank balances		1.24	-	1.24
(iv) Loans		98.87	-	98.87
(v) Derivative instruments	11	88.24	(69.61)	18.63
(vi) Other financial assets		109.01	-	109.01
Other current assets		2,062.67	-	2,062.67
		<b>24,082.28</b>	<b>152.97</b>	<b>24,235.25</b>
<b>TOTAL ASSETS</b>		<b>56,290.36</b>	<b>(339.60)</b>	<b>55,950.76</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		5,339.68	-	5,339.68
Other equity	19	15,654.14	40.87	15,695.01
Non- controlling interest	19	157.69	34.71	192.40
<b>Total Equity</b>		<b>21,151.51</b>	<b>75.58</b>	<b>21,227.09</b>
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	14	18,096.10	(795.82)	17,300.28
Long term provisions		353.26	-	353.26
Deferred tax liabilities (net)	8	182.00	112.13	294.13
Government grant	9, 20	-	286.31	286.31
		<b>18,631.36</b>	<b>(397.38)</b>	<b>18,233.98</b>
<b>Current liabilities</b>				
Financial Liabilities				
(i) Borrowings		7,724.36	-	7,724.36
(ii) Trade payables		5,372.02	(0.56)	5,371.46
(iii) Other curent financial liabilities		2,647.08	-	2,647.08
Short term provisions		238.44	-	238.44
Other current liabilities	7	525.59	(17.24)	508.35
		<b>16,507.49</b>	<b>(17.80)</b>	<b>16,489.69</b>
<b>TOTAL LIABILITIES</b>		<b>35,138.85</b>	<b>(415.18)</b>	<b>34,723.67</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>56,290.36</b>	<b>(339.60)</b>	<b>55,950.76</b>



**42. B. Reconciliation statement of equity as previously reported under IGAAP to IND AS**

₹ in Lakhs

	Footnotes	Balance sheet as at March 31, 2017		
		IGAAP	Adjustment	IND AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	9,13	31,419.88	332.20	31,752.08
Capital work-in-progress	9	1,626.80	(48.97)	1,577.83
Goodwill	10	111.40	55.69	167.09
Other Intangible assets		353.40	-	353.40
Intangible assets under development		56.35	-	56.35
Financial assets				
(i) Investments	15	5,144.78	(40.06)	5,104.72
(ii) Loans	1	406.08	(49.78)	356.30
(iii) Other bank balances		0.25	-	0.25
Non-current tax assets		317.16	(0.78)	316.38
Other non current assets	14,1	854.93	(615.58)	239.35
		<b>40,291.03</b>	<b>(367.28)</b>	<b>39,923.75</b>
<b>Current assets</b>				
Inventories	13,18	10,133.04	2,727.46	12,860.50
Financial assets				
(i) Investments	5	12,199.32	94.10	12,293.42
(ii) Trade receivables		11,400.56	-	11,400.56
(iii) Cash and cash equivalents		193.08	-	193.08
(iv) Other bank balances		4.88	-	4.88
(v) Loans		167.14	-	167.14
(vi) Derivative instruments	11	93.73	(51.82)	41.91
(vii) Other current financial assets		108.81	-	108.81
Other current assets	18,1	2,543.55	(377.40)	2,166.15
		<b>36,844.11</b>	<b>2,392.34</b>	<b>39,236.45</b>
<b>TOTAL ASSETS</b>		<b>77,135.14</b>	<b>2,025.06</b>	<b>79,160.20</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		6,897.79	-	6,897.79
Other equity	19	25,479.68	36.23	25,515.91
Money received against share warrants		672.53	-	672.53
Non- Controlling interest	19	162.68	34.47	197.15
<b>Total Equity</b>		<b>33,212.68</b>	<b>70.70</b>	<b>33,283.38</b>
<b>Non-current liabilities</b>				
Financial Liabilities				
(i) Borrowings	14	19,708.25	(837.72)	18,870.53
(ii) Trade payables	18	-	2,033.42	2,033.42
Long term provisions		470.13	-	470.13
Deferred tax liabilities (net)	8	(4.55)	30.55	26.00
Government grant	9,20	-	441.36	441.36
Other non-current liabilities	7	10.26	(10.26)	-
		<b>20,184.09</b>	<b>1,657.35</b>	<b>21,841.44</b>

₹ in Lakhs

	Footnotes	Balance sheet as at March 31, 2017		
		IGAAP	Adjustment	IND AS
<b>Current liabilities</b>				
Financial Liabilities				
(i) Borrowings		12,045.62	-	12,045.62
(ii) Trade payables	18	8,318.37	152.23	8,470.60
(iii) Other current financial liabilities	14	1,860.12	161.08	2,021.20
Short term provisions		273.38	-	273.38
Other current liabilities	7	1,240.88	(16.30)	1,224.58
		<b>23,738.37</b>	<b>297.01</b>	<b>24,035.38</b>
<b>TOTAL LIABILITIES</b>		<b>43,922.46</b>	<b>1,954.36</b>	<b>45,876.82</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>77,135.14</b>	<b>2,025.06</b>	<b>79,160.20</b>

**42. C. Reconciliation statement of profit and loss as previously reported under IGAAP to IND AS**

₹ in Lakhs

	Footnotes	Year ended March 31, 2017		
		IGAAP	Adjustment	IND AS
<b>INCOME</b>				
Revenue from operations	12,16,5	71,446.93	506.88	71,953.81
Other income	1,11	1,179.39	21.16	1,200.55
<b>Total income</b>		<b>72,626.32</b>	<b>528.04</b>	<b>73,154.36</b>
<b>Expenses</b>				
Cost of raw materials consumed	17,6	47,150.17	5,485.66	52,635.83
Change in inventories of finished goods, traded goods and work in progress	18	(3,532.82)	(2,557.07)	(6,089.89)
Excise duty on sale of goods		5,808.50	-	5,808.50
Employee benefits expense	2,3	4,180.40	(9.38)	4,171.02
Finance costs	14	3,200.96	75.03	3,275.99
Depreciation and amortization expense	10,20	2,070.83	(42.40)	2,028.43
Other expenses	7,13,15, 16,17	14,703.52	(2,547.63)	12,155.89
<b>Total expense</b>		<b>73,581.56</b>	<b>404.21</b>	<b>73,985.77</b>
<b>Profit/(Loss) before tax</b>		<b>(955.24)</b>	<b>123.83</b>	<b>(831.41)</b>
Tax expenses	8,9	(222.87)	56.14	(166.73)
<b>Profit/(Loss) for the year</b>		<b>(732.37)</b>	<b>67.69</b>	<b>(664.68)</b>
<b>Other comprehensive income</b>				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement losses on defined benefit plans	2,3	-	(9.37)	(9.37)
Income tax effect		-	(1.72)	(1.72)
Other comprehensive income for the year, net of tax		-	(7.65)	(7.65)
Non- controlling interest		4.99	(0.25)	4.74
<b>Total comprehensive income for the year, net of tax attributable to Equity shareholder</b>		<b>(737.36)</b>	<b>60.29</b>	<b>(677.07)</b>

#### **43 FOOTNOTES TO THE RECONCILIATION OF EQUITY AS AT MARCH 31, 2016 AND MARCH 31, 2017 AND PROFIT OR LOSS FOR THE YEAR ENDED MARCH 31, 2017.**

##### **Remarks for adjustments**

##### **1) Security deposits**

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

##### **2) Remeasurements of post-employment benefit obligations**

Both under previous GAAP and Ind AS, the Group recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet through other comprehensive income.

##### **3) Other comprehensive Income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' and includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

##### **4) Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows

##### **5) Mutual Fund investments**

Under Indian GAAP, All current investments including mutual funds are measured at lower of cost or market value. As per Ind AS 109, Investments in mutual funds are required to be recognized at their fair value, for which changes in fair value being recognized in profit & loss.

##### **6) Advance license of import of goods**

The Group has imported raw material at Zero Duty under advance licence scheme subject to an export obligation. As per IND AS-20, the Group has inventorised the duty saved on import of raw material and recognised Government grant as liability. Deferred income is recognised in statement of profit and loss as and when export obligations are fulfilled and government grant is reduced by deferred income recognised.

##### **7) Straight lining of lease escalation**

Indian GAAP mandated straight lining of lease escalation in case of non cancellable leases. Ind AS 17 does not mandate straight lining of lease escalation, if they are in line with the expected general inflation compensating the lessor for expected inflationary cost. Accordingly, the Group has reversed Lease equalisation reserve created in books

##### **8) Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences.

**9) EPCG**

As per Ind AS 20, accounting for government grants and disclosure of government assistance, the Group has already deducted the amount of grant from the cost of the fixed assets and it has recognised the amount of unamortised deferred income as at the date of the transition in accordance with paragraph 10 of Ind AS 101. The corresponding adjustment has been made to the carrying amount of property, plant and equipment (net of cumulative depreciation impact) and retained earnings, respectively, as the grant is directly linked to the property, plant and equipment.

Further, the deferred income is recognised as income on the basis of fulfilment of corresponding export obligations with respect to the grant availed.

**10) Goodwill/ Business combination**

Under Indian GAAP, goodwill was amortised over the life of 5 years. The Group has opted for optional exemption under IND AS 101 which provides exemption from application of business combination retrospectively. Thus the carrying amount of goodwill as on transition date i.e. April 01, 2016 has been considered at cost and tested for impairment at each balance sheet date under IND-AS.

**11) Derivative instruments through P&L**

The fair value of derivative instruments (i.e. forward contracts) is recognized under Ind AS whereas the same was not recognized under Indian GAAP. The Group has not designated these derivative instruments as hedging instruments under Indian GAAP as well as under Ind AS. Accordingly, difference on account of fair valuation of these instruments has been adjusted in retained earnings.

**12) Sale of goods**

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss.

**13) Stores, major spares**

As per paragraph 8 of Ind AS 16, Property, plant and equipment, items such as spare parts are to be recognised as property, plant and equipment in accordance with Ind AS 16, when they meet the definition of 'property, plant and equipment'. Otherwise such items are classified as inventory. Accordingly Group has reclassified certain existing inventory as on date of transition to property, plant and equipment and depreciate them over the period of their respective useful life.

**14) Borrowings**

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

**15) Legal and Professional**

Under Ind AS 109, at the time of initial recognition of financial instruments measured at Fair Value through Profit and Loss, transaction costs incurred in respect of these financial instruments are charged to Profit and Loss. Under Indian GAAP, transaction cost on acquisition of investment forms part of the cost of investment.

**16) Cash Discount**

As per Ind AS 1, cash discount paid to customers were netted off from respective sales resulting in decrease in expense and corresponding decrease in sales for financial year ended March 2017 and March 2016.

**17) Packing Material**

As per Ind AS 1, on basis of nature of expense classification we have reclassified the same from other expense to cost of material consumed.

### 18) Land Development Rights

As per Guidance Note on accounting for Real Estate Transactions for entities to whom Ind AS is applicable issued by The Institute of Chartered Accountants of India in 2016, development rights are acquired by way of direct purchase or on development or construction of built- up area and cost of acquisition would be the cost of purchases or amount spent on development or construction of built-up area, respectively in such cases. Accordingly group has recognised cost of development in inventory and trade payables.

### 19) Retained earnings

Retained earnings as at March 31, 2017 has been adjusted consequent to the Ind AS transition adjustments mentioned herewith

### 20) Government Grants

As per Ind AS 20, accounting for government grants and disclosure of government assistance, the Company has already deducted the amount of grant from the cost of the fixed assets and it has recognised the amount of unamortised deferred income as at the date of the transition in accordance with paragraph 10 of Ind AS 101. The corresponding adjustment has been made to the carrying amount of property, plant and equipment (net of cumulative depreciation impact) and retained earnings, respectively, as the grant is directly linked to the property, plant and equipment.

Further, the deferred income is recognised as income on the basis of fulfilment of corresponding export obligations with respect to the grant availed.

### 44. FIRST-TIME ADOPTION OF IND AS (EXCEPTION AND EXEMPTION AVAILED)

These financial statements, for the year ended March 31, 2018, are the first financial statements which have been prepared in accordance with IND AS notified under the Companies Indian Accounting Standard Rules, 2015.

The Group has elected to present all two years as per IND AS/ Proforma IND AS, instead of Indian GAAP. Accordingly, the Group has prepared financial statements which comply with IND AS applicable for year ended on March 31, 2018, together with the comparative year data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 1, 2016, the Group's date of transition to IND AS. This note explains the Ind- AS mandatory exceptions and exemptions made by the Group in restating its Indian GAAP financial statements, including the Balance sheet as at April 1, 2016 and the financial statements as at and for the year ended March 31, 2017.

#### Exemption applied

#### (i) IND AS optional exemption

IND AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IND AS. The Group has applied the following exemptions:

##### Deemed cost

IND AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to IND AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of IND AS retrospectively. IND AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to IND AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Group has elected to consider carrying value of its property, plant and equipment and intangible assets as its deemed cost on the date of transition to IND AS.

#### Share based payment transactions

IND AS 101 permits a first time adopter to elect not to apply principles of IND AS 102 to liabilities arising from share based payment transactions that were settled before the date of transition.

The Group has elected not to apply IND AS 102- “Share based payment” on stock options that vested before date of transition.

### **Business Combination**

IND AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under IND AS that occurred before 1 April 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under IND AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of IND AS 101. The Group has applied the exemption on the date of transition (i.e. April 1, 2016) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of IND AS 101.

### **(ii) IND AS mandatory exceptions**

#### **Estimates**

An entity estimates in accordance with IND AS at the date of transition to IND AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. IND AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

#### **Derecognition of financial assets and financial liabilities**

IND AS 101 requires a first time adopter to apply the derecognition provisions of IND AS 109 prospectively for transactions occurring on or after the date of transition to IND AS. Accordingly, the Group has applied the derecognition requirement for financial assets and financial liabilities in IND AS 109 prospectively for transactions occurring on or after date of transition to IND AS.

#### **Classification of financial assets and liabilities**

IND AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to IND AS. Accordingly, the Group has applied the above requirement prospectively.

#### **Impairment of financial assets**

IND AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per IND AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to IND AS. The Group has applied this exception prospectively.

#### **Fair value measurement of financial assets or financial liabilities (IND AS 101.D20)**

First-time adopters may apply IND AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to IND AS. Therefore, unless a first-time adopter elects to apply IND AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to IND AS do not need to be retrospectively restated.

**45. SEGMENT REPORTING**

For management purposes, based on the guiding principles given in IND AS 108 on "Segment Reporting" the Group's business segments include: Packaging film, real estate, education and Business investments

No operating segments have been aggregated to form the above reportable operating segments

The Management reviews the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs and finance income) income taxes are managed on a Group basis and are not allocated to operating segments.

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

PARTICULARS	Packaging Films		Real Estate		Education		Business investments		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>1. REVENUE</b>										
External sales (Gross)	67,140.65	70,267.63	2,609.69	-	-	-	69,750.34	70,267.63		
Other Operating Income	1,095.82	1,373.97	63.02	86.17	-	2,982.55	4,141.39	1,686.18		
Inter segment sales	-	-	44.71	5.98	-	1,971.33	2,016.04	1,271.33		
<b>Total Revenue</b>	<b>68,236.47</b>	<b>71,641.60</b>	<b>2,717.42</b>	<b>92.15</b>	<b>-</b>	<b>4,953.88</b>	<b>75,907.77</b>	<b>73,225.14</b>		
Less: Inter Segment sales	-	-	44.71	5.98	-	1,971.33	2,016.04	1,271.33		
<b>Total revenue</b>	<b>68,236.47</b>	<b>71,641.60</b>	<b>2,672.71</b>	<b>86.17</b>	<b>-</b>	<b>2,982.55</b>	<b>73,891.73</b>	<b>71,953.81</b>		
<b>2. RESULTS</b>										
Segment results										
Unallocated expenses (net of income)	2,211.27	3,428.67	(265.18)	(273.22)	(585.76)	(303.45)	2,056.66	(407.42)	3,416.99	2,444.58
<b>Operating profit</b>	<b>2,211.27</b>	<b>3,428.67</b>	<b>(265.18)</b>	<b>(273.22)</b>	<b>(585.76)</b>	<b>(303.45)</b>	<b>2,056.66</b>	<b>(407.42)</b>	<b>3,416.99</b>	<b>2,444.58</b>
Interest expense and finance cost	-	-	-	-	-	-	-	-	2,301.99	3,275.99
<b>Profit before tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,115.00</b>	<b>(831.41)</b>
Provision for taxation	-	-	-	-	-	-	-	-	779.44	(166.73)
<b>Net (Loss)/Profit before minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>335.56</b>	<b>(664.68)</b>
- Minority interest	-	-	-	-	-	-	-	-	(34.79)	4.82
<b>Net Loss/(Profit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>370.35</b>	<b>(669.50)</b>

₹ in Lakhs



₹ in Lakhs

PARTICULARS	Packaging Films		Real Estate		Education		Business investments		Total	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>3. OTHER INFORMATION</b>										
<b>A. ASSETS</b>										
Segment assets	77,879.75	55,247.73	66,596.68	5,807.11	322.62	100.05	14,186.54	17,687.43	158,985.59	78,842.32
Unallocated assets									280.21	317.88
<b>Total assets</b>	<b>77,879.75</b>	<b>55,247.73</b>	<b>66,596.68</b>	<b>5,807.11</b>	<b>322.62</b>	<b>100.05</b>	<b>14,186.54</b>	<b>17,687.43</b>	<b>159,265.80</b>	<b>79,160.20</b>
<b>B. LIABILITIES</b>										
Segment liabilities	11,408.45	8,683.57	25,310.82	4,344.92	158.08	100.30	610.41	355.69	37,487.76	13,484.48
Unallocated liabilities									68,011.50	32,392.34
<b>Total liabilities</b>	<b>11,408.45</b>	<b>8,683.57</b>	<b>25,310.82</b>	<b>4,344.92</b>	<b>158.08</b>	<b>100.30</b>	<b>610.41</b>	<b>355.69</b>	<b>105,499.26</b>	<b>45,876.82</b>
<b>C. OTHERS</b>										
Capital expenditure	23,073.04	6,112.00	16.79	326.15	181.49	75.51	46.43	34.61	23,317.75	6,548.27
Depreciation and amortisation expense	2,250.97	2,013.70	11.91	7.64	12.44	1.87	13.18	5.22	2,288.50	2,028.43
Non cash expenses other than Depreciation	261.70	396.99	-	-	-	-	-	-	261.70	396.99

### Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a Group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis. Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

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

#### Gross Revenue

₹ in Lakhs

	for year ended March 31, 2018	for year ended March 31, 2017
i. within India	58,961.58	54,961.28
ii. Outside India	14,930.15	16,992.53
	<b>73,891.73</b>	<b>71,953.81</b>

The revenue from external customer includes revenue from one customer which is equal to 10% or more of entity's revenue. Gross amount of revenue amounts to Rs. 14,605.10 Lakhs. (March 31, 2017: Rs. 13,706.58 Lakhs)

#### Trade receivables

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
i. within India	8,304.09	8,147.20
ii. Outside India	2,870.81	3,472.94
<b>Total Trade receivables (Gross)</b>	<b>11,174.90</b>	<b>11,620.14</b>
Less: Provision for doubtful receivables	237.97	219.58
<b>Trade receivables</b>	<b>10,936.93</b>	<b>11,400.56</b>

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

b) Non-current assets other than investments ,tax assets, net defined benefit assets (relating to post-employment benefit plans), and rights arising under insurance contracts:

	As at March 31, 2018	As at March 31, 2017
i. within India	56,198.65	34,502.40
ii. Outside India	-	-
	<b>56,198.65</b>	<b>34,502.40</b>

46. a) During the year ended March 31, 2017, Max Ventures and Industries Limited has issued 15,523,870 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. 12,108.62 Lakhs on preferential basis.

b) Further, during the year ended on March 31, 2017, Max Ventures and Industries Limited received Rs.672.53 Lakhs (25% of total value of consideration) against the issue of 3,448,894 share warrants ("Warrants") to Siva Enterprises Private Limited, forming part of the Promoter Group at a price of Rs.78 per share determined in accordance with ICDR regulations. The Company has received Rs.2,017.60 Lakhs against the balance 75% outstanding of total value on conversion of share warrants ("Warrants") into equity shares.

c) The Company's subsidiary, Max Speciality Films Limited ("MSF") on April 06, 2017 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 (per share), i.e. at an aggregate price of Rs. 104.27 to Toppan, Japan for an aggregate consideration of Rs. 5,336.96 Lakhs on a private placement basis, free of all liens or other encumbrances or rights of third parties. Further, the Company, also transferred 13,945,659 equity shares (representing 35.84% on fully diluted basis of equity shares as at March 31, 2017) of the subsidiary company (MSF), 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.

d) Given below are the details of utilisation of proceeds through preferential issue

	₹ in Lakhs	
	March 31, 2018	March 31, 2017
Unutilised amount at the beginning of the year	12,036.15	-
Proceeds received during the year	7,354.56	12,781.15
Less: amount utilised during the year		
- Repayment of Loan	10,936.96	500.00
- Loan given to subsidiary companies	3,713.00	245.00
- Investments in debentures issued by subsidiary companies	4,387.95	-
- Investment in equity shares of subsidiary company	352.80	-
<b>Unutilised amount at the end of the year</b>	<b>-</b>	<b>12,036.15</b>

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

	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Investment in Debt based Mutual funds	-	12,036.15

47. a) On April 03, 2017, Max Ventures and Industries Limited has purchased 338,350 equity shares of Max Speciality Films Limited face value of Rs.10/- each from Pharmax Corporation Limited at a premium of Rs.94.27 per share aggregating to a total consideration of Rs.352.80 Lakhs.

b) On April 06, 2017, Max Ventures and Industries Limited divested 35.84% (on fully diluted basis of equity shares as at March 31, 2017) stake in Max Speciality Films Limited (MSF) by transferring 13,945,659 equity shares of Rs.10/- each at a premium of Rs.94.27 per share to Toppan Printing Co. Ltd. (Toppan) for a consideration of Rs.14,541.14 Lakhs. Further, MSF 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 per share to Toppan, for an aggregate consideration of Rs.5,336.96 Lakhs on a private placement basis, free of all liens or other encumbrances or rights of third parties. Post share issuance by MSF, Toppan holding is 49% and the Company holding is 51% in MSF. This has resulted into gain of Rs.7,500.32 Lakhs.

#### 48. MATERIAL PARTLY OWNED SUBSIDIARIES

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

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

Country of Incorporation	March 31, 2018	March 31, 2017
India	49%	1.001%

## b) Information regarding non-controlling interest

₹ in Lakhs

	March 31, 2018	March 31, 2017
Accumulated balances of material non-controlling interest	12,258.93	197.15
Profit/(loss) allocated to material non-controlling interest	(12.49)	4.74

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

Summarised statement of profit and loss for the year ended March 31, 2018 and March 31, 2017:

₹ in Lakhs

Particulars	March 31, 2018	March 31, 2017
Revenue (including other incomes)	69,311.86	72,838.82
Cost of raw material and components consumed	48,910.27	47,578.26
Changes in inventories of finished goods, traded goods, stock in trade and work-in-progress	644.67	(1,032.33)
Excise duty on sale of goods	1,402.25	5,808.50
Employee benefits expense	3,121.37	3,355.65
Other expenses	10,771.06	11,686.33
Depreciation and amortization expense	2,250.97	2,013.70
Finance costs	2,293.81	3,115.48
Profit before tax	(82.54)	313.23
Less: Income tax	(11.55)	(169.04)
Profit for the year	(70.99)	482.27
Add/(Less): Other Comprehensive Income/loss	45.49	(8.51)
Total comprehensive income	(25.50)	473.76
Attributable to non-controlling interests	(12.49)	4.74
Dividends paid to non-controlling interests	-	-

Summarised balance sheet as at March 31, 2018 and March 31, 2017

₹ in Lakhs

Particulars	March 31, 2018	March 31, 2017
Current assets, including cash and cash equivalents	21,874.37	21,212.90
Non-current assets	56,021.62	34,200.03
Assets classified as held for sale	128.00	-
Current liabilities, including tax payable	32,492.60	15,948.99
Non-current liabilities, including deferred tax liabilities	20,513.17	19,751.85
Total equity	25,018.22	19,712.09
Attributable to:		
Equity holders of parent	12,759.29	19,514.94
Non-controlling interest	12,258.93	197.15

Summarised cash flow information as at March 31, 2018 and March 31, 2017

₹ in Lakhs

Particulars	March 31, 2018	March 31, 2017
Operating	4,255.68	8,115.70
Investing	(20,554.38)	(4,265.65)
Financing	16,694.59	(3,943.96)
Net increase/(decrease) in cash and cash equivalents	395.89	(93.91)

49. The Group 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 Group.

₹ in Lakhs		
Particulars	March 31, 2018	March 31, 2017
<b>Opening balance</b>	<b>324.85</b>	<b>353.26</b>
<b>Opening stock of trial run</b>		
- Finished Goods	-	3.27
<b>Add: Expenses incurred during the year</b>		-
Legal and professional (refer note 28)	301.72	59.93
Finance Cost (refer note 26)	1,161.59	217.58
Salaries, wages and bonuses (refer note 25)	279.47	149.49
Cost of raw materials consumed	-	305.85
Consumption of packing material	-	9.23
Travelling and conveyance (refer note 28)	49.42	16.04
Power and fuel (refer note 28)	38.06	32.78
Freight and forwarding expenses (refer note 28)	5.01	9.49
Insurance (refer note 28)	2.10	13.57
Rates and taxes (refer note 28)	15.03	25.49
Depreciation (refer note 27)	0.60	0.14
Miscellaneous expenses (refer note 28)	6.98	1.87
Less: Disposal of tested material	-	(226.29)
Less: Closing stock of trial run		
- Finished Goods	-	-
<b>Less: Stock transferred on account of trial run</b>		
- Finished Goods	-	(39.60)
<b>Total</b>	<b>2,184.83</b>	<b>932.10</b>
Less: Allocated to fixed assets	-	607.25
<b>Closing balance included in capital work in progress</b>	<b>2,184.83</b>	<b>324.85</b>

50. DETAILS OF EXPENDITURE ON RESEARCH AND DEVELOPMENT ACTIVITIES IS AS UNDER

₹ in Lakhs		
	March 31, 2018	March 31, 2017
<b>Revenue expenditures</b>		
Salary & wages (including other employee benefits)	100.21	105.36
Raw material, stores and spare consumed	30.10	3.39
<b>Total revenue expenditure</b>	<b>130.31</b>	<b>108.75</b>
<b>Capital expenditure (included in Property plant and equipment)</b>		
Capital equipments	3.10	-
<b>Total capital expenditure</b>	<b>3.10</b>	<b>-</b>

## 51. CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital attributable to the equity shareholders of the Group, securities premium and all other equity reserves. The primary objective of the Group's capital management is that it maintain an efficient capital structure and maximize the shareholder value. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio between 30% to 60%. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, other bank balances.

₹ in Lakhs

	As at March 31, 2018	As at March 31, 2017
Borrowings	63,275.00	30,916.15
Other financial liabilities	7,252.67	2,021.20
Trade payables	17,832.05	10,504.02
Less: Cash and Cash equivalents	633.27	193.08
Other Bank Balances	3.75	5.13
Net Debt	87,722.70	43,243.16
Equity Share Capital	7,264.81	6,897.79
Other Equity	34,242.80	25,515.91
Non-controlling interest	12,258.93	197.15
<b>Total Equity</b>	<b>53,766.54</b>	<b>32,610.85</b>
<b>Total Capital and net debt</b>	<b>141,489.24</b>	<b>75,854.01</b>
Gearing ratio	62%	57%

## 52. ADDITIONAL INFORMATION:

Name of the Subsidiary	As at March 31, 2018				As at March 31, 2017			
	Net Assets i.e. total assets minus total liabilities #		Share in Total Comprehensive Income		Net Assets i.e. total assets minus total liabilities #		Share in Total Comprehensive Income	
	As % of consolidated net assets	₹ in Lakhs	As % of consolidated profit or loss	₹ in Lakhs	As % of consolidated net assets	₹ in Lakhs	As % of consolidated profit or loss	₹ in Lakhs
<b>Parent</b>								
Max Ventures and Industries Limited	12.11%	5,027.55	115.61%	439.44	35.46%	11,733.93	60.36%	(405.84)
<b>Subsidiary</b>								
Max Speciality Films Limited	60.27%	25,018.22	-6.71%	(25.50)	59.58%	19,711.86	-70.43%	473.53
Max Estates Limited	21.98%	9,123.39	-103.67%	(394.06)	1.56%	517.45	42.03%	(282.55)
Max I. Limited	7.17%	2,975.59	261.56%	994.17	3.70%	1,223.10	22.66%	(152.36)
Max Learning Limited	-1.76%	(729.54)	-165.72%	(629.90)	-0.30%	(100.11)	45.38%	(305.11)
Wise Zone Builders Private Limited *	0.22%	92.40	-1.06%	(4.05)	0.00%	-	-	-
	<b>100.00%</b>	<b>41,507.61</b>	<b>100.00%</b>	<b>380.10</b>	<b>100.00%</b>	<b>33,086.23</b>	<b>100.00%</b>	<b>(672.33)</b>

\* Step down subsidiary of Max Estates Limited

# Net assets excluding non-controlling interests

**53. REVENUE RELATED DISCLOSURES**

Disclosure in respect of projects under the Guidance Note on Accounting for Real Estate Transactions for entities to whom IND AS is applicable issued by The Institute of Chartered Accountants of India in 2016.:

	₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017
Amount of project revenue recognised as revenue during the period	2,609.69	-
Aggregate amount of costs incurred and profits recognised to date	(2,773.23)	-
Amount of advances received	14,030.00	763.27
Amount of work-in-progress and value of inventories	62,430.01	5,057.57
Excess of revenue recognised over actual bills raised (unbilled revenue)	-	-

In compliance of Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by The Institute of Chartered Accountants of India. On "Percentage of Completion Method", the Group has recognised revenue during the year

- 54.** - Max I Limited, subsidiary of the Company sold 1,34,978 equity shares of Rs. 10 each (represents 0.995% equity share capital of FSN E- Commerce Ventures Private Limited).- Max I Limited has increased its equity shareholding from 11.17% to 17.87% in Azure Hospitality Private Limited by making a non-current investment of ₹ 3,700 lakhs.
- 55.** One of the subsidiary company of the Company, Max Estates Limited, had signed an agreement with Trophy Estates Private Limited, Mr. Analjit Singh and Analjit Singh HUF (collectively "land owners") on July 25, 2016 for development of land owners' land in Dehradun for which consideration payable to them was 27% of the sale proceeds of the developed property on such land by the subsidiary. As required by Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) ("Guidance Note"), development rights received from the land owner for development of land was required to be recognised in Inventory at Fair value, however, these rights were earlier recorded to the extent of non-refundable security deposit paid. The management has identified such adjustment only in current period together with certain other adjustments and hence figures in respect of 'Inventory' in Statement of Assets and Liabilities in the interim consolidated financial statements as at September 30, 2017 have been restated in accordance with Ind AS 8 and are Rs. 66,223.66 lakhs as against Rs. 63,254.46 lakhs in the Statement of Assets and Liabilities as per Consolidated Limited review results as at September 30, 2017, 'Non- Current Trade Payables' are Rs. 484.93 lakhs as against Nil, 'Current Trade Payables' are Rs. 21,109.60 lakhs as against Rs. 19,284.50 lakhs, 'Other Current Assets' are Rs. 4,827.48 lakhs as against 5,184.88 lakhs (approved by the Board of Directors on February 14, 2018).
- 56.** Capital work in progress includes an amount of INR 1,407.93 lakhs representing the building under construction for the new BOPP line 5 of Max Speciality Films Limited, subsidiary of the Company on which a fire accident happened on March 15, 2018. The Group has estimated a loss of INR 123.50 lakhs which it expects to be recoverable from Insurance Co., hence the Group do not foresee making any provision for the same.
- 57.** During the current year, the Board of the Company has approved raising of funds by way of offer and issue of equity shares to the existing members of the Company on rights basis (Rights Issue), at such price and right entitlement ratio as may be decided by the Board, for an amount aggregating up to Rs. 45,000 lakhs, subject to necessary approvals and consent as may be necessary / required for compliance of applicable laws, including the provisions of the SEBI (ICDR) Regulations, 2009, as amended, the SEBI (LODR) Regulations, 2015, as amended, and the Companies Act, 2013, as amended and Company has filed the Draft letter of offer with SEBI and stock exchanges.



- 58.** The figures have been rounded off to the nearest Lakhs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-.
- 59.** Note No.1 to 59 form integral part of the Balance sheet and Statement of profit and loss.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Atul Seksaria**

Partner

Membership Number: 086370

**For and on behalf of the Board of Directors of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)**

**Dinesh Kumar Mittal**

(Director)

DIN: 00040000

**Sahil Vachani**

(Managing Director & CEO)

DIN: 00761695

**Nitin Kumar Kansal**

(Chief Financial Officer)

**Gopalakrishnan Ramachandran**

(Company Secretary)

Place : Gurugram

Date: 17<sup>th</sup> May , 2018

Place : New Delhi

Date: 17<sup>th</sup> May , 2018

## ANNEXURE - 2

## Form AOC-1

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

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

**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	Wise Zone Builders Private Limited
1.	The date since when subsidiary was acquired/ incorporated	April 1, 2015	March 22, 2016	June 23, 2016	August 23, 2016	April 29, 2017
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	April 1, 2017 to March 31, 2018	April 1, 2017 to March 31, 2018	April 1, 2017 to March 31, 2018	April 1, 2017 to March 31, 2018	April 29, 2017 to March 31, 2018
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	Not Applicable
4.	Equity Share capital	3,890.63	800.00	5.00	205.00	1.00
5.	Other Equity	21,127.59	8,323.39	2,970.59	(934.55)	91.06
6.	Total Assets	78,023.99	19,679.38	9,044.60	322.86	57,148.55
7.	Total Liabilities	53,005.77	10,555.99	6,069.01	1052.41	57,056.49
8.	Investments	-	1,120.73	9,027.66	-	-
9.	Total income	69,311.86	2,766.15	2,066.78	11.90	-
10.	Profit before taxation	(82.54)	(390.70)	1,410.13	(628.76)	(4.05)
11.	Provision for taxation	(11.55)	5.08	415.96	-	-
12.	Profit after taxation	(70.99)	(395.78)	994.17	(628.76)	(4.05)
13.	Other Comprehensive income	45.49	1.71	-	(0.68)	-
14.	Total Comprehensive income	(25.50)	(394.07)	994.17	(629.44)	(4.05)
15.	Proposed Dividend	-	-	-	-	-
16.	Extent of shareholding (in %)	51%	100%	100%	100%	100%

**Notes:**

- Names of subsidiaries which have been liquidated or sold during the year – On April ,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 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.

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

**For and on behalf of the Board of Directors of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)**

**Dinesh Kumar Mittal**

(Director)

DIN: 00040000

**Sahil Vachani**

(Managing Director & CEO)

DIN: 00761695

**Nitin Kumar Kansal**

(Chief Financial Officer)

**Gopalakrishnan Ramachandran**

(Company Secretary)

Place : Gurugram

Date: 17<sup>th</sup> May , 2018

Place : New Delhi

Date: 17<sup>th</sup> May , 2018





# DIRECTORS' REPORT

## Dear Shareholders,

Your Directors have great pleasure in presenting the Sixth Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2018.

## FINANCIAL REVIEW

### Financial and Operational Performance

(Rs. in Lacs)

Particulars	From April 01, 2017 to March 31, 2018	From April 01, 2016 to March 31, 2017
<b>Revenue from Operations (Net)</b>	<b>68,236.47</b>	<b>71,641.60</b>
Total Revenues	69,311.86	72,838.82
<b>Operating Expenses</b>	<b>64,849.62</b>	<b>67,396.41</b>
EBDITA	4,462.24	5,442.41
<b>Depreciation</b>	<b>2,250.97</b>	<b>2,013.70</b>
Interests	2,293.81	3,115.48
<b>Taxes</b>	<b>(11.55)</b>	<b>(169.04)</b>
Net Profit/ (loss) After Tax	(70.99)	482.27
Other Comprehensive Income, net of Tax	45.49	(8.51)
<b>Total Comprehensive Income, net of Tax</b>	<b>(25.50)</b>	<b>473.76</b>
No. of Equity Shares (Nos.)	3,89,06,257	3,37,87,850
EPS	(0.18)	1.43
Balance brought forward from previous year	2,876.76	2,403.00
<b>Balance Carried forward</b>	<b>2,851.26</b>	<b>2,876.76</b>

### Dividend

In view of future business plans, the Board of Directors of the Company do not propose dividend for the year ended March 31, 2018.

### Transfer to Reserves

The Company has transferred net profit after taxes to reserves. Details of amount transferred to reserve are as below:

(Rs. in Lacs)

Particulars	As at March 31, 2018
<b>Surplus/(Deficit) in statement of Profit &amp; loss</b>	
Balance as per Last financials statement	<b>2,876.76</b>
Add: Profit/ (loss) for the year	(70.99)
<b>Other Comprehensive Income</b>	<b>45.49</b>
<b>Net surplus/deficit in the statement of Profit &amp; Loss</b>	<b>2851.26</b>

### 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, 2018 and the date of this Directors' Report.

However, as reported last year, 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., Limited; (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 Paisa Only) i.e. at an aggregate price of Rs. 104.27/- (Rupees One Hundred Four and Twenty Seven Paisa 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 Paisa 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 Paisa Only) i.e. at an aggregate price of Rs. 104.27/- (Rupees One Hundred Four and Twenty Seven Paisa 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, 2018 was Rs. 50,00,00,000/- (Rupees Fifty Crore only) comprising of 5,00,00,000 equity shares of Rs. 10/- each.

The Paid-up Capital of the Company as on March 31, 2018 was 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).

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, the Paid-up Capital of the Company was increased on April 06, 2017 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).

## **HOLDING COMPANY**

Max Ventures and Industries Limited is a Holding Company of your Company holding 51% of equity share capital of the Company as on March 31, 2018.

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 share 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, 2018. During the year under review, 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.
- 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 expired on the date of fifth Annual General Meeting and was appointed as a Director by the members at fifth Annual General Meeting.
- Mr. Chiharu Komachi was co-opted as Additional Director of the Company on April 06, 2017. His term of office expired on the date of fifth Annual General Meeting and was appointed as a Director by the members at fifth Annual General Meeting.
- Mr. Hideharu Maro resigned as Director of the Company w.e.f. February 12, 2018. The Board places on record its appreciation for the valuable contributions made by Mr. Hideharu Maro during his association with the Company.
- Mr. Ashok Brijmohan Kacker resigned as Independent Director of the Company w.e.f. February 12, 2018. The Board places on record its appreciation for the valuable contributions made by Mr. Ashok Brijmohan Kacker during his association with the Company.
- Mr. Takao Ikeda was co-opted as Additional Director of the Company on February 12, 2018. His term of office expires on the date of ensuing Annual General Meeting and is eligible to be appointed.
- Ms. Sonu Halan Bhasin was co-opted as Additional Director (Independent) of the Company on February 12, 2018. Her 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. Takao Ikeda and Ms. Sonu Halan Bhasin 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. Mohit Talwar 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.	April 06, 2017	7	6
2.	May 11, 2017	7	5
3.	August 01, 2017	7	6
4.	October 25, 2017	7	6
5.	February 12, 2018	7	7
6.	March 07, 2018	7	7

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	6
Mr. Kummamuri Narasimha Murthy	Independent Director	6	6
Dr. Subash Khanchand Bijlani	Independent Director	6	5
Mr. Ashok Brijmohan Kacker*	Independent Director	5	5
Mrs. Sujatha Ratnam@	Non- Executive Director	1	-



Name of directors	Designation	Board Meetings	
		Held during tenure	Attended
Mr. Kishansingh Ramsinghaney@	Non- Executive Director	1	1
Mr. Sahil Vachani	Non- Executive Director	6	6
Mr. Hideharu Maro#	Non- Executive Director	4	-
Mr. Chiharu Komachi	Non- Executive Director	5	5
Ms. Sonu Halan Bhasin\$	Independent Director (Additional)	2	2
Mr. Takao Ikeda^	Non- Executive Director (Additional)	2	2

\*Resigned from the position of Independent Director w.e.f. February 12, 2018.

@ Resigned from the position of Director w.e.f. April 06, 2017.

# Resigned from the position of Director w.e.f. February 12, 2018.

\$Appointed as Independent Director (Additional) w.e.f. February 12, 2018.

^ Appointed as Non- Executive Director (Additional) w.e.f. February 12, 2018.

## 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 as on March 31, 2018: Dr. Subash Khanchand Bijlani, Mr. K. Narasimha Murthy and Ms. Sonu Halan Bhasin. Further, Mr. Ashok Brijmohan Kacker was Independent director of the Company during the year under review and he resigned from the position of Independent Director w.e.f. February 12, 2018.

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

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 as CEO 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.

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

Mr. Amit Jain is the Chief Financial Officer of your Company.

## 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.

As on April 01, 2017, the Audit Committee was comprised of Mr. K. Narasimha Murthy, Dr. Subash Bijlani and Mrs. Sujatha Ratnam as its members.

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.

Further, the Board of Directors in its meeting held on March 07, 2018 re-constituted the Audit Committee comprising of Mr. K. Narasimha Murthy (Chairman), Dr. Subash Bijlani, Ms. Sonu Halan Bhasin, Mr. Sahil Vachani and Mr. Chiharu Komachi as its members.

The Committee met five (5) times during the financial year 2017-18 on May 11, 2017, August 01, 2017, October 25, 2017, February 12, 2018 and March 07, 2018. The details of meetings and attendance at the Meetings are as under:

S. No.	Name of the Director	Category	Designation	No. of Meetings	
				Held during tenure	Attended
1.	Mr. Ashok Kacker#	Independent	Chairman*	4	4
2.	Mr. K. Narasimha Murthy	Independent	Member^	5	5
3.	Dr. Subash Bijlani	Independent	Member	5	4
4.	Mr. Chiharu Komachi**	Non - Executive	Member	5	5
5.	Mr. Sahil Vachani**	Non - Executive	Member	5	5
6.	Ms. Sonu Halan Bhasin@	Independent	Member	1	1

\*Appointed as the Chairman of the Audit committee on May 11, 2017.

# Resigned from the position of Independent Director of the Company w.e.f. February 12, 2018.

^Appointed as the Chairman of the Audit committee w.e.f. March 07, 2018.

\*\*Appointed as the member of the Audit Committee on May 11, 2017.

@ Appointed as the member of the Audit committee on March 07, 2018.

## 2. Nomination & Remuneration Committee:

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

As on April 01, 2017, the Nomination & Remuneration Committee was comprised of Mr. K. Narasimha Murthy, Dr. Subash Bijlani and Mr. Mohit Talwar as its members.

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.

The Committee met five (5) times during the financial year 2017-18 on April 06, 2017, May 11, 2017, August 01, 2017, October 25, 2017 and February 12, 2018. The details of meetings and attendance at the Meetings are as under:

S. No.	Name of the Director	Category	Designation	No. of Meetings	
				Held during tenure	Attended
1.	Dr. Subash Bijlani	Independent	Chairman	5	5
2.	Mr. K. Narasimha Murthy	Independent	Member	5	5
3.	Mr. Mohit Talwar	Non - Executive	Member	5	5
4.	Mr. Chiharu Komachi*	Non - Executive	Member	4	4

\*Appointed as the member of Nomination and Remuneration Committee on May 11, 2017.

### 3. Corporate Social Responsibility Committee:

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

As on April 01, 2017, the Corporate Social Responsibility Committee was comprised of Mr. K. Narasimha Murthy (Chairman), Dr. Subash Bijlani, Mr. Ashok Kacker and Mrs. Sujatha Ratnam as its members.

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

Further, the Board of Directors in its meeting held on March 07, 2018 re-constituted the Corporate Social Responsibility Committee comprising of Mr. K. Narasimha Murthy (Chairman), Dr. Subash Bijlani, Sahil Vachani and Mr. Chiharu Komachi as its members.

The Committee met two (2) times during the financial year 2017-18 on October 25, 2017 and February 12, 2018. The details of meetings and attendance at the Meetings are as under:

S. No.	Name of the Director	Category	Designation	No. of Meetings	
				Held during tenure	Attended
1.	Mr. Ashok Kacker@	Independent	Chairman**	2	2
2.	Mr. K. Narasimha Murthy	Independent	Member#	2	2
3.	Dr. Subash Bijlani	Independent	Member	2	2
4.	Mr. Chiharu Komachi*	Non - Executive	Member	2	2
5.	Mr. Sahil Vachani*	Non - Executive	Member	2	1

@Resigned from the position of Independent Director w.e.f. February 12, 2018.

\*\*Appointed as the Chairman of the Corporate Social Responsibility committee w.e.f. May 11, 2017.

#Appointed as the Chairman of the Corporate Social Responsibility committee w.e.f. March 07, 2018.

\*Appointed as the member of the Corporate Social Responsibility committee on May 11, 2017.

### 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 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. 39.62 Lacs was made during the FY 2017-18 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 01, 2017 during the Financial Year 2017-18. Further, all the Independent Directors of the Company had a separate meeting on July 30, 2018, inter-alia, to:

- Review the performance of non-independent directors and the Board as a whole;
- Review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors; and
- 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 26, 2017 for a period of five years i.e. from the conclusion of 5<sup>th</sup> AGM till the conclusion of the 10<sup>th</sup> AGM of the Company to be held in the year 2022, subject to the ratification by the members at every AGM. However, in view of the notification dated May 07, 2018 issued by the Ministry of Corporate Affairs, requirement for ratification of appointment of auditor has been abandoned.

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 2017-18 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 2017-18. The Company provided all assistance and facilities to the Secretarial Auditor for conducting the audit. The

Report of Secretarial Auditor for the FY 2017-18 is annexed to this report as '**Annexure – 4**'. There are no Audit Qualifications in the aforesaid Secretarial Audit Report.

### **COST AUDIT**

During the period under review, Company is required to maintain cost records as per the requirement of section 148 of the Companies Act, 2013.

Pursuant to Section 148 read with cost audit rules, 2014 of the Act, your Company had appointed M/s Balwinder Singh & associated, Cost Accountant as its cost Auditors who have conducted the cost audit of the Company for the FY 2017-18. There are no audit qualifications in the Cost Audit Report given by M/s Balwinder Singh & Associates, Cost Accountants of the Company for the FY 2017-18.

Further, 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 2018-19 at a remuneration of Rs.1,50,000 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.maxspecialityfilms.com](http://www.maxspecialityfilms.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. ICC is headed by an external professional. 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, 2018 forms part of this report as **'Annexure – 6'**.

## PARTICULARS OF EMPLOYEES

The information required under section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is given in **'Annexure – 7'**.

## 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.

## 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**

Place : New Delhi  
Date : July 30, 2018

## Annexure – 1

## MAX SPECIALITY FILMS LTD.

## CSR POLICY OF MAX SPECIALITY FILMS LTD.

## 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 &amp; 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

- 1.1 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.
- 1.2 NGO Support:** Max India Foundation will execute projects with the help of NGOs and employee engagement. Max India Foundation may seek the support of NGOs who are working on ground on issues decided upon. Max India Foundation will also provide requisite training support to volunteers to carry out / support in CSR activities.
- 1.3 Volunteering:** 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.
- 1.4 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

### 1.5 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

### 1.6 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.

**1.3 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.

**1.4 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

**1.1 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.

**1.2 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.

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

**1.4 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
<b>Water &amp; Sanitation Infrastructure</b>	
Water	i) Improvement in the quality of Drinking water
Sanitation	i) Introduction of waste management program
	ii) Improvement in sanitation observed
<b>Academic Infrastructure</b>	
Education	i) Improvement in the Annual result of Class-X.
	ii) Improvement in school infrastructure
<b>Community Infrastructure</b>	
Skill development	i) Vocational training especially for Women
Youth engagement	i) Introduction of sports facilities
<b>Healthcare</b>	
Medical Centre	i) Improvement in Health with focus on Women and Senior Citizens
	ii) No. of people provided immediate solutions / referred for further treatment

Issues	Key Performance Indicators
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
<b>Miscellaneous</b>	
	i) Any other parameters as the CSR Committee may require

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

## Annexure – 2

## 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.
2.	The Composition of the CSR Committee	:	(a) Mr. K. Narasimha Murthy - Chairman (Independent Director) (b) Dr. Subash Bijlani - Member (Independent Director) (c) Mr. Chiharu Komachi - Member (Non-Executive Director) (d) Mr. Sahil Vachani - Member (Non-Executive Director)
3.	Average net profit of the Company for last three financial years	:	Rs. 14,78,10,922 (Rupees Fourteen Crores Seventy Eight Lakhs Ten Thousand Nine Hundred and Twenty Two only)
4.	Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	:	Rs. 29,56,218 (Rupees Twenty Nine Lakhs Fifty Six thousand Two Hundred and Eighteen only)
5.	Details of CSR spent during the financial year		
a)	Total amount to be spent for the financial year	:	Rs. 29,56,218 (Rupees Twenty Nine Lakhs Fifty Six thousand Two Hundred and Eighteen only)
b)	Amount spent during the FY 2017-2018 towards CSR obligation	:	Rs. 39,62,398 (Rupees Thirty Nine Lakhs Sixty Two Thousand Three Hundred and Ninety Eight only)
c)	Amount unspent, if any	:	Not Applicable
d)	Manner in which the amount spent during the financial year is detailed below	:	Refer Annexure - 2A
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

**Place: New Delhi**  
**Date: July 30, 2018**

**Mr. Ramneek Jain**  
**Chief Executive Officer**

**Mr. K. Narasimha Murthy**  
**(Chairman of the CSR Committee)**

(1) Sl. No	(2) CSR Project or activity identified	(3) Sector in which the project is covered	(4) Projects or Programs 1. Local area or Other 2. Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise (Rs.)	(6) Amount spent on the projects or programs (Rs.)  Sub heads: 1. Direct expenditure on projects or programs. 2. Overheads	(7) Cumulative expenditure (Rs.) up to the reporting period	(8) 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	29,56,218	39,62,398  (Direct expenditure)	52,88,120	Direct Expenditure Rs. 39,62,398
	<b>TOTAL</b>			<b>29,56,218</b>	<b>39,62,398</b>		

**Annexure – 3****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.



## Annexure – 4

**SECRETARIAL AUDIT REPORT**  
FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018

[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: U24100PB2012PLC036981)  
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 31<sup>st</sup> March, 2018 ("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 31<sup>st</sup> March, 2018 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; and
- 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 were 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.

**We further report that** during the audit period the shareholders of the Company:

- a. In their Extra Ordinary General Meeting held on 06<sup>th</sup> April, 2017 passed a Special Resolution for adoption of new set of Memorandum of Association and Articles of Association of the Company for incorporating the inter-se understanding of Shareholders Agreement dated 10<sup>th</sup> February, 2017 executed by and among (i) Toppan Printing Co., Limited; (ii) Max Ventures and Industries Limited; and (iii) the Company; and
- b. In their Annual General Meeting held on September 26, 2017 passed a Special Resolution for conversion of term loan into Equity Share of the Company upon the occurrence of default not exceeding INR 2981.25 Lakhs from Yes Bank Limited in accordance with the Strategic Debt Restructuring Scheme as per circular no. DBR.BP.BC.No.101/21.04.132/2014-15 (as amended or modified or replaced from time to time) issued by the Reserve Bank of India on June 08, 2015.

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

Place : New Delhi  
Date : 30<sup>th</sup> July, 2018

Priyanka  
Partner  
CP No. 16187

## Annexure – 5

**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;

- Installation & commissioned the 632KW solar power generation.
- Maintaining the power factor 0.99.
- Energy Efficient motors & pumps in Line-5 project.
- High efficiency Chillers in Line-5.
- LED lighting in Line-5 project.
- Special pneumatic line from Parker for min. losses in Line-5.
- Highly energy efficient power transformer for min. losses in line-5.
- Class 0.5 meter & CT's for power reading monitoring in Line-5.
- Automation of trim blowers on slitter machines.
- Continues efforts reduce the TDO blowers speed.

**a) Additional investments and proposals, if any, being implemented for reduction of consumption of energy**

- Energy Re-Audit by External Agency.
- Installation of additional 1MW solar power generation.
- 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.
- Investment in Line 5, a state of the art technology to enable manufacturing of thick monolayer films and introduction of ILC (Inline Coating) to enable to introduce high barrier films, Print receptive films like PSL, IML, Wrap around label to our product portfolio.
- Work closely with leading brands on recyclability and specialty products.
- Working towards introducing biodegradable and recyclable structures in our products.
- 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.
- Brand and customer interactions through Tech Days to increase the Speciality Sales.
- Emphasis on increasing the quality of recycled scrap within the organization
- Enhance quality recycled plastics granules produced from scrap generated and obtain better price/ value outside.

**2. Benefits Derived**

- MSFL is the proud recipient of India Star Award (October 2017) for "Capitated White Ultra High Oxygen Barrier Metallized BOPP film".
- MSFL's test facilities are the first in India to have won the coveted NABL accreditation and has started offering testing facility.
- Focus on new products & Specialty 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.
- Working on development of recycle friendly BOPE

**4. Expenditure in Research & Development**

Capital	:	3.1 (Rs. in lakhs)
Recurring	:	130.3 (Rs. in lakhs)
Total	:	133.4 (Rs. in lakhs)
R & D Expenditure as % of Net Sales	:	0.2 %

**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 17-18 the company improved share of its Speciality %age from 38% to 40% 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)*

	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
Earning (FOB)	15022.64	16569.37
Outgoing (CIF)	25870.34	14738.09

## ANNEXURE - 6

## FORM MGT-9

**Extract of Annual Return as on the financial year ended on March 31, 2018**

[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,  
Tel. No. : 01881-462000, 462001 Fax: 01881-273607
- 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.	<b>Max Ventures and Industries Limited</b> 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab – 144 533	U85100PB2015PLC039204	Holding Company	51%	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, 2017				No. of Shares held on March 31, 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
a)	Individual/HUF	-	-	-	-	-	-	-	-	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	33449500	33449500	99.00	-	19842191	19842191	51.00	(48)
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	-	<b>33449500</b>	<b>33449500</b>	<b>99.00</b>	-	<b>19842191</b>	<b>19842191</b>	<b>51.00</b>	<b>(48)</b>
<b>2</b>	<b>Foreign</b>									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	19064066	19064066	49.00	49
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter &amp; Promoter Group [(A) = (A) (1)+(A)(2)]</b>	-	<b>33449500</b>	<b>33449500</b>	<b>99.00</b>	-	<b>38906257</b>	<b>38906257</b>	<b>100.00</b>	-
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
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)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2</b>	<b>Non-Institutions</b>									
<b>a)</b>	<b>Bodies Corp.</b>									
i)	Indian	-	338350	338350	1.00	-	-	-	-	(1)
ii)	Overseas	-	-	-	-	-	-	-	-	-

Sl. No.	Category of Shareholders	No. of Shares held on April 1, 2017				No. of Shares held on March 31, 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>b)</b>	<b>Individuals</b>									-
	i) holding shares upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
	ii) holding shares above Rs.1 lakh	-	-	-	-	-	-	-	-	-
<b>c)</b>	<b>NBFCs Registered with RBI</b>	-	-	-	-	-	-	-	-	-
<b>d)</b>	<b>Employees Trusts</b>	-	-	-	-	-	-	-	-	-
<b>c)</b>	<b>Any Others</b>	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(2)</b>	-	<b>338350</b>	<b>338350</b>	<b>1.00</b>	-	-	-	-	-
	<b>Total Public Shareholding [(B)=(B)(1)+(B)(2)]</b>	-	<b>338350</b>	<b>338350</b>	<b>1.00</b>	-	-	-	-	-
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	-	<b>33787850</b>	<b>33787850</b>	<b>100</b>	-	<b>38906257</b>	<b>38906257</b>	<b>100.00</b>	-

**(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 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	99.00	-	19,842,131	51.00	-	(48.00)
2	Mr. Sahil Vachani#	10	0.00	-	10	0.00	-	-
3	Mr. Alok Goel#	10	0.00	-	0	0.00	-	(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#	0	0.00	-	10	0.00	-	0.00
7	Mr. Amit Jain#	20	0.00	-	20	0.00	-	-
8	Toppa Printing Co., Ltd.	0	0.00	-	19,064,066	49.00	-	49.00
	<b>Total</b>	<b>33,449,500</b>	<b>99.00</b>	-	<b>38,906,257</b>	<b>100.00</b>	-	-

# 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
<b>1.</b>	<b>Mr. Manohar Kumar#</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	-Transfer of shares on April 06, 2017	10	0.00	10	0.00
	-Transfer of shares on April 06, 2017	(10)	0.00	0	0.00
	-Transfer of shares on October 25, 2017	10	0.00	10	0.00
	At the end of year	10	0.00		
<b>2.</b>	<b>Mr. Amit Jain#</b>				
	At the beginning of the year	20	0.00		
	Date wise increase / decrease				
	-Transfer of shares on April 06, 2017	(10)	0.00	10	0.00
	-Transfer of shares on April 06, 2017	10	0.00	20	0.00
	At the end of year	20	0.00		
<b>3.</b>	<b>Max Ventures and Industries Limited</b>				
	At the beginning of the year	33449500	99.00		
	Date wise increase / decrease				
	-Transfer of shares on April 06, 2017	338350	1.00	33787850	100.00
	-Transfer of shares on April 06, 2017	(13945659)	(35.84)	19842191	51.00
	At the end of year	19842191	51.00		
<b>4.</b>	<b>Mr. Alok Goel#</b>				
	At the beginning of the year	10	0.00		
	Date wise increase / decrease				
	- Transfer of shares on October 25, 2017	(10)	0.00	-	-
	At the end of year	0	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):

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
<b>1.</b>	<b>PHARMAX CORPORATION LIMITED</b>						
	At the beginning of the year	01-04-2017	338,350	1.00	Transfer (Sale)	338,350	1.00
	Transfer (Sale) of shares	03-04-2017	(338,350)	1.00			
	At the end of the year	31-03-2018	0	0.00			

## (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
<b>1.</b>	<b>Mr. Sahil Vachani#</b>				
	At the beginning of the year	10	0.00		
	Date wise increase / decrease	-	-	-	-
	At the end of year	10	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)

	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	17,557.45	3,297.71	6,445.61	88.10	-	-	27,388.87
ii) Interest due but not paid	-	-	-	-	-	-	-
iii) Interest accrued but not due	110.23	45.42	5.36	-	158.55	-	319.56
Total (i+ii+iii)	17,667.68	3,343.13	6,450.97	88.10	158.55	-	27,708.43
Change in Indebtedness during the financial year							
Addition	6,693.03	11,652.29	1.64	20.00	-	-	18,646.96
Reduction	3,910.00	17.81	88.26	42.82	158.55	-	4,217.44
Net Change	2,783.03	11,634.48	(86.62)	(22.82)	(158.55)	-	14,149.52
Indebtedness at the end of the financial year							
i) Principal Amount	20,321.22	14,950.00	6,357.35	65.28	-	-	41,693.85
ii) Interest due but not paid	-	-	-	-	-	-	-
iii) Interest accrued but not due	129.49	27.61	7.00	-	-	-	164.10
Total (i + ii + iii)	20,450.71	14,977.61	6,364.35	65.28	-	-	41,857.95

**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
<b>1.</b>	<b>Independent Directors</b>	<b>Mr. K. Narasimha Murthy</b>	<b>Dr. S. K. Bijlani</b>	<b>Mr. Ashok Kacker</b>	<b>Ms. Sonu Halan Bhasin</b>	
	a) Fee for attending Board/ Committee meetings	12,00,000	17,00,000	19,00,000	3,00,000	51,00,000
	b) Commission	-	-	-	-	-
	c) Others	-	-	-	-	-
	<b>TOTAL (1)</b>	<b>12,00,000</b>	<b>17,00,000</b>	<b>19,00,000</b>	<b>3,00,000</b>	<b>51,00,000</b>
<b>2.</b>	<b>Other Non-Executive Directors</b>					
	a) Fee for attending Board/ Committee meetings	-	-	-	-	-
	b) Commission	-	-	-	-	-
	c) Others	-	-	-	-	-
	<b>TOTAL (2)</b>	<b>12,00,000</b>	<b>17,00,000</b>	<b>19,00,000</b>	<b>3,00,000</b>	<b>51,00,000</b>
	<b>TOTAL B = (1+2)</b>					<b>51,00,000</b>
	<b>TOTAL MANAGERIAL REMUNERATION (A+B)</b>					<b>51,00,000</b>
	Overall ceiling as per the Act					NA

Note:

- The sitting fee excludes taxes 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:  
(Rs. in Lacs)

Sl. No.	Particulars of Remuneration	Name of KMP			
		Mr. Ramneek Jain (CEO)*	Ms. Rupali Sharma (CS)	Mr. Amit Jain (CFO)	TOTAL
1.	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	112.68	8.13	68.89	189.7
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-	-
	c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	• As % of profit	-	-	-	-
	• Others, specify	-	-	-	-
5.	Others, please specify	-	-	-	-
	<b>Total</b>	<b>112.68</b>	<b>8.13</b>	<b>68.89</b>	<b>189.7</b>

^ Appointed as a Key Managerial Personnel (CEO) of the Company w.e.f. July 11, 2017.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES : NONE**

## ANNEXURE – 7

**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	Ramneek Jain ^	Chief Executive Officer	45	112,68,036	BE-Mechanical, PG Diploma-Business Management, MBA-International Business, MS-Strategy & Planning	23	11.07.2017	Spicer India Pvt Ltd (Anand Group)

**C. Other employees :**

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	K Manohar	Vice President - Operations	51	96,54,411	BE( Chemical)	29	01.06.1989	Ester India limited
2.	Anil Kant Yadav	Head - National Sales	45	79,47,306	B.Sc., MBA	20	29.02.2016	Wifag-Polytype India Marketing (P) Ltd
3.	Amit Jain	Chief Financial Officer	47	68,88,887	B.Com, CA	22	16.05.2002	Owens Brockways (I) Ltd
4.	Sanjeev Yadav **	Head - Product, Application & Business Development	52	67,11,463	B.Sc., Diploma-Marketing Management, Graduate Diploma-Packaging Tech, B.Tech. (Industrial Engg & Mgt)	31	19.06.1989	Polyplex Corporation Ltd.

5.	Navneet Narayan Malhotra	Head - Projects, Engineering & IT	52	49,82,661	BE (Electrical)	27	17.07.1991	Escorts Yamaha Ltd
6.	Gidugu Venkata Sita Rama Mohan **	Head - International Sales	51	46,14,170	BE (Mechanical), MBA	29	05.06.1989	Polyplex Corporation Ltd.
7.	Avinash Kumar Singh	Operations Lead - Line 5	33	42,50,108	M.Sc.(IIT, Kharagpur), MBA from IIM, Ahmedabad	8	01.12.2014	Tata Strategic Management Group
8.	Rishabh Taksali	Head - Human Resources & IR	39	43,67,609	B.Com, MBA	15	29.03.2017	Verint Systems (India) Pvt Ltd
9.	R Ravichandran	General Manager - Production (BOPP)	50	33,77,904	B.E. (Mechanical & Production)	25	17.11.1995	Gujarat Propack 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.
4. \*\* Resigned from the Company.
5. ^ denotes the employee joined during the year.

# **FINANCIAL STATEMENTS**

# INDEPENDENT AUDITOR'S REPORT

## To the Members of Max Speciality Films Limited

### Report on the IND-AS Financial Statements

We have audited the accompanying IND-AS financial statements of Max Speciality Films Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the IND-AS 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 IND-AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the IND-AS 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 IND-AS 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 of the IND-AS financial statements 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 IND-AS 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 IND-AS 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 IND-AS 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 IND-AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the IND-AS 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, 2018, its loss including other comprehensive income, its cash flows and the changes in equity 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.;
- (d) In our opinion, the aforesaid IND-AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these IND-AS financial statements 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 IND-AS financial statements – Refer Note 28a to the IND-AS financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

**per Atul Seksaria**

Partner

Membership Number: 086370

Place of Signature:

Date:

**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')**

- |   |   |
|---|---|
| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(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.</p> <p>(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of Section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.</p> | <p>(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.</p> <p>(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.</p> <p>(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, goods &amp; services tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.</p> <p>(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, goods &amp; services 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.</p> <p>(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:</p> |
|---|---|

Name of Statute	Nature of the dues	Amount (Rs. in Lacs)	Period (FY) to which the amount relates	Forum where dispute is pending
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
Central Excise Act, 1944	Excise duty (Captive use of waste & scrap)	3119.99	2005-06 to 2014-15	Commissioner, Chandigarh
Finance Act, 1994 (service tax)	Service tax (GTA liability paid through input credit)	5.93	2006-07	Joint Commissioner, Chandigarh
Finance Act, 1994 (service tax)	Cenvat credit (Civil work)	4.76	2005-06	Joint Commissioner, Chandigarh
Central Excise Act, 1944	Excise duty (Job work)	11.70	2014-15	Additional Commissioner, Chandigarh
Finance Act, 1994 (service tax)	Service tax cenvat credit (Input credit on services)	2.51	2014-15 to 2015-16	Commissioner Appeals, Chandigarh

- (viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues of loans or borrowings to banks and financial institutions. The Company did not have any outstanding debentures during the year.
- (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
- (xi) the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xii) According to the information and explanations given by the management, the provisions of Section 197 read with Schedule V of the Act are not applicable to the Company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xiii) 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.
- (xiv) 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

**per Atul Seksaria**

**Partner**

Membership Number: 086370

Place of Signature: Gurgaon

Date: May 9, 2018

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE 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, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these financial statements, assessing the risk that a material weakness

exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained 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 with reference to these financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 9, 2018

# BALANCE SHEET

as at March 31, 2018

(Rs. in Lakhs)				
	Notes	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3	30,321.72	31,649.40	26,652.73
Capital work-in-progress	3	23,357.40	1,312.08	2,101.00
Goodwill	4	167.09	167.09	167.09
Other Intangible assets	4	262.75	337.29	272.78
Intangible assets under development	4	12.94	12.94	74.59
Financial assets				
(i) Loans	5	420.58	318.89	299.23
(ii) Other non current financial assets	5	747.56	-	0.76
Non-Current tax assets	13.1	112.65	162.99	0.86
Deferred tax assets (net)	13	31.53	-	-
Other non-current assets	6	587.40	239.35	2,111.14
		<b>56,021.62</b>	<b>34,200.03</b>	<b>31,680.18</b>
<b>Current assets</b>				
Inventories	7	7,209.00	7,694.81	5,807.05
Financial assets	8			
(i) Trade receivables		10,868.32	11,374.14	14,850.26
(ii) Loans		38.00	52.84	50.87
(iii) Cash and cash equivalents		463.63	67.74	161.65
(iv) Other bank balances		3.50	4.88	1.24
(v) Derivative instruments		53.67	41.91	18.63
(vi) Other current financial assets		74.31	108.81	109.01
Other current assets	9	3,163.94	1,867.77	2,039.60
		<b>21,874.37</b>	<b>21,212.90</b>	<b>23,038.31</b>
Assets classified as held for Sale	3.02	128.00	-	-
<b>TOTAL ASSETS</b>		<b>78,023.99</b>	<b>55,412.93</b>	<b>54,718.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	10	3,890.63	3,378.79	3,378.79
Other equity	10	21,127.59	16,333.30	15,859.54
<b>Total Equity</b>		<b>25,018.22</b>	<b>19,712.09</b>	<b>19,238.33</b>
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	11	18,527.98	18,840.61	17,850.34
Long term provisions	12	461.40	444.46	350.30
Deferred tax liabilities (Net)	13	-	25.42	296.34
Government grant	14	1,523.79	441.36	286.31
		<b>20,513.17</b>	<b>19,751.85</b>	<b>18,783.29</b>
<b>Current liabilities</b>				
Financial liabilities	15			
(i) Borrowings		18,177.27	6,445.62	7,724.36
(ii) Trade payables		6,493.27	6,800.59	5,518.47
(iii) Other current financial liabilities		7,207.89	2,157.27	2,748.49
Short term provisions	16	213.21	226.29	229.86
Other current liabilities	17	400.96	319.22	475.69
		<b>32,492.60</b>	<b>15,948.99</b>	<b>16,696.87</b>
<b>TOTAL LIABILITIES</b>		<b>53,005.77</b>	<b>35,700.84</b>	<b>35,480.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>78,023.99</b>	<b>55,412.93</b>	<b>54,718.49</b>

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Notes to the Financial Statements.

Summary of significant accounting policies

Other notes on accounts

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

**For and on behalf of the Board of Directors of  
Max Speciality Films Limited**

**K. Narasimha Murthy**

(Director)

DIN - 00023046

**Sahil Vachani**

(Director)

DIN - 00761695

**Ramneek Jain**

(Chief Executive Officer)

**Amit Jain**

(Chief Financial Officer)

**Rupali Sharma**

(Company Secretary)

Place:

Date:

Place:

Date:

# STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

		(Rs. in Lakhs)	
	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>INCOME</b>			
Revenue from operations	18	68,236.47	71,641.60
Other income	19	1,075.39	1,197.22
<b>Total income</b>		<b>69,311.86</b>	<b>72,838.82</b>
<b>EXPENSES</b>			
Cost of materials consumed	20	48,910.27	47,578.26
Change in inventories of finished goods and work in progress	20.3	644.67	(1,032.33)
Excise duty on sale of goods		1,402.25	5,808.50
Employee benefits expense	21	3,121.37	3,355.65
Finance costs	22	2,293.81	3,115.48
Depreciation and amortization expense	23	2,250.97	2,013.70
Other expenses	24	10,771.06	11,686.33
<b>Total expenses</b>		<b>69,394.40</b>	<b>72,525.59</b>
<b>Profit\ (Loss) before tax</b>		<b>(82.54)</b>	<b>313.23</b>
<b>Tax expenses</b>			
Current income tax charge	13	64.76	95.09
Adjustment of tax relating to earlier years		4.72	4.61
Deferred Tax		(81.03)	(268.74)
<b>Total tax expense</b>		<b>(11.55)</b>	<b>(169.04)</b>
<b>Profit\ (Loss) after tax</b>		<b>(70.99)</b>	<b>482.27</b>
<b>Other comprehensive income\ (loss)</b>			
Items not to be reclassified to profit or loss in subsequent years:			
Re-measurement gain\ (loss) on defined benefit plans	25	69.57	(10.69)
Income tax effect		(24.08)	2.18
Other comprehensive income for the year, net of tax		<b>45.49</b>	<b>(8.51)</b>
Total comprehensive income for the year, net of tax		<b>(25.50)</b>	<b>473.76</b>
<b>Earnings per equity share (Nominal Value of share Rs.10/-) (refer note 37)</b>			
Basic (Rs.)		(0.18)	1.43
Diluted (Rs.)		(0.18)	1.43

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Notes to the Financial Statements.

Summary of significant accounting policies

2

Other notes on accounts

26 to 47

The accompanying notes are integral part of the financial statements

As per our report of even date

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 Speciality Films Limited**

**per Atul Seksaria**

Partner

Membership Number: 086370

**K. Narasimha Murthy**

(Director)

DIN - 00023046

**Sahil Vachani**

(Director)

DIN - 00761695

**Ramneek Jain**

(Chief Executive Officer)

**Amit Jain**

(Chief Financial Officer)

**Rupali Sharma**

(Company Secretary)

Place:

Date:

Place:

Date:



# STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Profit\ (Loss) before tax	(82.54)	313.23
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	2,145.64	1,902.72
Amortization of intangible assets	105.33	110.98
Net foreign exchange differences		
Amortisation of prepaid expenses	357.20	119.17
Provision for doubtful debts	22.91	186.58
Provision for doubtful advances	-	8.26
Bad debts written off	-	202.15
Gain on sale of property, plant and equipment (net)	(12.20)	(2.97)
Liabilities\provisions no longer required written back	(0.75)	(16.48)
Interest income	(251.98)	(147.29)
Unwinding of discount on security deposit	(5.89)	(0.17)
Finance costs (including fair value change in financial instruments)	2,559.21	2,832.43
<b>Operating profit before working capital changes</b>	<b>4,836.93</b>	<b>5,508.61</b>
<b>Working capital adjustments:</b>		
Movements in provisions, gratuity and government grant	1,130.44	(35.97)
(Increase)\decrease in trade and other receivables and prepayments	(1,906.87)	3,640.51
(Increase)\decrease in inventories	485.81	(1,887.76)
Increase\decrease in trade and other payables	(263.49)	1,158.28
<b>Cash generated from operations</b>	<b>4,282.82</b>	<b>8,383.67</b>
Income tax paid	(27.14)	(267.97)
<b>Net cash flows from operating activities</b>	<b>4,255.68</b>	<b>8,115.70</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	12.77	52.49
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(20,834.24)	(4,459.81)
Interest received	267.09	141.67
<b>Net cash flows used in investing activities</b>	<b>(20,554.38)</b>	<b>(4,265.65)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital including securities premium net of expenses incurred for shares issued	5,331.63	-
Interest paid	(2,714.73)	(2,790.39)
Proceeds\repayments from short term borrowings (net)	11,731.65	(1,278.74)
Proceeds from long-term borrowings	6,693.77	2,886.59
Repayment of long-term borrowings	(4,347.73)	(2,761.42)
<b>Net cash flows from\used in financing activities</b>	<b>16,694.59</b>	<b>(3,943.96)</b>
Net increase\decrease in cash and cash equivalents	395.89	(93.91)
Cash and cash equivalents at the beginning of the year	67.74	161.65
<b>Cash and cash equivalents at year end</b>	<b>463.63</b>	<b>67.74</b>

**Components of cash and cash equivalents :-□**

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b>Balances with banks:</b>		
On current accounts	458.97	66.41
Cash on hand	4.66	1.33
	<b>463.63</b>	<b>67.74</b>

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Notes to the Financial Statements.

Summary of significant accounting policies

Other notes on accounts

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

**For and on behalf of the Board of Directors of  
Max Speciality Films Limited**

**per Atul Seksaria**

Partner

Membership Number: 086370

**K. Narasimha Murthy**

(Director)

DIN - 00023046

**Sahil Vachani**

(Director)

DIN - 00761695

**Ramneek Jain**

(Chief Executive Officer)

**Amit Jain**

(Chief Financial Officer)

**Rupali Sharma**

(Company Secretary)

Place:

Date:

Place:

Date:

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2018

## a) Equity share capital

Particulars	Nos.	(Rs. in Lakhs)
<b>As at April 1, 2016</b>	<b>33,787,850</b>	<b>3,378.79</b>
Add: Equity share issued (refer note 10)	-	-
<b>As at March 31, 2017</b>	<b>33,787,850</b>	<b>3,378.79</b>
Add: Equity share issued (refer note 10)	5,118,407	511.84
<b>As at March 31, 2018</b>	<b>38,906,257</b>	<b>3,890.63</b>

## b) Other equity

Particulars	Securities premium account	Retained earnings	(Rs. in Lakhs) Total equity
<b>As at April 1, 2016</b>	<b>13,456.54</b>	<b>2,403.00</b>	<b>15,859.54</b>
Profit for the year	-	482.27	482.27
Other comprehensive income for the year	-	(8.51)	(8.51)
<b>As at March 31, 2017</b>	<b>13,456.54</b>	<b>2,876.76</b>	<b>16,333.30</b>
Loss for the year	-	(70.99)	(70.99)
Other comprehensive income for the year	-	45.49	45.49
Addition on equity shares issued (refer note 10)	4,825.13	-	4,825.13
Share issue expenses	(5.34)	-	(5.34)
<b>As at March 31, 2018</b>	<b>18,276.33</b>	<b>2,851.26</b>	<b>21,127.59</b>

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Notes to the Financial Statements.

Summary of significant accounting policies 2

Other notes on accounts 26 to 47

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

**For and on behalf of the Board of Directors of  
Max Speciality Films Limited**

**K. Narasimha Murthy**

(Director)

DIN - 00023046

**Sahil Vachani**

(Director)

DIN - 00761695

**Ramneek Jain**

(Chief Executive Officer)

**Amit Jain**

(Chief Financial Officer)

**Rupali Sharma**

(Company Secretary)

Place:

Date:

Place:

Date:

# Notes forming part of the financial statements

## 1 Corporate Information

Max Speciality Films Limited (the Company) is a public Company domiciled in India and is incorporated under the provisions of the Companies Act applicable 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. Registered office and manufacturing factory of the Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District SBS Nagar (Nawanshar), Punjab -144533.

The financial statements were authorised for issue in accordance with a resolution by the Board of Directors of the Company on May 09, 2018.

## 2 Significant accounting policies

### 2.A Basis of preparation

The financial statements of the Company has been prepared under Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rule, 2015 (as amended from time to time). For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statements which has been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standards Rules, 2015, as amended. Refer to note 38, 39, 40, 41 and 42 for information on adoption of IND AS. The Company is in Phase-2 of Ind-AS adoption, accordingly date of transition is April 1, 2016.

In respect to the financial information for the year ending March 31, 2018, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional

exceptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2016.

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

- (i) Derivative financial instruments,
- (ii) Certain financial assets and financial liabilities
- (iii) Defined benefit plans - plan assets

In accordance with IND AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Financial Information under Accounting Standards notified under Previous GAAP to IND AS of Shareholders' equity as at March 31, 2017 and 2016 and of the Statement of Profit and loss and other comprehensive Income for the year ended March 31, 2017.

The financial information are presented in Indian Rupees (INR) and all values are rounded to the nearest lakhs, except where otherwise indicated.

### 2.B Summary of Significant accounting policies

#### a. Current versus non-current classification

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

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

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

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

#### **b. Property, Plant and Equipment**

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

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

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no

future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

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

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

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

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.

In respect of others assets, depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

<b>Assets</b>	<b>Useful lives (years)</b>
Leasehold Improvements	Over life of lease or life of asset whichever is less
Factory building	30
Other building	60
Plant and Equipment	15-25
Spares	3 - 15
Office Equipment	3 - 5
Computers & Data Processing Units	3 - 6
Furniture and Fixtures	10
Motor Vehicles	3 - 8

### c. Intangible assets

Under the previous GAAP (Indian GAAP), all assets were carried in the balance sheet at cost, less accumulated depreciation and accumulated impairment losses, if any. On the date of transition to IND AS, the Company has applied exemptions of IND AS 101 to continue the carrying value of all intangible assets as at the date of transition as its deemed cost.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 3-6 years.

### d. Non-current assets held for sale

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

- i. The appropriate level of management is committed to a plan to sell the asset,
- ii. An active programme to locate a buyer and complete the plan has been initiated,
- iii. The asset is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- iv. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- v. Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

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

**e. Impairment of non financial assets**

The 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) fair value less cost of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Companies or other available fair value indicators.

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

Impairment losses including impairment on

inventories, are recognized in the statement of profit and loss.

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

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

**Impairment testing of goodwill and intangible assets with indefinite lives**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non – financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

#### **f. Financial Instruments**

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

##### **(i) Financial assets**

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

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

##### **Initial recognition and measurement**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The difference between the transaction amount and amortised cost in case of interest free loan to subsidiaries based on expected repayment period is considered as deemed investment.

##### **Subsequent measurement**

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

- (i) Debt instruments at amortized cost
- (ii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

##### **Debt instruments at amortized cost**

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

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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



**Debt instruments at FVTPL**

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

**Derecognition**

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

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
  - (a) the Company has transferred the rights to receive cash flows from the financial assets or
  - (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

derecognized.

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

**Impairment of financial assets**

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

- Financial assets measured at amortised cost e.g. Loans, security deposits, trade receivable, bank balance.

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

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

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

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

#### **Reclassification of financial assets**

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

#### **(ii) Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are classified at initial recognition as financial liabilities at

fair value through profit or loss, loans and borrowings, and payables, net of directly attributable transaction costs. The Company financial liabilities include loans and borrowings including bank overdraft, trade payable, trade deposits and other payables.

#### **Subsequent Measurement**

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

##### **Trade Payables**

These amounts represents liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-180 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

##### **Financial liabilities at fair value through profit or loss**

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

**Loans and borrowings**

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

**Derecognition**

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

**Offsetting of financial instruments**

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

**g. 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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the

government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on educational material on Ind AS-18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since, the recovery of excise duty flows to the Company on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT)/GST (Goods and Service tax) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

**Sale of goods**

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

**Interest income**

For all debt instruments measured either at amortised cost or fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial assets. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does

not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

#### **Job work income**

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

#### **Export benefits**

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

#### **h. Inventories**

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

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

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

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

#### **i. Government Grants**

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income on the basis of accomplishment of export obligations.

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

#### **j. Taxes:**

##### **Current income tax**

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

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

##### **Deferred tax**

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

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

#### **GST (Goods and Service tax )/ Sales/ value added taxes paid on acquisition of assets or on incurring expenses**

Expenses and assets are recognised net of the amount of GST (Goods and Service tax )/ Sales/ value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable and;
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of Other Current Assets or Other Current Liabilities in the balance sheet.

#### **k. Borrowing costs**

Borrowing cost includes interest expense as per effective interest rate [EIR]. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset until such time that the asset are substantially ready for their intended use. Where funds are borrowed specifically to finance a project, the amount capitalized represents the actual borrowing incurred. Where surplus funds are available out of money borrowed specifically to finance project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Where funds used to finance a project form part of general borrowings, the amount capitalized is calculated using a weighted average of rate applicable to relevant general borrowing of the Company during the year. Capitalisation of borrowing cost is suspended and charged to profit and loss during the extended periods when the active development on the qualifying project is interrupted. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the borrowing costs.

#### **l. Leases**

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

#### **Company as a lessee**

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

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

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

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

#### **m. Provisions**

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



**Contingent liabilities**

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

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

**n. 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. The Company contribution payable to the provident fund as an expense, when the employee renders the related service.

**Gratuity**

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has also made contribution to Life Insurance Corporation (LIC) towards a policy to cover the gratuity liability of the employees to

an extent. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

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

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

- (i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.
- (ii) Net interest expenses or income

**Superannuation fund**

Retirement benefit in the form of superannuation fund is a defined contribution scheme. 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.

**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 Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

### Short-term obligations

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

### Long term incentive plan

Employees of the Company receives defined incentive, whereby employees render services for a specified period. Long term incentive is measured on accrual basis over the period as per the terms of contract.

### o. Cash and cash equivalents

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

### p. Earning per share

Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended). Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity

shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as share issue, bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

### q. Foreign currencies

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

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

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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

**r. Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or

indirectly observable

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

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

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

External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. The management decided, after discussions with the Company's external valuers which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

The management in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above

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

Disclosures for valuation methods, significant estimates and assumptions (note no 34)

Quantitative disclosures of fair value measurement hierarchy (note no 34)

Financial instruments (including those carried at amortised cost) (note no 5, 8, 11, 15)

#### s. Derivative instruments

##### Initial recognition and subsequent measurement

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

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

- (i) Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment
- (ii) Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment
- (iii) Hedges of a net investment in a foreign operation

#### 2.C Significant accounting judgements, estimates and assumptions

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

##### Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most

significant effect on the amounts recognized in the financial statements.

- (a) Operating lease commitments - Company as lessee

The Company has taken various properties on leases. the Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. (Refer note 27C)

##### Estimates and assumptions

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

- (a) Taxes

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

**(b) Defined benefit plans**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 29.

**(c) Fair value measurement of financial instrument**

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. Refer note 34 for fair value disclosures.

**2.D Standards issued but not yet effective**

The standard issued, but not yet effective up to the date of issuance of the Company's financial statements is disclosed below. The Company intends to adopt the standard when it becomes effective.

**a) Appendix B to IND AS 21, Foreign currency transactions and advance consideration:**

The Appendix clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration.

Entities may apply the Appendix requirements on a fully retrospective basis. Alternatively, an entity may apply these requirements prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

- (i) The beginning of the reporting period in which the entity first applies the Appendix, or
- (ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the Appendix.

The Appendix is effective for annual periods beginning on or after 1st April 2018. However, since the Group's current practice is in line with the interpretation, the Group does not expect any effect on its financial statements.

**b) IND AS 115 Revenue from Contracts with Customers:**

INDAS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under IND AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under IND AS. This new standard requires revenue to be recognized when promised goods or services are transferred to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. Adoption of the new rules could affect the timing of revenue recognition for certain transactions

of the Company. IND AS 115 is effective for the Company in the first quarter of fiscal 2019 using either one of two methods: (i) retrospectively to each prior reporting period presented in accordance with IND AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, with the option to elect certain practical expedients as defined within IND AS 115 (the full retrospective method); or (ii) retrospectively with the cumulative effect of initially applying IND AS 115 recognized at the date of initial application (1 April 2018) and providing certain additional disclosures as defined in IND AS 115 (the modified retrospective method).

The Company continues to evaluate the available transition methods and its contractual arrangements. The ultimate impact on revenue resulting from the application of IND AS 115 will be subject to assessments that are dependent on many variables, including, but not limited to, the terms of the contractual arrangements and the mix of business. The Company's considerations also include, but are not limited to, the comparability of its financial statements and the comparability within its industry from application of the new standard

to its contractual arrangements. The Company has established an implementation team to implement IND AS 115 related to the recognition of revenue from contracts with customers and it continues to evaluate the changes to accounting system and processes, and additional disclosure requirements that may be necessary.

Upon adoption the Company expects there to be a change in the manner that variable consideration in certain revenue arrangements is recognized from the current practice of recognizing such revenue as the services are performed and the variable consideration is earned to estimating the achievability of the variable conditions when the Company begins delivering services and recognizing that amount over the contractual period. The Company also expects a change in the manner that it recognizes certain incremental and fulfilment costs from expensing them as incurred to deferring and recognizing them over the contractual period. A reliable estimate of the quantitative impact of IND AS 115 on the financial statements will only be possible once the implementation project has been completed.

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

(Rs. in Lakhs)										
	Land (Free- hold)	Build- ing	Lease- hold im- prove- ments	Plant and equip- ment	Fur- niture and fixture	Office equip- ment	Com- puters and data pro- cessing units	Motor vehicles	Total	Capital work in progress
<b>At cost</b>										
Deemed cost as at April 1, 2016	1,685.81	4,247.86	44.70	20,178.86	94.30	111.71	158.12	131.37	26,652.73	2,101.00
Additions	17.97	364.53	-	4,315.95	25.98	25.98	28.16	82.85	4,861.42	1,298.35
Disposals	-	-	-	(1.99)	(23.29)	(33.54)	(6.62)	(82.78)	(148.22)	-
Transfer from CWIP				2,015.58	10.86		60.82		2,087.26	(2,087.26)
<b>As at March 31, 2017</b>	<b>1,703.78</b>	<b>4,612.39</b>	<b>44.70</b>	<b>26,508.40</b>	<b>107.85</b>	<b>104.15</b>	<b>240.48</b>	<b>131.44</b>	<b>33,453.19</b>	<b>1,312.08</b>
Additions (refer note 25.2)	37.69	3.04	-	1,105.36	0.34	3.03	16.08	43.09	1,208.63	22,045.32
Disposals	-	-	-	(0.57)	-	(2.02)	(1.46)	(64.39)	(68.44)	-
Transfer from CWIP	-	-	-	-	-	-	-	-	-	-
Assets held for sale (refer note 3.02)				(464.08)						
<b>As at March 31, 2018</b>	<b>1,741.47</b>	<b>4,615.43</b>	<b>44.70</b>	<b>27,149.11</b>	<b>108.19</b>	<b>105.16</b>	<b>255.10</b>	<b>110.14</b>	<b>34,129.30</b>	<b>23,357.40</b>
<b>Depreciation</b>										
As at April 1, 2016	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	122.44	15.76	1,573.52	18.83	35.81	76.68	59.68	1,902.72	-
Disposals	-	-	-	(1.44)	(15.87)	(31.03)	(6.28)	(44.31)	(98.93)	-
<b>As at March 31, 2017</b>	<b>-</b>	<b>122.44</b>	<b>15.76</b>	<b>1,572.08</b>	<b>2.96</b>	<b>4.78</b>	<b>70.40</b>	<b>15.37</b>	<b>1,803.79</b>	<b>-</b>
Depreciation charge for the year	-	128.92	15.76	1,847.81	15.45	28.67	69.28	39.74	2,145.63	-
Disposals	-	-	-	(0.11)	-	(1.34)	(0.98)	(42.12)	(44.55)	-
Loss on asset held for sale (refer note 3.02)*	-	-	-	(97.29)	-	-	-	-	(97.29)	-
<b>As at March 31, 2018</b>	<b>-</b>	<b>251.36</b>	<b>31.52</b>	<b>3,322.49</b>	<b>18.41</b>	<b>32.11</b>	<b>138.70</b>	<b>12.99</b>	<b>3,807.58</b>	<b>-</b>
<b>Net book value</b>										
As at March 31, 2018	1,741.47	4,364.07	13.18	23,826.62	89.78	73.05	116.40	97.15	30,321.72	23,357.40
As at March 31, 2017	1,703.78	4,489.95	28.94	24,936.32	104.89	99.37	170.08	116.07	31,649.40	1,312.08
As at April 1, 2016	1,685.81	4,247.86	44.70	20,178.86	94.30	111.71	158.12	131.37	26,652.73	2,101.00

\*includes Rs. 19.02 lacs on account of de-recognition of government grant

**3.01 Property, plant and equipment (PPE) given as security**

Refer note no 11 for charge created on property, plant and equipment as security against borrowings.

**Capitalised Borrowing Costs**

The Company started the construction of a Thermal Line and Coating Line in financial year 2015-16. This project was completed in financial year 2016-17. Borrowing cost capitalised in Thermal Line and Coating line is Rs Nil (March 31, 2017: Rs 60.41 Lakhs and Rs 21.10 Lakhs, March 31, 2016: Rs 60.68 Lakhs and Rs. 62.93 Lakhs) respectively.

The rate used to determine the amount of borrowing costs eligible for capitalisation was based on effective interest rate of the borrowing.

IND-AS 101 Exemption: The Company has availed the exemption available under Ind-AS 101, whereas the carrying value of property, plant and equipment has been carried forward at the amount as determined under Indian GAAP net of adjustment such as government grants. Regarding the application of deemed cost, the Company has disclosed the cost as at April 1, 2016 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follow :



(Rs. in Lakhs)									
Particulars	Land (Freehold)	Building	Lease- hold improve- ments	Plant and equipment	Furniture and fix- ture	Office equip- ment	Com- puters and data pro- cessing units	Motor vehicles	Total
Gross Block as on 1st April 2016	1,685.81	4,475.07	47.29	23,377.55	131.31	233.93	303.71	235.45	30,490.12
Accumulated depreciation as on 1st April 2016	-	227.21	2.59	3,198.69	37.01	122.22	145.59	104.08	3,837.39
Deemed cost as at April 1, 2016	1,685.81	4,247.86	44.70	20,178.86	94.30	111.71	158.12	131.37	26,652.73

### 3.2 Asset held for sale

The Company has imported certain Plant & machinery without payment of import duties under EPCG scheme in the financial year 2008-09. However as on March 31, 2018, the Company has held those Plant & machinery for sale. The Company is also liable to pay custom duty saved at the time of import of capital goods along with interest. The asset has been revalued at estimated realisable value and carrying amount over and above of realisable value of asset has been booked as loss on asset held for sale in profit & loss account.

Particulars	Amount (Rs in Lakhs)
Carrying value of asset as on 31-03-2018	385.83
Less: Derecognition of government grant	(19.04)
Less: Estimated realisable value	(128.00)
loss on asset held for sale	238.79
Duty payable	137.08
<b>Total Loss on asset held for sale</b>	<b>375.87</b>

### 3.3 Asset under construction

Asset under construction as at March 31, 2018 comprises expenditure for the BOPP Line 5 plant in the course of construction. Total amount of CWIP is Rs. 23,357.39 Lakhs (March 31, 2017: Rs. 1,312.08 Lakhs, April 1, 2016: Rs. 2101.00 Lakhs). Borrowing cost capitalised in BOPP Line 5 is Rs. 1,161.59 Lakhs (March 31, 2017: Rs 226.92 Lakhs, March 31, 2016: Rs 123.61 Lakhs).

## 4. Intangible assets

(Rs. in Lakhs)				
	Computer software	Goodwill (Note 4.01)	Total	Intangible assets under development
<b>At cost</b>				
<b>Deemed cost as at April 1, 2016</b>	<b>272.78</b>	<b>167.09</b>	<b>439.87</b>	<b>74.59</b>
Additions	101.13	-	101.13	12.94
Disposals	(4.66)	-	(4.66)	-
Transfer from intangible under development	74.59		74.59	(74.59)
<b>As at March 31, 2017</b>	<b>443.84</b>	<b>167.09</b>	<b>610.93</b>	<b>12.94</b>
Additions	30.79	-	30.79	13.52
Disposals	-	-	-	(13.52)
<b>As at March 31, 2018</b>	<b>474.63</b>	<b>167.09</b>	<b>641.72</b>	<b>12.94</b>
<b>Amortization</b>				
<b>As at April 1, 2016</b>	-	-	-	-



	(Rs. in Lakhs)			
	Computer software	Goodwill (Note 4.01)	Total	Intangible assets under development
Amortization charge for the year	110.98	-	110.98	-
Disposals for the year	(4.43)	-	(4.43)	-
<b>As at March 31, 2017</b>	<b>106.55</b>	<b>-</b>	<b>106.55</b>	<b>-</b>
Amortization charge for the year	105.33	-	105.33	-
Disposals for the year	-	-	-	-
<b>As at March 31, 2018</b>	<b>211.88</b>	<b>-</b>	<b>211.88</b>	<b>-</b>
<b>Net book value</b>				
<b>As at March 31, 2018</b>	<b>262.75</b>	<b>167.09</b>	<b>429.84</b>	<b>12.94</b>
<b>As at March 31, 2017</b>	<b>337.29</b>	<b>167.09</b>	<b>504.38</b>	<b>12.94</b>
<b>As at April 1, 2016</b>	<b>272.78</b>	<b>167.09</b>	<b>439.87</b>	<b>74.59</b>

IND-AS 101 Exemption: The Company has availed the exemption available under Ind-AS 101, whereas the carrying value of property, plant and equipment has been carried forward at the amount as determined under Indian GAAP net of adjustment such as government grants. Regarding the application of deemed cost, the Company has disclosed the cost as at April 1, 2016 net of accumulated depreciation. However, information regarding gross block of assets, accumulated depreciation has been disclosed by the Company separately as follow :

	(Rs. in Lakhs)		
Particulars	Computer software	Goodwill (Note 4.01)	Total
Gross Block as on 1st April 2016	436.21	278.49	714.70
Accumulated depreciation as on 1st April 2016	163.43	111.40	274.83
Deemed cost as at April 1, 2016	272.78	167.09	439.87

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

#### **Impairment testing of goodwill and intangible assets with indefinite lives**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non – financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

## 4.2 Deemed cost

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider carrying value of its goodwill as its deemed cost on the date of transition to Ind AS.

(Rs. in Lakhs)			
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>5. Non-Current Financial Assets</b>			
(i) <b>Loans (amortised cost) (unsecured considered good)</b>			
Security deposits*	417.98	317.12	295.43
Loan to employee	2.60	1.77	3.80
	<b>420.58</b>	<b>318.89</b>	<b>299.23</b>
*Security deposits include due to related parties Rs. 77.31 Lakhs (March 31, 2017 : Rs. 25.56 Lakhs, April 1, 2016: Rs. Nil)			
(ii) <b>Other non current financial asset (unsecured considered good)</b>			
Insurance claim recoverable	747.56	-	0.76
	<b>747.56</b>	<b>-</b>	<b>0.76</b>
<b>6. Other non-current assets (unsecured considered good unless otherwise stated)</b>			
Capital advances	273.63	233.10	1,950.60
Prepaid expenses	5.07	6.25	160.54
Excise duty deposited under protest	308.70	-	-
	<b>587.40</b>	<b>239.35</b>	<b>2,111.14</b>
<b>7. Inventories (at lower of cost or net realisable value)</b>			
Raw materials and Packing materials [including stock in transit Rs 1,295.94 Lakhs (March 31, 2017: Rs. 1,100.37 Lakhs, April 1, 2016: Rs. 582.50 Lakhs)]	4,292.93	3,711.85	2,858.96
Stores and spares	807.23	1,229.45	1,226.91
Work in progress	1,047.00	1,929.72	1,040.80
Finished goods [(including in transit Rs. 611.80 Lakhs (March 31, 2017: Rs. 648.47 Lakhs, April 1, 2016: Rs. 319.94 Lakhs)), (including trial run stock of Rs. Nil (March 31, 2017: Rs. Nil, April 1, 2016: Rs. 3.27 Lakhs))]	1,061.84	823.79	680.38
	<b>7,209.00</b>	<b>7,694.81</b>	<b>5,807.05</b>

(Rs. in Lakhs)			
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>8. Current financial assets</b>			
<b>(i) Trade receivables</b>			
<b>Unsecured :-</b>			
Trade receivables - considered good	10,868.32	11,374.14	14,850.26
Trade receivables - considered doubtful	237.97	219.58	39.80
Less: Impairment allowance for trade receivable considered doubtful	(237.97)	(219.58)	(39.80)
	<b>10,868.32</b>	<b>11,374.14</b>	<b>14,850.26</b>

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

Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days.

<b>(ii) Loans (Valued at amortized cost) (unsecured considered good)</b>			
Loan to employee	16.28	16.01	19.66
Interest accrued on deposits	21.72	36.83	31.21
	<b>38.00</b>	<b>52.84</b>	<b>50.87</b>
<b>(iii) Cash and cash equivalents</b>			
<b>Balances with banks:</b>			
On current accounts	458.97	66.41	159.79
Cash on hand	4.66	1.33	1.86
	<b>463.63</b>	<b>67.74</b>	<b>161.65</b>
<b>(iv) Other bank balances</b>			
<b>Deposits:</b>			
(I) Margin money deposits #	3.50	4.88	1.24
	<b>3.50</b>	<b>4.88</b>	<b>1.24</b>
<b># Margin money deposits given as security</b>			
Margin money have been deposited with the bank as security for bills of exchange discounted without letter of credit.			
<b>(v) Derivative instruments at fair value through profit or loss</b>			
Foreign exchange forward contracts	53.67	41.91	18.63
	<b>53.67</b>	<b>41.91</b>	<b>18.63</b>

Derivative instruments at fair value through profit or loss reflect the positive change in fair value of those foreign exchange forward contracts that are not designated in hedge relationships, but are, nevertheless, intended to reduce the level of foreign currency risk for expected sales and purchases.

<b>(vi) Other current financial assets</b>			
Other advances (Unsecured, considered good)	74.31	108.81	109.01
	<b>74.31</b>	<b>108.81</b>	<b>109.01</b>
<b>9. Other current assets (unsecured and considered good)</b>			
Other advances*	512.82	868.15	425.23
Prepaid expenses	158.74	303.16	193.11
Excise duty recoverable on export goods	602.52	-	412.63
Balance with government authorities	1,485.42	262.74	671.78
Export benefits receivables	404.44	433.72	336.85
	<b>3,163.94</b>	<b>1,867.77</b>	<b>2,039.60</b>

\*Other advances include due to related parties Rs. 0.89 Lakhs (March 31, 2017 : Rs. 14.14 Lakhs, April 1, 2016: Rs. 2.88)

**10. Share capital and other equity****(i) Equity share capital****a) Authorized share capital**

	(Rs. in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
50,000,000 (March 31, 2017: 50,000,000, April 1, 2016: 50,000,000 ) equity shares of Rs. 10/- each	5,000.00	5,000.00	5,000.00
	<b>5,000.00</b>	<b>5,000.00</b>	<b>5,000.00</b>
<b>Issued, subscribed and fully paid-up equity capital</b>			
38,906,257 (March 31, 2017: 33,787,850, April 1, 2016: 33,787,850) equity shares of Rs. 10/- each fully paid up	3,890.63	3,378.79	3,378.79
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>3,890.63</b>	<b>3,378.79</b>	<b>3,378.79</b>

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

Equity shares	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)	No. of shares	(Rs. in Lakhs)
At the beginning of the year	33,787,850	3,378.79	33,787,850	3,378.79	33,787,850	3,378.79
Issued during the year						
- Issued	5,118,407	511.84	-	-	-	-
Outstanding at the end of the year	38,906,257	3,890.63	33,787,850	3,378.79	33,787,850	3,378.79

**c) Terms and rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the period ended March 31, 2018, the amount of per share dividend recognised as distributions to equity shareholders was Rs. Nil (March 31, 2017: 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.

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

Name of the Shareholder	March 31, 2018		March 31, 2017		April 1, 2016	
	No. of shares	% held	No. of shares	% held	No. of shares	% held
<b>Equity Shares of Rs. 10 each fully paid</b>						
Max Ventures and Industries Limited (erstwhile Capricorn Ventures Limited)	19,842,191	51%	33,449,500	99%	33,449,500	99%
Toppan Printing Co., Limited	19,064,066	49%	-	-	-	-

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.

**e) Shares held by holding company (Refer note 44 and 45)**

	(Rs. in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Max Ventures and Industries Limited (erstwhile Capricorn Ventures Limited), the holding Company (April 1, 2015)</b>			
198,42,191 (March 31, 2017: 33,449,500, April 1, 2016: 33,449,500) equity shares of Rs 10 each fully paid	1,984.22	3,344.95	3,344.95
	<b>1,984.22</b>	<b>3,344.95</b>	<b>3,344.95</b>

**(ii) Other equity**

	(Rs. in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Securities premium (refer note a below)	18,276.33	13,456.54	13,456.54
Retained earnings (refer note b below)	2,851.26	2,876.76	2,403.00
	<b>21,127.59</b>	<b>16,333.30</b>	<b>15,859.54</b>
<b>a) Securities premium</b>			
At the beginning of the year	13,456.54	13,456.54	13,456.54
Add: Premium on issue of equity shares (refer note 45)	4,825.13	-	-
Less: share issue expenses	(5.34)	-	-
	<b>18,276.33</b>	<b>13,456.54</b>	<b>13,456.54</b>
<b>b) Retained earnings</b>			
At the beginning	2,876.76	2,403.00	826.12
Profit\ (Loss) for the year	(70.99)	482.27	2,003.86
Less: Appropriations			
Interim dividend [amount per share Rs.Nil (March 31, 2017: Rs. Nil, March 31, 2016: Rs. 1)]	-	-	(337.88)
Tax on interim dividend	-	-	(70.70)
Items of other comprehensive income recognized directly in retained earnings			
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	45.49	(8.51)	(18.40)
	<b>2,851.26</b>	<b>2,876.76</b>	<b>2,403.00</b>

**11. Borrowings**

	(Rs. in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Non-current borrowings :-</b>			
<b>Term loans (secured)</b>			
From banks [refer note (i) to (vi) below]	18,491.26	13,067.52	12,361.48
From non-banking financial company [refer note (vii) below]	-	2,887.50	2,962.50
<b>Loans from related party (unsecured)</b>			
Inter corporate loan (unsecured) [refer note (viii) below]	-	-	550.06
<b>Other loans (secured)</b>			
Buyers credit foreign currency (secured) [refer note (ix) below]	-	2,837.19	1,917.64
<b>Vehicle loans (secured) [refer note (x) below]</b>	36.72	48.40	58.66
<b>Current borrowings :-</b>			
<b>Term loans (secured)</b>			
From banks [refer note (i) to (vi) below]	1,371.43	947.50	846.34
From non-banking financial company [refer note (vii) below]	-	75.00	37.50
<b>Other loans (secured)</b>			
Buyers credit foreign currency (secured) [refer note (ix) below]	3,041.89	363.81	1,250.84
<b>Vehicle loans (secured) [refer note (x) below]</b>	28.56	39.70	37.26
<b>Interest accrued and due on borrowings*</b>	-	273.15	168.59
<b>Interest accrued but not due on borrowings</b>	164.11	46.48	7.62
<b>Interest accrued but not due on inter corporate loan</b>	-	-	101.38
	<b>23,133.97</b>	<b>20,586.25</b>	<b>20,299.87</b>
<b>Less: Amount disclosed under "other current financial liabilities" [refer note 15(iii)]</b>	<b>4,605.99</b>	<b>1,745.64</b>	<b>2,449.53</b>
	<b>18,527.98</b>	<b>18,840.61</b>	<b>17,850.34</b>
Aggregate Secured loans	<b>23,133.97</b>	<b>20,586.25</b>	<b>19,648.43</b>
Aggregate Unsecured loans	-	-	<b>651.44</b>

**Term loan from banks :-**

- i) Term loan from Yes Bank Limited amounting to Rs. 7,951.32 Lakhs (March 31, 2017: Rs. 8,063.92 Lakhs, April 1, 2016: Rs. 8,123.80 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding vehicles specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 32 structured quarterly instalments commenced from 3rd December 2016 carrying interest rate ranging from 8.70% p.a. to 13.00% p.a..
- ii) Term loan from Yes Bank Limited amounting to Rs. 3,845.00 Lakhs (March 31, 2017: Rs. 4,540.17 Lakhs, April 1, 2016: Rs. 4,768.93 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding vehicles 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 8.70% p.a. to 12.35% p.a..

- iii) Term loan from Yes Bank Limited amounting to Rs.1,498.89 Lakhs (March 31, 2017: Rs. 1,410.93 Lakhs, April 1, 2016: Rs. 315.10 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding vehicles specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 20 structured quarterly instalments commenced from 28rd February 2019 carrying interest rate ranging from 8.70% p.a. to 9.30% p.a..
- iv) Term loan from Indusind Bank Limited amounting to Rs. 3167.42 Lakhs (March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil) was secured by way of first pari passu charge on the movable fixed assets (excluding vehicles specifically charged to other lenders) and immovable fixed assets both present and future. The loan was repayable in 27 structured quarterly instalments to be commenced from 30st September 2018 carrying interest rate of 8.95% p.a.
- v) Term loan from Yes Bank Limited amounting to Rs. 2800.06 Lakhs (March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil) was secured by way of first pari passu charge on the movable fixed assets (excluding vehicles specifically charged to other lenders) and immovable fixed assets both present and future. The loan was repayable in 28 structured quarterly instalments to be commenced from 1st December 2017 carrying interest rate of 8.70% p.a.
- vi) Term loan from IDFC Bank Limited amounting to Rs. 600.00 Lakhs (March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil) is secured by way of first pari passu charge on the movable fixed assets (excluding vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 27 structured quarterly instalments commenced from September 03, 2018 carrying interest rate of 9.15% p.a..

**Term loan from non-banking financial company :-**

- vii) Term loan from Tourism Finance Corporation of India Limited amounting to Rs. Nil (March 31, 2017: Rs. 2,962.50 Lakhs, April 1, 2016: Rs. 3,000.00 Lakhs) 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 December 03, 2016 carrying interest rate ranging from 12.30% p.a. to 13.00% p.a..

**Inter corporate loan (unsecured)**

- viii) Loan from Max Ventures and Industries Limited (erstwhile Capricorn Ventures Limited), the holding Company amounting to Rs. Nil (March 31, 2017: Rs. Nil, April 1, 2016: Rs. 550.06 Lakhs). 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..

**Buyers credit foreign currency (secured)**

- ix) Buyer credit foreign currency facility from Yes Bank Limited amounting to Rs. 3,041.89 Lakhs (March 31, 2017: Rs. 3,201.00 Lakhs, April 1, 2016: Rs. 3,168.48 Lakhs) 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..

**Vehicle loan (secured) :-**

- x) Vehicle loans amounting to Rs. 65.28 Lakhs (March 31, 2017: Rs. 88.10 Lakhs, April 1, 2016: Rs. 95.92 Lakhs) are secured by way of hypothecation of respective vehicles. The loans are repayable in 3 to 5 years. The rate of interest varies between 10.00% p.a. to 11.50% p.a.

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

**Undrawn borrowings:**

- xi) Term loan from Indusind bank Rs. 17,600 Lakhs and IDFC bank Rs.1,400 Lakhs has been sanctioned against which Rs. 14,660 Lakhs and Rs. 600 Lakhs respectively has been disbursed as on March 31, 2018.



**12. Long term provision**

	(Rs. in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for employee benefits</b>			
Provision for gratuity (refer note 29)	461.40	444.46	350.30
	<b>461.40</b>	<b>444.46</b>	<b>350.30</b>

**13. INCOME TAXES**

	(Rs. in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>(a) Income tax expense in the statement of profit and loss comprises :</b>			
<b>Current Income Tax</b>			
Current income tax charge	64.76	95.09	596.99
Adjustment in respect of current income tax of previous year	4.72	4.61	0.26
<b>Deferred Tax</b>			
Relating to origination and reversal of temporary differences	(81.03)	(268.74)	158.51
<b>Income tax expense reported in the statement of profit or loss</b>	<b>(11.55)</b>	<b>(169.04)</b>	<b>755.76</b>
<b>(b) Deferred tax related to items recognised in OCI during in the year:</b>			
Net loss\gain) on re-measurement of defined benefit plans	(24.08)	2.18	4.71
<b>Tax related to items recognized in OCI during the year</b>	<b>(24.08)</b>	<b>2.18</b>	<b>4.71</b>

**(c) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31,2017:**

	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Accounting Profit before income tax	(82.54)	313.23
Applicable tax rate	34.608%	34.608%
<b>Computed Tax Expense</b>	<b>(28.57)</b>	<b>108.40</b>
Expense not allowed for tax purpose	63.94	50.10
Income not considered for tax purpose	(23.62)	88.83
Additional allowances for tax purpose - Investment allowance	-	(316.72)
Tax relating to earlier years	(23.29)	(111.14)
Other	-	11.49
Income tax charged to Statement of Profit and Loss at effective rate of (13.98%) (March 31, 2017: (53.97%))	<b>(11.54)</b>	<b>(169.04)</b>

**(d) Deferred tax liabilities comprises :**

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Accelerated Depreciation for Tax purposes	3,179.95	2,625.26	1,266.43
Expenses allowable on payment basis	(453.77)	(377.06)	(453.65)
Allowance for doubtful debts	(82.36)	(75.99)	(13.77)
Other items giving rise to temporary differences	(490.97)	(116.56)	(35.06)
MAT credit entitlement	(768.12)	(698.64)	(467.61)
Unabsorbed depreciation	(1,416.26)	(1,331.59)	-
<b>Deferred Tax liability (net)</b>	<b>(31.53)</b>	<b>25.42</b>	<b>296.34</b>

<b>Deferred tax liability for the year</b>	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>
Accelerated Depreciation for Tax purposes	554.69	1,358.83
Expenses allowable on payment basis	(76.71)	76.59
Allowance for doubtful debts	(6.37)	(62.22)
Other items giving rise to temporary differences	(374.41)	(81.50)
MAT credit entitlement	(69.48)	(231.03)
Unabsorbed depreciation	(84.67)	(1,331.59)
	<b>(56.95)</b>	<b>(270.92)</b>

**Reconciliation of deferred tax liabilities(net)**

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Opening balance as per last balance sheet	25.42	296.34	142.54
Tax expense recognized in profit and loss account during the year	(56.95)	(270.92)	153.80
Closing balance	<b>(31.53)</b>	<b>25.42</b>	<b>296.34</b>
	-	-	-

**Notes:**

- a) The Company offsets tax asset and liabilities if any and only if it has a legally enforceable right to set off current tax assets and current tax liabilities related to income taxes levied by the same tax authority.

**13.1 Non-current tax assets**

	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>	<b>As at April 1, 2016</b>
Advance Income Tax and Tax deducted at source	112.65	162.99	0.86
	<b>112.65</b>	<b>162.99</b>	<b>0.86</b>

**14. Other non current liabilities**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Government grants *	1,523.79	441.36	286.31
	<b>1,523.79</b>	<b>441.36</b>	<b>286.31</b>
<b>Movement of government grant is as below:</b>			
At the beginning of the year	441.36	286.31	-
Received during the year	1,467.81	796.66	286.31
Released to the statement of profit and loss	(385.38)	(641.61)	-
At the end of the year	<b>1,523.79</b>	<b>441.36</b>	<b>286.31</b>

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

**15. Current financial liabilities****(i) Borrowings**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Cash credit from banks (secured) [refer note (i) below]	1,657.35	2,445.34	5,701.78
Packing credit foreign currency (secured) [refer note (iv) below]	-	0.28	225.15
Packing credit (unsecured) [refer note (v) below]	-	-	1,500.00
Bills discounted from banks (unsecured) [refer note (vi) below]	-	-	297.43
Working capital demand loan (secured) [refer note (ii) below]	4,700.00	4,000.00	-
Buyers credit (secured) [refer note (iii) below]	11,819.92	-	-
	<b>18,177.27</b>	<b>6,445.62</b>	<b>7,724.36</b>

- (i) Cash credit facilities from HDFC Bank Limited, Citi Bank Limited, Kotak Bank Limited, Indusind Bank Limited, Ratnagar Bank Limited, Yes Bank Limited and IDFC Bank Limited are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company, both present and future. The rate of interest on cash credit varies between banks ranging from 8.75% p.a. to 11.80% p.a. and are repayable on demand.
- (ii) Working capital demand loan from IDFC Bank Limited and HDFC Bank Limited are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Company, both present and future. The tenor of WCDL ranges between 30 to 180 days. The rate of interest on working capital demand loans varies between 8.10% p.a. to 9.70% p.a.
- (iii) Buyer credit foreign currency facility from Yes Bank Limited and Indusind Bank Limited Rs. 11,425.02 Lakhs (March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil) and Yes Bank Limited Rs 394.90 Lakhs ((March 31, 2017: Rs. Nil, April 1, 2016: Rs. Nil) respectively is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable within a year carrying interest rate ranging from 0.22% p.a. to 2.57% p.a..
- (iv) 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 Max Speciality Films Limited, subsidiary, both present and future. The rate of interest on packing credit foreign currency varies between 1.50% p.a. to 2.79% p.a.
- (v) Packing credit facility from Deutsche Bank is repayable on demand carried interest rate of 9.50%.
- (vi) Bills discounted Rs. Nil (March 31, 2017: Rs. Nil, March 31, 2016: Rs 297.43 Lakhs) represents debtors discount without Letter of credit from Ratnagar Bank Limited with a tenor of 3 to 4 months.

**Undrawn borrowings:**

- (vii) Cash credit \Working capital demand loan\Packing credit\Bill discounting Cash credit \Working capital demand loan\Packing credit\Bill discounting facilities from Yes Bank Limited, Kotak Mahindra Bank Limited, Indusind Bank Limited, IDFC Bank Limited and HDFC Bank Limited has been sanctioned to the tune of Rs 3,000 Lakhs, Rs 5,000 Lakhs, Rs. 2,000 Lakhs, Rs 4,000 Lakhs and Rs. 3,000 Lakhs respectively. The amount utilised against the sanction facility as on December 31, 2017 from Yes Bank Limited, Kotak Mahindra Bank Limited, Indusind Bank Limited, IDFC Bank Limited and HDFC Bank Limited is Rs 459.05 Lakhs, Nil, Nil, Rs. 3,898.31 Lakhs and Rs. 2,000 Lakhs respectively. □(ii) **Trade payables\***

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total outstanding dues of micro enterprises and small enterprises**	86.78	18.62	89.24
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,406.49	6,781.97	5,429.23
	<b>6,493.27</b>	<b>6,800.59</b>	<b>5,518.47</b>

\*Trade payables include due to related parties Rs. 286.10 lakhs (March 31, 2017 : Rs.183.28 Lakhs, April 1, 2016: Rs. 390.63)

**Terms and conditions of the above financial liabilities:**

Trade payables are non-interest bearing and are normally settled on 0 -120 day terms

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	<b>86.78</b>	<b>Nil</b>	<b>22.58</b>
The interest due on unpaid principal amount remaining as at the end of each accounting year.	<b>4.29</b>	<b>Nil</b>	<b>0.13</b>
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.	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
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.	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
The amount of interest accrued and remaining unpaid at the end of each accounting year; and,	<b>4.29</b>	<b>0.17</b>	<b>0.17</b>
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	<b>0.13</b>	<b>0.28</b>	<b>0.01</b>

**(iii) Other current financial liabilities**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current maturity of long term borrowings (refer note 11 )	4,605.99	1,745.64	2,449.53
Security deposits	104.71	143.37	127.22
Capital creditors	2,497.19	268.26	171.74
	<b>7,207.89</b>	<b>2,157.27</b>	<b>2,748.49</b>

\*Interest accrued and due on borrowings include due to related parties Rs. Nil (March 31,2017 : Rs.158.70 Lakhs, April 1, 2016: Rs. 101.38)

**16. Short term provision**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Provision for employee benefits</b>			
Provision for leave encashment	124.49	135.45	139.33
Provision for gratuity (refer note 29)	88.72	90.84	90.53
	<b>213.21</b>	<b>226.29</b>	<b>229.86</b>

**17. Other current liabilities**

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance from customers	179.71	100.30	162.69
Statutory dues*	221.25	218.92	242.30
Dividend distribution tax payable	-	-	70.70
	<b>400.96</b>	<b>319.22</b>	<b>475.69</b>

\*Statutory dues include due to related parties Rs. 7.01 Lakhs (March 31,2017 : Rs.6.94 Lakhs, April 1, 2016: Rs. 7.28)

**18. Revenue from operations**

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Sale of products (including excise duty)</b>		
Bi-axially oriented polypropylene film	67,140.65	70,267.63
<b>Total sale of products</b>	<b>67,140.65</b>	<b>70,267.63</b>
<b>Other operating revenue</b>		
Export benefits	328.39	284.98
Scrap - Waste of plastic sale	382.05	447.38
Income from government grant	385.38	641.61
<b>Total</b>	<b>68,236.47</b>	<b>71,641.60</b>

Sale of goods includes excise duty collected from customers of Rs. 1,402.25 Lakhs (March 31, 2017: Rs. 5,808.50 Lakhs). Sale of goods net of excise duty is Rs. 65,738.40 Lakhs (March 31, 2017: Rs. 64,459.13 Lakhs).

According to the requirement of IND AS, revenue for the corresponding year ended March 31, 2017 were reported inclusive of excise duty. The Government of India has implemented Goods and Service Tax ("GST") from July 1, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, per IND AS 18, the revenue for the year ended March 31, 2018, is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative income from operations of the Company would have been as follows:

Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations year ended March 31, 2018 is not comparable March 31, 2017.

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Revenue from sale of products	65,738.40	64,459.13

### 19. Other income

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income	251.98	147.29
Liabilities/provisions no longer required written back	0.75	16.48
Gain on foreign exchange fluctuation (net)	607.63	800.76
Gain on sale of property, plant and equipment (net)	12.20	2.97
Scrap sale	167.37	207.04
Unwinding of discount on security deposit	5.89	0.17
Miscellaneous income	29.57	22.51
	<b>1,075.39</b>	<b>1,197.22</b>

### 20. Cost of material consumed

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at beginning of year	3,711.85	2,858.96
Add: Purchases	49,491.35	48,431.15
Less: inventory at the end of year	4,292.93	3,711.85
Cost of material consumed (refer note 24.2)	<b>48,910.27</b>	<b>47,578.26</b>

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

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Inventories at end of the year</b>		
Work-in-progress	1,047.00	1,929.72
Finished goods	1,061.84	823.79
	<b>2,108.84</b>	<b>2,753.51</b>
<b>Inventories at beginning of the year</b>		
Work-in-progress	1,929.72	1,040.80
Finished goods	823.79	680.38
	<b>2,753.51</b>	<b>1,721.18</b>
<b>Net (Increase)/ decrease in work-in-progress and finished goods</b>	<b>644.67</b>	<b>(1,032.33)</b>

**21. Employee benefits expense (refer note 24.2)**

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	2,704.05	2,918.07
Contribution to provident and other funds	151.70	157.73
Gratuity expense (refer note 29)	84.39	83.77
Staff welfare expenses	181.23	196.08
	<b>3,121.37</b>	<b>3,355.65</b>
*Refer note no 28 for expense capitalised in fixed assets.		

**22. Finance costs**

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on term loan	2,425.90	2,016.07
Interest on others	125.31	816.27
Interest on late deposit of advance tax	8.00	0.09
Bank charges	896.19	509.97
	3,455.40	3,342.40
Less: Finance cost capitalised	(1,161.59)	(226.92)
	<b>2,293.81</b>	<b>3,115.48</b>

**23. Depreciation and amortization expense**

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of tangible assets (refer note 3)	2,145.64	1,902.72
Amortization of intangible assets (refer note 4)	105.33	110.98
	<b>2,250.97</b>	<b>2,013.70</b>

**24. Other expense**

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Consumption of stores and spares	672.20	812.32
(Increase)\decrease in Excise duty on inventory	(82.08)	11.89
Power and fuel	4,493.63	4,437.00
Processing charges	37.92	21.71
Recruitment and training expenses	94.42	48.46
Rent expense (refer note 27 (c ))	161.20	141.30
Insurance expenses	171.41	178.24
Rates and taxes	72.59	226.35
Repairs and maintenance:		
Building	31.31	51.29
Plant and Machinery	418.91	462.07
Others	273.83	260.91
Printing and stationery	16.93	30.78
Travelling and conveyance	386.08	447.33
Communication costs	51.06	57.80
Legal and professional fees (refer note 24.1)	944.37	1,010.15



	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Directors' sitting fees	51.11	42.42
Sales promotion expenses	38.06	145.37
Product Development expenses	63.34	312.60
Commission to other than sole selling agents	110.09	86.03
Freight and forwarding charges	2,297.58	2,422.95
Allowances for doubtful debt	22.91	186.58
Allowance for diminution on asset held for sale (net) (Refer note 3.02)	238.79	-
Provision for doubtful advances	-	8.26
Bad debts written off	-	202.15
Charity and donation	0.05	0.40
CSR expenditure (refer note no 26)	39.62	26.57
Payment of duty along with interest against capital goods imported (Refer note 3.02)	137.08	-
Miscellaneous expenses	28.65	55.40
	<b>10,771.06</b>	<b>11,686.33</b>

#### 24.1 Payment to auditor (included in legal and professional fee)

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>As auditor:</b>		
Audit fee	16.50	16.50
Limited review	9.00	9.00
Other services (certification fees)	4.50	1.50
	<b>30.00</b>	<b>27.00</b>

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Research and Development Costs</b>		
<b>Revenue expenditures</b>		
Salary & wages (including other employee benefits)	100.21	105.36
Cost of material consumed	30.10	3.39
<b>Total revenue expenditure</b>	<b>130.31</b>	<b>108.75</b>
<b>Capital expenditure (included in Property plant and equipment)</b>		
Capital equipments	3.10	-
<b>Total capital expenditure</b>	<b>3.10</b>	<b>-</b>

#### 25 Components of other comprehensive income

	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Re-measurement (gains)/ losses on defined benefit plans (refer note no 29)	69.57	(10.69)
Less : Tax related to items recognized in OCI during the year	(24.08)	2.18
	<b>45.49</b>	<b>(8.51)</b>

**26 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, 2018 is Rs.29.56 Lacs (March 31, 2017: Rs. 26.38 Lacs).
- (b) Amount spent during the year on :

Particulars	For the year ended March 31, 2018			For the year ended March 31, 2017		
	In cash (Rs. in Lakhs)	Yet to be paid in cash	Total (Rs. in Lakhs)	In cash (Rs. in Lakhs)	Yet to be paid in cash	Total (Rs. in Lakhs)
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) <b>On Purposes other than (i) above :</b>						
a) Promoting education	3.16	-	3.16	4.88	-	4.88
b) Ensuring environment sustainability and protection of flora and fauna	-	-	-	0.34	-	0.34
c) Health care services	0.03	-	0.03	0.20	-	0.20
d) Rural development projects	0.08	-	0.08	19.30	-	19.30
e) Training to promote rural sports	-	-	-	1.74	-	1.74
f) Promoting gender equality and empowering women	-	-	-	-	-	-
g) Contribution to Skill development programmes	36.35	-	36.35	-	-	-
h) Others	-	-	-	0.11	-	0.11
<b>Total</b>	<b>39.62</b>	<b>-</b>	<b>39.62</b>	<b>26.57</b>	<b>-</b>	<b>26.57</b>

**27. a Contingencies liabilities not provided for**

(Rs. in Lakhs)				
S. No.	Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i.	Claims against the Company not acknowledged as debts (Refer note (a))	3,146.20	1,414.78	1,469.00
	- Excise duty demands			
	- Service tax demands			
ii.	Contingent liability for pending C form's from customers (Refer note (b))	217.69	677.30	762.27

**Note:**

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

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

- b. Contingent liability for pending C forms from customers represent pending liability C forms liability from FY 2011-12 to FY 2017-18. The Company is under process of collecting the same from respective customers and the Company believes that the same would be collected before assessment of respective years.

**b Capital commitment**

	(Rs. in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Estimated amount of contracts remaining to be executed on capital account and not provided for	2,050.53	12,769.93	14,000.12
Less: Capital advances	273.63	233.10	1,950.60
<b>Net capital commitment for acquisition of capital assets</b>	<b>1,776.90</b>	<b>12,536.83</b>	<b>12,049.52</b>

**c Operating lease commitments - Company as lessee**

The Company has entered into operating lease arrangement for guest house premises. These leases have an average life of three years. The lease rental expense recognised in the statement of profit and loss for the year is Rs. 161.20 Lakhs (March 31, 2017: Rs 141.30 Lakhs).

**Future minimum rentals payable under non-cancellable operating leases as at March 31 are as follows:**

	(Rs. in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Within one year	147.09	160.71	129.91
After one year but not more than five years	-	147.09	271.74
More than 5 years	-	-	-

- 28 The Company has capitalized the following preoperative direct expenses to the cost of Property, plant and equipment/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	(Rs. in Lakhs)	
Particulars	March 31, 2018	March 31, 2017
<b>Opening balance</b>	<b>334.06</b>	<b>353.26</b>
<b>Opening stock of trial run</b>		
- Finished Goods	-	3.27
<b>Add: Expenses incurred during the year</b>		
Legal and professional fees (refer note 24)	301.72	59.93
Finance Cost* (refer note 22)	1,161.59	226.92
Salaries, wages and bonuses (refer note 21)	279.47	149.49
Cost of materials consumed	-	315.08
Travelling and conveyance (refer note 24)	49.42	16.04
Power and fuel (refer note 24)	38.06	32.78
Freight and forwarding charges (refer note 24)	5.01	9.49
Insurance expenses (refer note 24)	2.10	13.57
Rates and taxes (refer note 24)	15.03	25.49
Miscellaneous expenses (refer note 24)	6.98	1.87
Less: Disposal of tested material	-	(226.29)
<b>Less: Stock transferred on account of trial run</b>		
- Finished Goods	-	(39.60)
<b>Total</b>	<b>2,193.44</b>	<b>941.31</b>
Less: Allocated to Property, plant and equipment	-	607.25
<b>Closing balance included in capital work in progress</b>	<b>2,193.44</b>	<b>334.06</b>

\*Finance Cost includes exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs amounting to Rs. 538.25 lakhs (March 31, 2017 : NIL)

## 29 Gratuity

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

The gratuity plan is governed by the Payment of Gratuity Act, 1972. The level of benefits provided depends on the member's length of service and salary at retirement age. The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

### Description of Risk Exposures

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

- i) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- ii) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.
- iii) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- iv) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

		(Rs. in Lakhs)		
		Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
a)	<b>Reconciliation of opening and closing balances of defined benefit obligation</b>			
	Defined benefit obligation at the beginning of the year	666.10	667.79	638.75
	Interest cost	48.63	52.09	49.82
	Current service cost	45.31	49.39	49.56
	Benefit paid	(82.84)	(110.77)	(80.77)
	Acquisition adjustment			
	Remeasurement Of (Gain)/Loss In Other Comprehensive Income	(71.21)	7.60	10.43
	<b>Defined benefit obligation at year end</b>	<b>605.99</b>	<b>666.10</b>	<b>667.79</b>
b)	<b>Reconciliation of opening and closing balances of fair value of plan assets</b>			
	Fair value of plan assets at beginning of the year	130.80	226.95	256.83
	Expected return on plan assets	9.55	17.70	20.03
	Benefits paid	(82.84)	(110.77)	(37.22)
	Remeasurement of (Gain)/loss in other comprehensive income	(1.64)	(3.08)	(12.68)
	<b>Fair value of plan assets at year end</b>	<b>55.87</b>	<b>130.80</b>	<b>226.95</b>

(Rs. in Lakhs)			
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
c) <b>Net defined benefit asset/ (liability) recognized in the balance sheet</b>			
Fair value of plan assets	55.87	130.80	226.95
Less: Present value of defined benefit obligation	605.99	666.10	667.79
<b>Amount recognized in balance sheet-asset / (liability)</b>	<b>(550.12)</b>	<b>(535.30)</b>	<b>(440.83)</b>
d) <b>Other comprehensive income</b>			
Return on plan assets (excluding amounts included in net interest expense)	1.64	3.08	12.68
Actuarial changes arising from changes in demographic assumptions	(5.77)	-	-
Actuarial changes arising from changes in financial assumptions	(45.54)	26.03	-
Actuarial changes arising from changes in experience adjustments	(19.90)	(18.42)	10.43
	<b>(69.57)</b>	<b>10.69</b>	<b>23.11</b>
e) <b>Net defined benefit expense (recognized in the statement of profit and loss for the year)</b>			
Current service cost	45.31	49.39	49.56
Interest cost on benefit obligation	39.08	34.39	29.79
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>84.39</b>	<b>83.77</b>	<b>79.35</b>
f) <b>Broad categories of plan assets as a percentage of total assets</b>			
Asset invested in insurance scheme with the insurer	100%	100%	100%
g) <b>Principal assumptions used in determining defined benefit obligation</b>			
Discount rate	7.30%	7.30%	7.80%
Salary escalation rate	8.00%	9.00%	9.00%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%	100.00%
h) <b>Quantitative sensitivity analysis for significant assumptions is as below:</b>			
Increase / (decrease) on present value of defined benefits obligations at the end of the year			
<u>Discount rate</u>			
Increase by 1.00%	(41.02)	(50.45)	(47.72)
Decrease by 1.00%	46.31	57.46	54.25

		(Rs. in Lakhs)		
		Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	<u>Salary growth rate</u>			
	Increase by 1.00%	45.54	55.95	53.09
	Decrease by 1.00%	(41.13)	(50.14)	(47.64)
i)	<b>Maturity profile of defined benefit obligation (valued on undiscounted basis)</b>			
	Within the next 12 months (next annual reporting period)	42.86	36.06	73.48
	Between 2 and 5 years	179.35	160.49	149.67
	Between 5 and 10 years	383.78	469.55	444.65

- j) The average duration of the defined benefit plan obligation at the end of the reporting period is 11 Years (March 31, 2017 : 12 years, April 1, 2016 : 12 years).
- k) The Company expects to contribute Rs 88.72 Lakhs (March 31, 2017: Rs.90.94 Lakhs March 31, 2016 : Rs.90.54 Lakhs) to the planned assets during the next financial year.
- l) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by independent Actuary.
- m) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- n) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

### Risk Exposure

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

**Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

**Liquidity Risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

**Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

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

**30 Leave Encashment (unfunded)**

The Company recognises the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation.

The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year :

Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Liability at the beginning of the year	135.45	139.33	130.51
Benefits paid during the year	(16.00)	(27.80)	(10.86)
Provided during the year	5.04	23.92	19.68
<b>Liability at the end of the year</b>	<b>124.49</b>	<b>135.45</b>	<b>139.33</b>

**31. Provident Fund**

The Company is participating in a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max India Limited and its affiliates, which is managed by Max Financial Services Limited. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan as per Ind AS-19.

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

The Actuarial Society of India has issued the final guidance for measurement of provident fund liabilities. The actuary has accordingly provided a valuation for "Max Financial services Limited Employees Provident Trust Fund" which is a common fund for Max Financial Services Limited (erstwhile Max India Limited) and its affiliates entities based on assumptions provided below.

The details of fund and plan asset position as at March 31, 2018, March 31, 2017 and March 31, 2016 as per the actuarial valuation of active members are as follows:

	(Rs. in Lakhs)		
	March 31, 2018	March 31, 2017	April 1, 2016
Plan assets at year end at fair value	2,239.02	2,475.28	2,279.04
Present value of defined benefit obligation at year end	(2,208.11)	(2,443.48)	(2,263.56)
Surplus as per actuarial certificate	31	32	15
Shortfall recognized in balance sheet	-	-	-
Active members as at year end (Nos)	424	420	442

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

	(Rs. in Lakhs)		
	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate	7.18%	6.67%	7.72%
Withdrawal rate	5.00%	5.00%	5.00%
Yield on existing funds	8.94%	8.79%	9.06%
Expected guaranteed interest rate	8.55%	8.65%	8.75%

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

	(Rs. in Lakhs)		
	March 31, 2018	March 31, 2017	March 31, 2016
Employer's Contribution towards Provident Fund (PF)	71.18	81.44	71.83
	71.18	81.44	71.83



### 32 Segment information

The Company's operations comprise of only one segment i.e. "Packaging films". The management also reviews and measure the operating results taking the whole business as one segment and accordingly make decisions about the resources allocation.

#### Geographical segments

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

#### Revenues from external customers:

	(Rs. in Lakhs)	
	Year Ended March 31, 2018	Year Ended March 31, 2017
i. within India	52,210.50	53,345.10
ii. Outside India	14,930.15	16,922.53
	<b>67,140.65</b>	<b>70,267.63</b>

The revenue from external customer includes revenue from one customer which is equal to 10% or more of entity's revenue. Gross amount of revenue amounts to Rs. 14,605.10 Lakhs ; (March 31, 2017: Rs. 13,706.58 Lakhs)

#### Trade receivables

	(Rs. in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i. within India	8,235.48	8,120.78	10,298.74
ii. Outside India	2,870.81	3,472.94	4,571.32
<b>Total Trade receivables (Gross)</b>	<b>11,106.29</b>	<b>11,593.72</b>	<b>14,870.06</b>
Less: Provision for doubtful receivables	237.97	219.58	39.80
<b>Trade receivables</b>	<b>10,868.32</b>	<b>11,374.14</b>	<b>14,830.26</b>

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.

#### b) Non-current assets other than financial instruments, deferred tax assets, net defined benefit assets (relating to post-employment benefit plans), and rights arising under insurance contracts:

	(Rs. in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
i. within India	56,021.62	34,200.03	31,680.18
ii. Outside India	-	-	-
	<b>56,021.62</b>	<b>34,200.03</b>	<b>31,680.18</b>

### 33. Hedging activities and derivatives

Derivative not designated as hedging instruments.

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

**34. Fair Value of Financial Instruments** The comparison of carrying value and fair value of financial instruments by categories that are not measured at fair value are as follows:

Category	(Rs. in Lakhs)			
	Carrying value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>Financial asset at amortized cost</b>				
Non-current loans (refer note no 5 (i))	420.58	318.89	420.58	318.89
Other non- current financial assets (refer note no 5 (ii))	747.56	-	747.56	-
Current loans (refer note no 8 (ii))	38.00	52.84	38.00	52.84
Other current financial assets ( refer note no 8 (vi))	74.31	108.81	74.31	108.81
<b>Financial asset measured at FVTPL</b>				
Current derivative instruments (refer note no 8 (v))	53.67	41.91	53.67	41.91
<b>Financial liabilities at amortized cost</b>				
Non-Current borrowings including current maturities (refer note no 11)	23,133.97	20,586.25	23,133.97	20,586.25
Current borrowings (refer note no 15 (i))	18,177.27	6,445.62	18,177.27	6,445.62

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

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

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

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

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

The fair values of the Company's interest-bearing borrowings are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at March 31, 2018 was assessed to be insignificant.

#### **Fair value hierarchy**

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

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

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

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

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2018

(Rs. in Lakhs)				
Particulars	Carrying value March 31, 2018	Fair value		
		Level 1	Level 2	Level 3
Non-current loans (refer note no 5 (i))	420.58	-	420.58	-
Other non- current financial assets (refer note no 5 (ii))	747.56	-	747.56	-
Current loans (refer note no 8 (ii))	38.00	-	38.00	-
Other current financial assets ( refer note no 8 (vi))	74.31	-	74.31	-
Current derivative instruments (refer note no 8 (v))	53.67	-	53.67	-

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2017

(Rs. in Lakhs)				
Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Non-current loans (refer note no 5 (i))	318.89	-	318.89	-
Current loans (refer note no 8 (ii))	52.84	-	52.84	-
Other current financial assets ( refer note no 8 (vi))	108.81	-	108.81	-
Current derivative instruments (refer note no 8 (v))	41.91	-	41.91	-

(iii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on April 01, 2016

(Rs. in Lakhs)				
Particulars	Carrying value April 01, 2016	Fair value		
		Level 1	Level 2	Level 3
Non-current loans (refer note no 5 (i))	299.23	-	299.23	-
Other non- current financial assets (refer note no 5 (ii))	0.76	-	0.76	-
Current loans (refer note no 8 (ii))	50.87	-	50.87	-
Other current financial assets ( refer note no 8 (vi))	109.01	-	109.01	-
Current derivative instruments (refer note no 8 (v))	18.63	-	18.63	-

(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2018

(Rs. in Lakhs)				
Particulars	Carrying value March 31, 2018	Fair value		
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note no 11)	23,133.97	-	23,133.97	-
Current borrowings (refer note no 15 (i))	18,177.27	-	18,177.27	-

- (v) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2017

(Rs. in Lakhs)				
Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note no 11)	20,586.25	-	20,586.25	-
Current borrowings (refer note no 15 (i))	6,445.62	-	6,445.62	-

- (vi) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on April 01, 2016

(Rs. in Lakhs)				
Particulars	Carrying value April 01, 2016	Fair value		
		Level 1	Level 2	Level 3
Non-Current borrowings including current maturities (refer note no 11)	20,299.87	-	20,299.87	-
Current borrowings (refer note no 15 (i))	7,724.36	-	7,724.36	-

**35. Financial risk management objectives and policies**

The Company has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by Banking and Forex department under policies approved by the Board of Directors from time to time. The Banking and Forex department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The Board of Directors approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

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

**a) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Senior management of the Company.

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2016, March 31, 2017 and March 31, 2018 based on contractual undiscounted payments :-

(Rs. in Lakhs)				
March 31, 2016	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	10,173.90	11,404.54	6,445.79	28,024.23
Trade and Other payable	5,518.47	-	-	5,518.47
Other financial liabilities	475.17	-	-	475.17
<b>% to Total</b>	<b>48%</b>	<b>34%</b>	<b>19%</b>	<b>100%</b>

(Rs. in Lakhs)				
March 31, 2017	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	8,188.46	13,071.45	6,445.79	27,705.70
Trade and Other payable	6,800.59	-	-	6,800.59
Other financial liabilities	411.63	-	-	411.63
% to Total	44%	37%	18%	100%

(Rs. in Lakhs)				
March 31, 2018	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	23,117.67	16,751.32	1,989.00	41,857.99
Trade and Other payable	6,493.27	-	-	6,493.27
Other financial liabilities	2,601.90	-	-	2,601.90
% to Total	63%	33%	4%	100%

**Reconciliation of Interest bearing borrowings**

(Rs. in Lakhs)			
	Schedule no	As at March 31, 2018	As at March 31, 2017
(i) Non-Current borrowings	11	18,527.98	18,840.61
(ii) Short-term borrowings	15	18,177.27	6,445.62
(iii) Current maturity of long term borrowings	15	4,605.99	1,745.64
Processing fees adjusted from borrowings		546.75	673.83
		<b>41,857.99</b>	<b>27,705.70</b>

**Reconciliation of other financial liability**

(Rs. in Lakhs)			
	Schedule no	As at March 31, 2018	As at March 31, 2017
Other financial liabilities	15	7,207.89	2,157.27
Less: Current maturities of long term borrowings	15	(4,605.99)	(1,745.64)
		<b>2,601.90</b>	<b>411.63</b>

**b) Credit risk**

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

**(i) Trade receivables**

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Management evaluate credit risk relating to customers on an ongoing basis. Receivable control management team assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Outstanding customer receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance. An impairment analysis is performed at each reporting date on group/category basis. The calculation is based on exchange losses historical data and available facts as on date of evaluation. Trade receivables comprise a widespread customer base. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

**(ii) Financial instruments and cash deposit**

Credit risk from balances with banks and financial institutions is managed by the Company's Banking and Forex team in accordance with the Company's policy. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018, March 31, 2017 and March 31, 2016 is the carrying amounts as illustrated in note 8 (i), 8 (vi) and the liquidity table above.

**c) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of at March 31, 2018 and March 31, 2017.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue, expense or capital expenditure is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries.. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

**Foreign currency risk sensitivity**

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

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

(Rs. in Lakhs)						
Currency	March 31, 2018 Foreign currency	March 31, 2018 Indian rupees	Currency	Increase/ decrease in rate	Impact on profit before tax (Decrease in rate)	Impact on profit before tax (Increase in rate)
Trade payables	2.31	188.75	Euro	1%	1.89	(1.89)
Capital trade payables	22.91	1,867.17	Euro	1%	18.67	(18.67)
Buyers credit-Short term borrowings	57.55	4,698.40	Euro	1%	46.98	(46.98)
Buyers credit-Long term borrowings	15.01	1,223.31	Euro	1%	12.23	(12.23)
Trade receivables	15.10	1,205.11	Euro	1%	12.05	(12.05)
Trade payables	0.53	49.38	GBP	1%	0.49	(0.49)
Trade receivables	0.49	44.82	GBP	1%	(0.45)	0.45
Buyers credit-Short term borrowings	0.03	2.59	GBP	1%	0.03	(0.03)
Trade payables	22.29	1,456.66	USD	1%	14.57	(14.57)
Trade receivables	22.58	1,455.64	USD	1%	14.56	(14.56)
Buyers credit-Long term borrowings	2.32	151.65	USD	1%	1.52	(1.52)
Buyers credit-Short term borrowings	1.88	122.61	USD	1%	1.23	(1.23)

(Rs. in Lakhs)						
Currency	March 31, 2017 Foreign currency	March 31, 2017 Indian rupees	Currency	Increase/ decrease in rate	Impact on profit before tax (Decrease in rate)	Impact on profit before tax (Increase in rate)
Trade payables	3.90	275.70	Euro	1%	2.76	(2.76)
Buyers credit-Long term borrowings	14.96	1,058.72	Euro	1%	10.59	(10.59)
Interest Accrued but not due on Buyers Credit	0.06	4.58	Euro	1%	0.05	(0.05)
Trade receivables	3.39	229.79	Euro	1%	(2.30)	2.30
Trade payables	0.50	41.34	GBP	1%	0.41	(0.41)
Buyers credit-Short term borrowings	3.14	259.63	GBP	1%	2.60	(2.60)
Interest Accrued but not due on Buyers Credit	0.04	3.44	GBP	1%	0.03	(0.03)
Trade payables	20.69	1,362.14	USD	1%	13.62	(13.62)
Trade receivables	11.80	753.93	USD	1%	(7.54)	7.54
Buyers credit-Short term borrowings	1.58	104.18	USD	1%	1.04	(1.04)
Buyers credit-Long term borrowings	28.49	1,875.18	USD	1%	18.75	(18.75)
Packing credit	0.00	0.28	USD	1%	0.00	(0.00)
Interest Accrued but not due on Buyers Credit	0.07	4.51	USD	1%	0.05	(0.05)



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

(Rs. in Lakhs)					
Particulars	Currency	March 31, 2018		March 31, 2017	
		Foreign currency	Indian Rupee	Foreign currency	Indian Rupee
Receivables (Forward contract Sell)	USD	0.84	54.32	8.45	539.63
Receivables (Forward contract Sell)	Euro	-	-	14.94	1,011.31
Receivables (Forward contract Sell)	GBP	0.94	85.28	0.84	66.97
Payables (Forward contract Buy)	USD	27.84	1819.18	-	-
Payables (Forward contract Buy)	Euro	81.81	6,668.33	-	-
Payables (Forward contract Buy)	GBP	3.14	291.49	-	-

## (ii) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at floating interest rates.

Interest rate Sensitivity of Borrowings \*

(Rs. in Lakhs)			
Year	Increase/decrease in interest rate	Effect on profit before tax (Decrease)	Effect on profit before tax (Increase)
March 31, 2018	0.50%	(139.46)	139.46
March 31, 2017	0.50%	(99.77)	99.77

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

## (iii) Commodity price risk

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

Commodity price sensitivity of Raw material

(Rs in lakhs)		
Nature	Change in year end price	Effect on profit before tax
For the year ended March 31, 2018	10%	(4,955.49)
For the year ended March 31, 2018	-10%	4,955.49
For the year ended March 31, 2017	10%	(4,654.59)
For the year ended March 31, 2017	-10%	4,654.59

### 36. Related party transactions

#### Names of related parties where control exists irrespective of whether transactions have occurred or not

<b>Holding company</b>	Max Ventures and Industries Limited (erstwhile Capricorn Ventures Limited)
<b>Name of related parties with whom transactions have taken place during the year</b>	
<b>Key management personnel of the entity or its parent and their relatives</b>	1. Mr. Amit Jain (Chief Financial Officer) (w.e.f February 4, 2017) 2. Rupali Sharma (Company Secretary) (w.e.f February 9, 2016) 3. Ramneek Jain (Chief Executive Officer) (w.e.f July 11, 2017) 4. Piya Singh 5. Veer Singh 6. K Narsimha Murthy (Director) 7. Ashok Kacker (Director) 8. Dr Subhash Bijlani (Director) 9. Sonu Halan Bhasin 10. Mr. Jaideep Wadhwa (Chief Executive Officer) (resigned w.e.f February 14, 2017) 11. Mr. Dalbir Singh (Chief Financial Officer) (retired w.e.f January 31, 2017)
<b>Fellow Subsidiary</b>	1. Max Estates Limited
<b>Entities owned or significantly influenced by key management personnel or their relatives</b>	1. New Delhi House Services Limited 2. Max Ventures Private Limited 3. Lakeview Enterprises 4. Max India Foundation
<b>Entities owned or significantly influenced by key management personnel or their relatives</b>	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
<b>Employee benefit funds</b>	1. Max Speciality Films Limited Employees Group Superannuation Trust 2. Max India Limited Employees' Provident Fund Trust

#### Details of transactions and balance outstanding with related parties

(Rs. in Lakhs)				
S. No.	Nature of transaction	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
1	Reimbursement of expenses (Received from)	New Delhi House Services Limited	-	0.29
		Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	0.06	4.31
		Max Ventures Private Limited	-	0.03
		Max Life Insurance Company Limited	-	-
		Max Healthcare Institute Limited	0.16	0.66
		<b>Total</b>	<b>0.22</b>	<b>5.29</b>
2	Reimbursement of expenses (Paid to)	Max Ventures Private Limited	7.08	-
		Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	4.93	5.47
		Max Financial Services Limited	-	-
		Max Life Insurance Company Limited	1.06	-
		New Delhi House Services Limited	4.84	4.51
		Max Estates Limited	20.38	-
		Max Healthcare Institute Limited	0.31	-
		<b>Total</b>	<b>38.60</b>	<b>9.98</b>
3	Legal and professional expense (Paid to)	Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	718.48	727.11
		<b>Total</b>	<b>718.48</b>	<b>727.11</b>

(Rs. in Lakhs)				
S. No.	Nature of transaction	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
4	<b>Insurance expense</b>	Max Life Insurance Company Limited	18.13	14.39
		Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	0.77	
		Max Bupa Health Insurance Company Limited	32.86	43.25
		<b>Total</b>	<b>51.76</b>	<b>57.64</b>
5	<b>Rent expense (Paid to)</b>	Veer Singh	-	29.28
		Lakeview Enterprises	57.98	52.56
		Piya Singh	96.63	58.56
		Pharmax Corporation Limited	-	-
		<b>Total</b>	<b>154.61</b>	<b>140.40</b>
6	<b>Interest expense (Paid to)</b>	Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	-	-
		<b>Total</b>	-	-
7	<b>Repair and maintenance</b>	New Delhi House Services Limited	-	-
		<b>Total</b>	-	-
8	<b>Key managerial remuneration</b>	Jaideep Wadhwa	-	201.28
		Dalbir Singh	-	110.35
		Amit Jain*	68.89	8.19
		Rupali Sharma*	8.13	6.61
		Ramneek Jain*	112.68	-
		K Narsimha Murthy	19.00	21.00
		Ashok Kacker	12.00	9.00
		Dr Subhash Bijlani	17.00	12.00
		Sonu Halan Bhasin	3.00	-
		<b>Total</b>	<b>240.70</b>	<b>368.43</b>
9	<b>Companies contribution to Provident fund and Superannuation trust</b>	Contribution to Max Speciality Films Limited	15.41	14.85
		Employees Group Superannuation Trust		
		Contribution to Max Financial Services Limited Employees' Provident Fund Trust	71.18	81.44
		<b>Total</b>	<b>86.59</b>	<b>96.29</b>
10	<b>Expenditure on corporate social responsibility</b>	Max India Foundation	-	19.30
		<b>Total</b>	-	<b>19.30</b>
11	<b>Purchase of property, plant and equipment</b>	Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	-	-
		<b>Total</b>	-	-
12	<b>Loans repayment</b>	Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	-	550.06
		<b>Total</b>	-	<b>550.06</b>

(Rs. in Lakhs)				
S. No.	Nature of transaction	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
13	<b>Dividend Paid</b>	Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	-	-
		Pharmax Corporation Limited	-	-
		<b>Total</b>	-	-
14	<b>Security deposit (given)</b>	Lakeview Enterprises	2.93	25.56
		Piya Singh	48.32	-
		<b>Total</b>	<b>51.25</b>	<b>25.56</b>

**Balance outstanding as at the year end**

(Rs. in Lakhs)				
Particulars		As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Statutory dues payable</b>	Max Speciality Films Limited Employees Group Superannuation Trust	1.19	0.97	1.17
	Max Financial Services Limited Employees' Provident Fund Trust	5.82	5.97	6.11
	<b>Total</b>	<b>7.01</b>	<b>6.94</b>	<b>7.28</b>
<b>Interest accrued but not due on long term borrowings</b>	Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	-	158.70	101.38
	<b>Total</b>	<b>-</b>	<b>158.70</b>	<b>101.38</b>
<b>Trade payables</b>	Max Venture and Industries Limited (erstwhile Capricorn Ventures Limited)	285.09	118.11	375.58
	New Delhi House Services Limited	1.41	0.89	0.94
	Lakeview Enterprises	-	11.71	7.19
	Piya Singh	-	52.57	-
	Max Life Insurance Company Limited	(0.40)	-	-
	Max Ventures Private Limited	-	-	6.92
	Max Estates Limited	-	-	-
	<b>Total</b>	<b>286.10</b>	<b>183.28</b>	<b>390.63</b>
<b>Advances recoverable in cash or kind</b>	Max Estate Limited	-	2.16	-
	Max India Foundation	-	0.37	-
	Max Bupa Health Insurance Company Limited	0.89	7.84	1.64
	Max Life Insurance Company Limited	-	1.87	-
	Max Healthcare Institute Limited	-	1.90	1.24
	<b>Total</b>	<b>0.89</b>	<b>14.14</b>	<b>2.88</b>
<b>Security deposit (Given)</b>	Lakeview Enterprises	28.99	25.56	-
	Priya Singh	48.32	-	-
	<b>Total</b>	<b>77.31</b>	<b>25.56</b>	<b>-</b>

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

**Terms and conditions of transactions with related parties**

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash\kind. There have been no guarantees provided or received for any related party receivables or payables. There is no impairment of receivables relating to amounts owed by related parties (March 31, 2017: Rs. Nil, March 31, 2016: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Interest paid to Max Ventures and Industries Limited**

Loan from Max Ventures and Industries Limited (erstwhile Capricorn Ventures Limited), the holding Company amounting to Rs. Nil (March 31, 2017: Rs. Nil, March 31, 2016 : Rs 71.70 Lakhs). The loan has been repaid to the Holding company on March 28, 2017 carried interest rate ranging from 11.00% p.a. to 13.00% p.a. The loan was obtained on terms equivalent to those that prevail in arm's length transactions.

**Rent expense & security deposits**

The Company has entered into lease agreement with related parties on terms equivalent to those that prevail in arm's length transactions. Outstanding balances of security deposit given at the year-end are unsecured and interest free and settlement occurs generally in cash.

**37. Earnings per share (EPS)**

	(Rs. in Lakhs)	
	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
<b>Basic EPS</b>		
Profit/(loss) after tax (Rs. in Lakhs)	(70.99)	482.27
<b>Net profit/(loss) for calculation of basic EPS</b>	(70.99)	482.27
Weighted average number of equity shares outstanding during the year (Nos.)	38,836,142	33,787,850
Basic earnings per share (Rs.)	<b>(0.18)</b>	<b>1.43</b>
<b>Dilutive EPS</b>		
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	38,836,142	33,787,850
Diluted earnings per share (Rs.)	<b>(0.18)</b>	<b>1.43</b>

**38 Reconciliation statement of equity as previously reported under IGAAP to Ind AS as at March 31, 2017**

(Rs. in Lakhs)				
	Footnotes	Balance sheet as at March 31, 2017		
		IGAAP	Adjustment	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8,12,13	31,317.25	332.15	31,649.40
Capital work-in-progress	8,13	1,361.05	(48.97)	1,312.08
Goodwill	9	111.39	55.70	167.09
Other Intangible assets		337.29	-	337.29
Intangible assets under development		12.94	-	12.94
Financial assets				
(i) Loans	1	322.85	(3.96)	318.89
Non-Current tax assets		162.99	-	162.99
Other non current assets	13	854.93	(615.58)	239.35
		<b>34,480.69</b>	<b>(280.66)</b>	<b>34,200.03</b>
<b>Current assets</b>				
Inventories	5,12	7,524.41	170.40	7,694.81
Financial assets				
(i) Trade receivables		11,374.14	-	11,374.14
(ii) Loans		52.84	-	52.84
(iii) Cash and cash equivalents		67.74	-	67.74
(iv) Other bank balances		4.88	-	4.88
(v) Derivative instruments	10	93.73	(51.82)	41.91
(vi) Other current financial assets		108.81	-	108.81
Other current assets	13	1,879.27	(11.50)	1,867.77
		<b>21,105.82</b>	<b>107.08</b>	<b>21,212.90</b>
<b>TOTAL ASSETS</b>		<b>55,586.51</b>	<b>(173.58)</b>	<b>55,412.93</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		3,378.79	-	3,378.79
Other equity	16	16,282.05	51.25	16,333.30
<b>Total Equity</b>		<b>19,660.84</b>	<b>51.25</b>	<b>19,712.09</b>
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	13	19,517.26	(676.65)	18,840.61
Long term provisions		444.46	-	444.46
Deferred tax liabilities (Net)	7	(4.18)	29.60	25.42
Government grant	5,8	-	441.36	441.36
		<b>19,957.54</b>	<b>(205.69)</b>	<b>19,751.85</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings		6,445.62	-	6,445.62
(ii) Trade payables		6,800.79	(0.20)	6,800.59
(iii) Other financial liabilities		2,157.27	-	2,157.27
Short term provisions		226.29	-	226.29
Other current liabilities	6,10	338.16	(18.94)	319.22
		<b>15,968.13</b>	<b>(19.14)</b>	<b>15,948.99</b>
<b>TOTAL LIABILITIES</b>		<b>35,925.67</b>	<b>(224.83)</b>	<b>35,700.84</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>55,586.51</b>	<b>(173.58)</b>	<b>55,412.93</b>

**39. Reconciliation statement of equity as previously reported under IGAAP to Ind AS as at April 1, 2016**

(Rs. in Lakhs)				
	Footnotes	Balance sheet as at April 1, 2016		
		IGAAP	Adjustment	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	8,12,13	26,514.52	138.21	26,652.73
Capital work-in-progress	8,13	2,179.15	(78.15)	2,101.00
Goodwill	9	167.09	-	167.09
Other Intangible assets		272.78	-	272.78
Intangible assets under development		-	74.59	74.59
Financial assets				
(i) Loans	1	299.23	-	299.23
(ii) other non-current financial assets		0.76	-	0.76
Non-Current tax assets		0.86	-	0.86
Other non current assets	13	2,738.11	(626.97)	2,111.14
		<b>32,172.50</b>	<b>(492.32)</b>	<b>31,680.18</b>
<b>Current assets</b>				
Inventories	5,12	5,584.47	222.58	5,807.05
Financial assets				
(i) Trade receivables		14,850.26	-	14,850.26
(ii) Loans		50.87	-	50.87
(iii) Cash and cash equivalents		161.65	-	161.65
(iv) Other bank balances		1.24	-	1.24
(v) Derivative instruments	10	88.24	(69.61)	18.63
(vi) Other current financial assets		109.01	-	109.01
Other current assets	13	2,039.60	-	2,039.60
		<b>22,885.34</b>	<b>152.97</b>	<b>23,038.31</b>
<b>TOTAL ASSETS</b>		<b>55,057.84</b>	<b>(339.35)</b>	<b>54,718.49</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		3,378.79	-	3,378.79
Other equity	16	15,783.52	76.02	15,859.54
<b>Total Equity</b>		<b>19,162.31</b>	<b>76.02</b>	<b>19,238.33</b>
<b>Non-current liabilities</b>				
Financial liabilities				
(i) Borrowings	13	18,646.16	(795.82)	17,850.34
Long term provisions		350.30	-	350.30
Deferred tax liabilities (Net)	7	184.45	111.89	296.34
Government grant	5,8	-	286.31	286.31
		<b>19,180.91</b>	<b>(397.62)</b>	<b>18,783.29</b>
<b>Current liabilities</b>				
Financial liabilities				
(i) Borrowings		7,724.36	-	7,724.36
(ii) Trade payables		5,518.47	-	5,518.47
(iii) Other current financial liabilities		2,748.49	-	2,748.49
Short term provisions		229.86	-	229.86
Other current liabilities	6,10	493.44	(17.75)	475.69
		<b>16,714.62</b>	<b>(17.75)</b>	<b>16,696.87</b>
<b>TOTAL LIABILITIES</b>		<b>35,895.53</b>	<b>(415.37)</b>	<b>35,480.16</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>55,057.84</b>	<b>(339.35)</b>	<b>54,718.49</b>



**40 Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS for the year ended March 31, 2017**

(Rs. in Lakhs)				
	Footnotes	Year ended March 31, 2017		
		IGAAP	Adjustment	Ind AS
<b>INCOME</b>				
Revenue from operations	5,8,11,14	65,420.31	6,221.29	71,641.60
Other income	1,10	1,179.03	18.19	1,197.22
<b>Total income</b>		<b>66,599.34</b>	<b>6,239.48</b>	<b>72,838.82</b>
<b>Expenses</b>				
Cost of materials consumed	5,15	44,649.68	2,928.58	47,578.26
Change in inventories of finished goods and work in progress		(1,032.33)	-	(1,032.33)
Excise duty on sale of goods	11	-	5,808.50	5,808.50
Employee benefits expense	2	3,366.34	(10.69)	3,355.65
Finance costs	13	3,078.13	37.36	3,115.48
Depreciation and amortization expense	8,9,12	2,056.10	(42.40)	2,013.70
Other expenses	1,6,14,15	14,203.12	(2,516.79)	11,686.33
<b>Total expense</b>		<b>66,321.04</b>	<b>6,204.56</b>	<b>72,525.59</b>
Profit\ (Loss) before tax		278.30	34.92	313.23
Less: Tax expenses		(220.23)	51.19	(169.04)
Profit\ (Loss) for the year		498.53	(16.27)	482.27
<b>Other comprehensive income</b>				
Items not to be reclassified to profit or loss in subsequent years:				
Re-measurement losses on defined benefit plans	2,3	-	(10.69)	(10.69)
Income tax effect		-	2.18	2.18
Other comprehensive income for the year, net of tax		-	(8.51)	(8.51)
<b>Total comprehensive income for the year, net of tax</b>		<b>498.53</b>	<b>(24.78)</b>	<b>473.76</b>

**41. Footnotes to the reconciliation of equity as at March 31, 2017, profit or loss for the year then ended and reconciliation of equity as at April 1, 2016****Remarks for adjustments****1) Security deposits**

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

**2) Remeasurements of post-employment benefit obligations**

Both under previous GAAP and Ind AS, the Company recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit or loss. Under Ind AS, measurements (comprising of actuarial

gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet through other comprehensive income.

### **3) Other comprehensive Income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income', includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

### **4) Statement of cash flows**

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.

### **5) Advance license of import of goods**

The Company has imported raw material at Zero Duty under advance licence scheme subject to an export obligation. As per IND AS-20, the Company has inventorised the duty saved on import of raw material and recognised Government grant as liability. Deferred income is recognised in statement of profit and loss as and when export obligations are fulfilled and government grant is reduced by deferred income recognised.

### **6) Straight lining of lease escalation**

Indian GAAP mandated straight lining of lease escalation in case of non cancellable leases. Ind AS 17 does not mandate straight lining of lease escalation, if they are in line with the expected general inflation compensating the lessor for expected inflationary cost. Accordingly, the Company has reversed Lease equalisation reserve created in books.

### **7) Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional/ restatement adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences.

### **8) EPCG**

As per Ind AS 20, accounting for government grants and disclosure of government assistance, the Company has already deducted the amount of grant from the cost of the fixed assets and it has recognised the amount of unamortised deferred income as at the date of the transition in accordance with paragraph 10 of Ind AS 101. The corresponding adjustment has been made to the carrying amount of property, plant and equipment (net of cumulative depreciation impact) and retained earnings, respectively, as the grant is directly linked to the property, plant and equipment.

Further, the deferred income is recognised as income on the basis of fulfilment of corresponding export obligations with respect to the grant availed.

**9) Goodwill \Business combinations**

Under Indian GAAP, goodwill was amortised over the life of 5 years. The Company has opted for optional exemption under IND AS 101 which provides exemption from application of business combination retrospectively. Thus the carrying amount of goodwill as on transition date i.e. April 01, 2016 has been considered at cost and tested for impairment at each balance sheet date under IND-AS.

**10) Derivative instruments through P&L**

The fair value of derivative instruments (i.e. forward contracts) is recognized under Ind AS whereas the same was not recognized under Indian GAAP. The company has not designated these derivative instruments as hedging instruments under Indian GAAP as well as under Ind AS. Accordingly, difference on account of fair valuation of these instruments has been adjusted in retained earnings.

**11) Sale of goods**

Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss.

**12) Stores, major spares**

As per paragraph 8 of Ind AS 16, Property, plant and equipment, items such as spare parts are to be recognised as property, plant and equipment in accordance with Ind AS 16, when they meet the definition of 'property, plant and equipment'. Otherwise such items are classified as inventory. Accordingly Company has reclassified certain existing inventory as on date of transition to property, plant and equipment and depreciate them over the period of their respective useful life.

**13) Borrowings**

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

**14) Cash discount**

As per Ind AS 1, cash discount paid to customers were netted off from respective sales resulting in decrease in expense and corresponding decrease in sales for financial year ended March 2017.

**15) Packing material**

As per Ind AS 1, on basis of nature of expense classification we have reclassified the same from other expense to cost of material consumed.

**16) Retained earnings**

Retained earnings as at March 31, 2017 and April 1, 2016 has been adjusted consequent to the Ind AS transition adjustments mentioned herewith.

**42. First-time adoption of Ind AS (Exception and exemption availed)**

These financial statements, for the year ended March 31, 2018, prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Company has prepared financial statements which comply with Ind AS for the year ended on March 31, 2017 as described in the summary of significant accounting policies. This note explains the principal

adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at and for the year ended March 31, 2017 and balance sheet as at March 31, 2016.

### **Exemption applied**

#### **(i) Ind-AS optional exemption**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

##### **Deemed cost**

Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider carrying value of its property, plant and equipment as its deemed cost on the date of transition to Ind AS.

##### **Business Combinations**

Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before 1 April 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. The Company has applied the exemption on the date of transition (i.e. April 1, 2016) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101.

#### **(ii) Ind AS mandatory exceptions**

##### **Estimates**

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

##### **Derecognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

##### **Classification of financial assets and liabilities**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

**Impairment of financial assets**

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

**Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)**

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated. The Company has applied prospectively.

**43. Capital Management**

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

	(Rs. in Lakhs)		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Borrowings	41,311.24	27,031.87	28,024.23
Other financial liabilities	7,207.89	2,157.27	2,748.49
Trade payables	6,493.27	6,800.59	5,518.47
Less: Cash and Cash equivalents	(463.63)	(67.74)	(161.65)
Less: Other bank balances	(3.50)	(4.88)	(1.24)
Net Debt	54,545.27	35,917.11	36,128.30
Equity share capital	3,890.63	3,378.79	3,378.79
Other equity	21,127.59	16,333.30	15,859.54
Total Equity	25,018.22	19,712.09	19,238.33
Total Capital and net debt	79,563.49	55,629.20	55,366.63
Gearing ratio	218%	182%	188%

- 44** During the year 2015-16, 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.

- 45** 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 Lakhs 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.

- 46** Capital work in progress includes an amount of INR 1,407.93 lacs representing the building under construction for the new BOPP line 5 on which a fire accident happened on March 15, 2018. The Company has estimated a loss of Rs. 123.50 lacs which it expects to be recoverable from Insurance Co., hence the Company do not foresee making any provision for the same.

- 47** Note No.1 to 47 form integral part of the Balance sheet and Statement of profit and loss.

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:  
 Date:

**For and on behalf of the Board of Directors of  
 Max Speciality Films Limited**

**K. Narasimha Murthy**  
 (Director)  
 DIN - 00023046

**Ramneek Jain**  
 (Chief Executive Officer)

Place:  
 Date:

**Sahil Vachani**  
 (Director)  
 DIN - 00761695

**Amit Jain**  
 (Chief Financial Officer)

**Rupali Sharma**  
 (Company Secretary)







# DIRECTORS' REPORT

## Dear Shareholders,

Your Directors have great pleasure in presenting the Second Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2018.

## FINANCIAL REVIEW

Pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 4(1)(iii) of Companies (Indian Accounting Standards) Rules, 2015, Indian Accounting Standards ('IND AS') become applicable to the Company effective from FY 2017-18 and accordingly the financials for the year ended March 31, 2018 have been prepared as per IND AS.

## Financial Performance

(Rs. in Lakhs)

Particulars	From April 01, 2017 to March 31, 2018	From March 22, 2016 to March 31, 2017
<b>Income</b>		
Revenue from Operations	2,717.42	92.15
Other Income	48.73	-
<b>Total Revenues</b>	<b>2,766.15</b>	<b>92.15</b>
<b>Expenses</b>		
Cost of construction materials, labour & other project cost	4,481.75	5,104.90
Change in inventories of finished goods and work-in-progress	(1,708.52)	(5,104.90)
Employee benefits expense	116.79	183.79
Finance costs	129.57	14.40
Depreciation and amortization expense	11.59	7.64
Other Expenses	125.66	173.93
<b>Total Expenses</b>	<b>3,156.84</b>	<b>379.77</b>
<b>Net Profit/ (Loss) Before Tax</b>	<b>(390.70)</b>	<b>(287.62)</b>
<b>Tax expenses</b>		
Current tax	-	-
Less: MAT credit entitlement	-	-
Deferred tax	5.08	(5.08)
<b>Total tax expense</b>	<b>5.08</b>	<b>(5.08)</b>
<b>Net Profit/ (Loss) After Tax</b>	<b>(395.78)</b>	<b>(282.54)</b>
Other Comprehensive Income	1.71	-
Total comprehensive income/(loss) for the period, net of tax	<b>(394.06)</b>	<b>(282.54)</b>
<b>EPS</b>	<b>(4.95)</b>	<b>(7.72)</b>

## Dividend

The Company has not earned profit during the year and hence the Board of Directors of the Company does not recommend any dividend for the year ended March 31, 2018 on the Equity Share Capital of the Company.

## Transfer to Reserves

Since there were no profits during the year under review, the Company did not transfer any amount to the General Reserve.

## OPERATIONS REVIEW

### Operational Performance

During the year, the Company successfully delivered its first residential project - a 5-acre, 22 villas, luxury development in Dehradun.

Further during the year under review, the Company acquired 100% shareholding of Wise Zone Builders Pvt. Ltd. ("Wise") on April 29, 2017 from Boulevard Projects Private Limited with an exclusive right on Max Tower housed within the Company, located in the Delhi One Complex, Noida. Noida Authority also recognized the change in shareholding pattern of Wise vide their letter dated October 26, 2017.

Max Towers is a 0.6 mn sqft luxury commercial structure which is built in the most prime region of Noida and is expected to launch in FY 2019. It is a luxury commercial tower along with four amenity floors and three levels of basement car parking located in the Delhi One Complex, Noida. It commands direct access and a large frontage on the DND Flyway. The Delhi One Complex is spread across 12.50 acres and comprises five commercial towers, including Max Towers, three residential towers and a hotel. The Max Towers is designed by architecture firms from United Kingdom and Spain. LEED Platinum certification for Max Tower is currently in progress and will be awarded post completion of the construction. Max Tower comprises of 6.15 lakhs square feet of Saleable/Leasable Area.

### SHARE CAPITAL AND DEBENTURES

The Authorized Share Capital of the Company as on March 31, 2018 was Rs. 10,00,00,000/- (Rupees Ten Crores only) comprising of 1,00,00,000 (One Crore) equity shares of Rs. 10/- (Rupees Ten only) each.

The Paid-up share Capital of the Company as on March 31, 2018 was Rs. 8,00,00,000/- (Rupees Eight Crores only) comprising of 80,00,000 (Eighty Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each.

During the year under review, the Company has allotted 9,000 (Nine Thousand) Zero Coupon Compulsory Convertible Debentures of Rs. 1,00,000/- (Rupees One Lakh only) each aggregating to Rs. 90,00,00,000/- (Rupees Ninety Crores Only) to Max Ventures and Industries Limited, the holding company for cash at par on private placement basis, convertible into equity shares within 24 months from the date of allotment.

**Further, the following changes took place in the authorised and paid up share capital of the Company after the financial year ended on March 31, 2018 and before the date of this report are as under:**

The Company has increased its Authorized Share Capital from Rs. 10,00,00,000/- (Rupees Ten Crores only) comprising of 1,00,00,000 (One Crore) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 78,00,00,000 (Rupees Seventy Eight Crores only) comprising of 7,80,00,000 (Seven Crores Eighty Lakh) equity shares of Rs. 10/- (Rupees Ten only) each.

The Company has allotted 5,00,00,000 (Five Crores) equity shares of Rs. 10/- (Rupees Ten only) each to Max Ventures and Industries Limited, the holding company on August 10, 2018 for cash at par on private placement basis.

Consequently, the Paid- up Equity Share Capital of the Company as on the date of this report is Rs. 58,00,00,000 (Rupees Fifty-Eight Crores only) comprising of 5,80,00,000 (Five Crore Eighty Lakh) equity shares of Rs. 10/- (Rupees Ten only) each.

The Company has also issued 27,964 (Twenty Seven Thousand Nine Hundred and Sixty Four) Zero Coupon Compulsory Convertible Debentures of Rs. 1,00,000/- (Rupees One Lakh only) each aggregating upto Rs. 2,79,64,00,000/- (Rupees Two Hundred and Seventy-Nine Crores and Sixty Four Lakhs Only) to Max Ventures and Industries Limited, the holding company on August 02, 2018 for cash at par on private placement basis, convertible into equity shares within 60 months from the date of allotment. Out of the above, the Company has also allotted 21,430 (Twenty One Thousand Four Hundred and Thirty) Zero Coupon Compulsory Convertible Debentures of Rs. 1,00,000/- (Rupees One Lakh only) each to Max Ventures and Industries Limited, the holding company till the date of this Report.

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

**Max House, Okhla** – The project involves redevelopment of office space in New Delhi which includes an estimated Developable Area of 1.43 lakhs square feet and an estimated Saleable/ Leasable Area of 0.97 lakhs square feet. Max House, Okhla is located in the heart of New Delhi, with excellent connectivity to the Central Business District and Secondary Business District of NCR. The redevelopment of Max House, Okhla is slated to begin in August, 2018.

## HOLDING COMPANY/ SUBSIDIARY COMPANY(S) / ASSOCIATES / JOINT VENTURES

Your Company is a wholly owned subsidiary of Max Ventures and Industries Limited.

During the year under review, the Company acquired 100% shareholding of Wise Zone Builders Pvt. Ltd. ("Wise") on April 29, 2017 and thus, Wise became wholly owned subsidiary of the Company. The Company did not have any other subsidiary, associate or joint venture during the year under review.

## BOARD OF DIRECTORS

The Board of your Company consist of three (3) Directors as on March 31, 2018 viz. Mr. Sahil Vachani, Mrs. Tara Singh Vachani and Mr. Arjunjit Singh.

In terms of Articles of Association of the Company and pursuant to the provisions of Section 152 of the Act, Mrs. Tara Singh Vachani, Director of the Company, is liable to retire by rotation at the ensuing Annual General Meeting ('AGM') and being eligible, offer herself for re-appointment. The Board of Directors recommends her re-appointment for the consideration of the members of the Company at the ensuing AGM.

The Board met 25 times during the year under review which is as follows:

S. No.	Date of Meeting	Board Strength	No. of Directors present
1.	April 25, 2017	3	3
2.	May 04, 2017	3	3
3.	May 16, 2017	3	3
4.	June 12, 2017	3	2
5.	June 16, 2017	3	3
6.	July 14, 2017	3	3
7.	August 01, 2017	3	3
8.	September 20, 2017	3	2
9.	September 28, 2017	3	2
10.	October 30, 2017	3	3
11.	October 31, 2017	3	3
12.	November 16, 2017	3	2
13.	November 29, 2017	3	3
14.	December 13, 2017	3	2
15.	December 21, 2017	3	2
16.	January 17, 2018	3	3
17.	January 19, 2018	3	3
18.	January 30, 2018	3	3
19.	January 31, 2018	3	3
20.	February 12, 2018	3	3
21.	February 14, 2018	3	3
22.	February 20, 2018	3	3
23.	February 27, 2018	3	3
24.	March 12, 2018	3	3
25.	March 14, 2018	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	25	24
Mrs. Tara Singh Vachani	Director	25	20
Mr. Arjunjit Singh	Whole Time Director	25	25

#### KEY MANAGERIAL PERSONNEL

In terms of section 203 of the Act, Mr. Arjunjit Singh is the Whole Time Director and Ms. Sonia Bansal Arora is the Company Secretary of the Company.

During the year under review, Mr. Alok Goel resigned from the position of Company Secretary of the Company w.e.f. September 20, 2017. Ms. Sonia Bansal Arora was appointed as the Company Secretary of the Company w.e.f. May 01, 2018.

#### COMMITTEES OF BOARD OF DIRECTORS

During the year under review, the Company was not required to constitute any committee of Board of Directors in terms of provisions of the Act and the rules made there under.

#### STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

During the year under review, the Company was not required to appoint Independent Directors under section 149(4) of the Act and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence no such declaration is required.

#### 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

Particulars of loans, guarantees and investments made under the provisions of Section 186 of the Act have been disclosed in Note no. 34 of the notes to the Financial Statements forming integral part of the Annual Report.

#### 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, the disclosure for related party transactions entered by the Company which may be considered material in nature are disclosed in Form AOC-2 which forms part of this report as 'Annexure -1'.

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

#### AUDITOR & AUDITORS' REPORT

Pursuant to provisions of Section 139 and other applicable provisions, if any, of the Act, M/s. K.K Mankeshwar & Co., Chartered Accountants (FRN – 106009W) were appointed as Statutory Auditors of the Company at AGM held on September 26, 2017 to hold office till the conclusion of the 5<sup>th</sup> AGM of the Company to be held in the year 2022, subject to ratification of their appointment in every AGM held during their tenure.

However, in view of the notification dated May 07, 2018 issued by the Ministry of Corporate Affairs, requirement for ratification of appointment of auditor by shareholders has been done away.

The Company has received letter from M/s. K.K Mankeshwar & Co., Chartered Accountants, to the effect that their ratification of appointment as Statutory Auditors of the Company, if made, would be within the prescribed limits under Section 139 of the Act and they are not disqualified for their appointment. Accordingly, the Board ratified the appointment of M/s. K.K Mankeshwar & Co., Chartered Accountants, as Statutory Auditors of the Company for the financial year 2018-19.

There are no audit qualifications in the Statutory Auditors Report given by M/s K.K Mankeshwar, Statutory Auditors of the Company for FY 2017-18 as annexed to this Annual Report.

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

### **COST RECORDS**

During the year under review, the provisions of section 148(1) of the Act relating to maintenance of cost records does not apply to the Company.

### **INTERNAL AUDITORS**

During the year under review, M/s. Singhi & Co., Chartered Accountants was appointed as Internal Auditors of the Company for FY 2017-18.

### **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 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**

During the year under review, 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 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 Companies (Accounts) Rules, 2014 forms part of this report as 'Annexure – 2'.

### **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, 2018 forms part of this report as 'Annexure –3'.

**PARTICULARS OF EMPLOYEES**

The information required under Section 197 (12) of the Act and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is given in 'Annexure- 4.

**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 year under review impacting the going concern status and your Company's operations in future.

**SECRETARIAL STANDARDS**

The Company complies with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

**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 employees for their performance during the year.

For and on behalf of the Board of Directors  
For **MAX ESTATES LIMITED**

Place : Noida, U.P.  
Date : August 28, 2018

**Arjunjit Singh**  
**Whole Time Director**  
**DIN: 06893703**

**Sahil Vachani**  
**Director**  
**DIN: 00761695**



**Annexure- 1****Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)*

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis:** Not applicable

- (a) Name(s) of the related party and nature of relationship
- (b) Nature of contracts/arrangements/transactions
- (c) Duration of the contracts / arrangements/transactions
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any
- (e) Justification for entering into such contracts or arrangements or transactions
- (f) date(s) of approval by the Board
- (g) Amount paid as advances, if any:
- (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

- (a) Name(s) of the related party and nature of relationship:  
Max Ventures and Industries Limited (Holding Company)
- (b) Nature of contracts/arrangements/transactions:  
Shared Services
- (c) Duration of the contracts / arrangements/transactions:  
During the financial year 2017-18
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any:  
Shared services amounting to Rs. 317.62 Lakhs
- (e) Date(s) of approval by the Board, if any:  
N.A.
- (f) Amount paid as advances, if any: Nil

For and on behalf of the Board of Directors  
For **MAX ESTATES LIMITED**

Place: Noida, U.P.  
Date: August 28, 2018

**Arjunjit Singh**  
**Whole Time Director**  
**DIN: 06893703**

**Sahil Vachani**  
**Director**  
**DIN: 00761695**

## Annexure- 2

**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	:	5.35 Lakhs

## ANNEXURE - 3

## FORM MGT-9

## Extract of Annual Return as on the financial year ended on March 31, 2018

[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, District 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:

S. 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.	<b>Max Ventures and Industries Limited*</b> 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Dist. Nawanshehar, Punjab – 144 533	L85100PB2015PLC039204	Holding Company	100	2(46)
2.	<b>Wise Zone Builders Private Limited</b> Max House, A- 81, Sector- 2 Noida, Gautam Buddha Nagar, UP -201301	U70109UP2016PTC087374	Subsidiary Company	100	2(87)

\* holds 100% shares of the Company with 6 (six) individual nominee shareholders.

## 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 01, 2017				No. of Shares held on March 31, 2018				% Change during the year
	Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>										
<b>1 Indian</b>										
a)	Individual/HUF	-	6	6	0.00	-	6	6	0.00	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	79,99,994	79,99,994	100.00	-	79,99,994	79,99,994	100.00	-

Sl. No.	Category of Shareholders Particulars	No. of Shares held on April 01, 2017				No. of Shares held on March 31, 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	-	80,00,000	80,00,000	100.00	-	80,00,000	80,00,000	100.00	-
<b>2</b>	<b>Foreign</b>									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter &amp; Promoter Group [(A) = (A)(1)+(A)(2)]</b>	-	80,00,000	80,00,000	100.00	-	80,00,000	80,00,000	100.00	-
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
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)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2</b>	<b>Non-Institutions</b>									
a)	<b>Bodies Corp.</b>									
	i) Indian	-	-	-	-	-	-	-	-	-
	ii) Overseas	-	-	-	-	-	-	-	-	-
b)	<b>Individuals</b>									
	i) holding shares upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
	ii) holding shares above Rs.1 lakh	-	-	-	-	-	-	-	-	-
c)	NBFCs Registered with RBI	-	-	-	-	-	-	-	-	-
d)	<b>Employees Trusts</b>	-	-	-	-	-	-	-	-	-
c)	<b>Any Others</b>	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding [(B)=(B)(1) + (B)(2)]</b>	-	-	-	-	-	-	-	-	-
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	-	80,00,000	80,00,000	100	-	80,00,000	80,00,000	100	-

## (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 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	79,99,994	100	-	79,99,994	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
	<b>Total</b>	<b>80,00,000</b>	<b>100.00</b>	<b>-</b>	<b>80,00,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

# 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
<b>1</b>	<b>Max Ventures and Industries Limited</b>				
	At the beginning of the year	79,99,994	100.00		
	Date wise increase / decrease	-	-	79,99,994	100.00
	At the end of year	79,99,994	100.00		
<b>2</b>	<b>Mr. Sahil Vachani#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>3</b>	<b>Mr. Arjunjit Singh #</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>4</b>	<b>Mr. Nitin Kumar Kansal#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>5</b>	<b>Mr. Amit Jain#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>6</b>	<b>Mr. Navneet Narayan Malhotra#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>7</b>	<b>Mr. Manohar Kumar#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	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
<b>1.</b>	<b>Mr. Sahil Vachani#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>2.</b>	<b>Mr. Arjunjit Singh #</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	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	Compulsory Convertible Debentures	Total Indebtedness
	Term loan	Buyers credit - Capex	Cash Credit	Car Loan			
Indebtedness at the beginning of the financial year							
i) Principal Amount				9.92	897.05	9,000	9,906.97
ii) Interest due but not paid				0	0	0	0
iii) Interest accrued but not due				0	15.75	0	15.75
Total (i+ii+iii)				9.92	912.80	9,000.00	9,922.72
Change in Indebtedness during the financial year							
Addition				0	4871.15	0	4,871.15
Reduction				(3.07)	0	0	(3.07)
Net Change				(3.07)	4,871.15	0	4,868.08
Indebtedness at the end of the financial year							
i) Principal Amount				6.85	5,490.77	9,000.00	14,497.62
ii) Interest due but not paid				0	0	0	0
iii) Interest accrued but not due				0	293.18	0	293.18
Total (i + ii + iii)				6.85	5,783.95	9,000.00	14,790.80

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

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

S. No.	Particulars of Remuneration	Mr. Arjunjit Singh (Whole Time Director and COO) (Amount in Rs. Lakhs)
1	Gross Salary	
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	55.15
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	0
	c) Profit in lieu of salary u/s 17(3) of Income Tax Act, 1961	0
2	Stock Option	0
3	Sweat Equity	0
4	Commission	0
	As % of profit	0
	Other, specify	0
5	Others (Variable Pay)	22.50
	<b>Total</b>	<b>77.65</b>

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: Nil**

## ANNEXURE – 4

**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/-:** Not Applicable
- 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:** Not Applicable
- C. Other employees:**

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1	Arjunjit Singh^	Chief Operating Officer	31	77,65,176	Bachelor of Science (Applied Economics & Mgt.) with Cornell University	10	01-Apr-16	Siva Realty Ventures Pvt. Ltd.
2	Shubhendu Vyas	Senior General Manager-Max Towers	46	4,799,687	Master of Business Administration	24	01-Apr-17	Piveta Estates Private Limited
3	Anil Malhotra	Senior General Manager	52	4,767,943	BE (Civil)	27	01-Apr-16	Siva Realty Ventures Pvt. Ltd.
4	Pankaj Singh	Head –IT	43	3,586,094	Graduate, CPGME	21	25-Apr-16	ATS infrastructure Ltd.
5	Anshul Gaurav	General Manager	31	1,469,909	Post Graduate Programme in Management with Indian Business School	8	16-Oct-17	Lodha Group
6	Vikas Manhas *	General Manager	38	2,287,739	Executive Post Graduate Diploma in International Business	15	01-Feb-17	Vatika Ltd.
7	Rachna Mohan**	Senior Manager	43	2,206,142	Post Graduate Diploma in Business Administration	16	01-Apr-16	Siva Realty Ventures Pvt. Ltd.
8	Sharad Kumar	Manager	44	2,375,872	Chartered Accountant	16	01-Apr-16	Piveta Estates Private Limited
9	Puneet Sood	Deputy General Manager	44	2,207,195	B.Com	22	01-Apr-16	Siva Realty Ventures Pvt. Ltd.
10	Amit Sachar	Deputy General Manager	37	1,542,396	Post Graduate Diploma in Management	16	10-Jul-17	Unitech 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.
- ^an amount of Rs. 60,00,000 paid as deferred bonus and an amount of Rs. 10,50,000 was paid as variable pay & long term incentive in the month of May, 2018 was not included in the remuneration. Medical Insurance is provided as per company scheme and not included in the remuneration.
- \*ceased to be the employee w.e.f. January 31,2018.
- \*\* ceased to be the employee w.e.f. January 29, 2018.



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF MAX ESTATES LIMITED REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of M/s Max Estates Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as 'Ind AS financial statements').

### Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

### Emphasis of Matter

We draw attention to Note 30 (D) to the financial statements which describes the impact of the recognition of Land Development Rights by the Company, which has led to a restatement of the interim financial statements for the six months ended September 30, 2017 (and corresponding period of the previous financial year).

Our opinion is not qualified in respect of above matter.

### 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, Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;
- e. On the basis of the written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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.

**DINESH KUMAR BACHCHAS**

*Partner*

Membership No. 097820

For and on Behalf of

**K. K. MANKESHWAR & CO.**

*Chartered Accountants*

FRN: 106009W

Place : Noida

Dated : May 15, 2018

**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 Ind AS financial statements for the period ended March 31, 2018, we report that:

1. (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) As the Company does not held 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, 2018 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 2018 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 to 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. 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 the requisite approvals mandated by the provisions 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 Ind AS 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 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.

**DINESH KUMAR BACHCHAS**

*Partner*

Membership No. 097820

For and on Behalf of

**K. K. MANKESHWAR & CO.**

*Chartered Accountants*

FRN: 106009W

*Place : Noida*

*Dated : May 15, 2018*

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS 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, 2018 in conjunction with our audit of the Ind AS 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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, 2018, 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*

Dated : May 15, 2018

# Balance sheet

as at March 31, 2018

(Rs. in Lacs)			
Particulars	Notes	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	35.62	33.28
Capital work-in-progress	3	-	273.06
Intangible assets	4	12.04	12.02
Investment in subsidiary	5	1.00	-
Other non current assets	6	421.51	14.87
Deferred tax assets	13	-	5.08
		<b>470.17</b>	<b>338.31</b>
<b>Current assets</b>			
Inventories	7	6,870.48	5,213.04
Financial assets	8	-	-
(i) Investments		1,120.73	-
(ii) Trade receivables		26.29	9.38
(iii) Cash and cash equivalents		20.34	55.41
(iv) Loans		9,766.01	-
(v) Other financial assets		553.25	7.98
Other current assets	9	852.12	209.22
		<b>19,209.21</b>	<b>5,495.03</b>
<b>TOTAL ASSETS</b>		<b>19,679.38</b>	<b>5,833.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	800.00	800.00
Other equity	10	8,323.39	(282.54)
<b>Total equity</b>		<b>9,123.39</b>	<b>517.46</b>
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	11	3.31	6.85
(ii) Trade payables	11.1	-	2,033.42
Long term provisions	12	30.23	27.96
Deferred tax liabilities	13	-	-
		<b>33.53</b>	<b>2,068.23</b>
<b>Current liabilities</b>			
Financial liabilities	14		
(i) Borrowings		5,490.77	897.05
(ii) Trade payables		4,557.95	1,504.79
(iii) Other financial liabilities		301.14	22.15
Short term provisions	15	20.93	0.45
Other current liabilities	16	151.66	823.21
		<b>10,522.45</b>	<b>3,247.65</b>
<b>TOTAL LIABILITIES</b>		<b>10,555.99</b>	<b>5,315.88</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>19,679.38</b>	<b>5,833.34</b>
Summary of significant accounting policies	2		
Other notes on accounts	3-43		

The accompanying notes are integral part of the financial statements

**DINESH KUMAR BACHCHAS**

Partner

Membership No. 097820

For and on behalf of  
**K.K.MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Date: May 15, 2018

For and on behalf of the Board of Directors of Max Estates Limited

**Sahil Vachani**

(Director)

(DIN 00761695)

**Sonia Bansal Arora**

(Company Secretary)

(ACS- 23334)

**Arjunjit Singh**

(Director)

(DIN- 06893703)



# Statement of profit and loss

for the year ended March 31, 2018

Particulars	Notes	(Rs. in Lacs)	
		For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
<b>INCOME</b>			
Revenue from operations	17	2,717.42	92.15
Other income	18	48.73	-
<b>Total income</b>		<b>2,766.15</b>	<b>92.15</b>
<b>EXPENSES</b>			
Cost of material consumed, construction & other related project cost	18.1	4,481.75	5,104.90
(Increase)/decrease in inventories of work-in-progress	18.2	(1,708.52)	(5,104.90)
Employee benefits expense	19	116.79	183.79
Finance costs	20	129.57	14.40
Depreciation and amortization expense	21	11.59	7.64
Other expenses	22	125.66	173.93
<b>Total expenses</b>		<b>3,156.85</b>	<b>379.77</b>
<b>Profit/(Loss) before tax</b>		<b>(390.70)</b>	<b>(287.62)</b>
<b>Tax expenses</b>			
- Current tax		-	-
Less: MAT credit entitlement		-	-
- Deferred tax	13	5.08	(5.08)
<b>Total tax expense</b>		<b>5.08</b>	<b>(5.08)</b>
<b>Profit/(Loss) after tax</b>		<b>(395.78)</b>	<b>(282.54)</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans	23	1.71	-
Income tax effect		-	-
		1.71	-
Other comprehensive income for the period, net of tax		1.71	-
Total comprehensive income/(loss) for the period, net of tax		(394.06)	(282.54)
<b>Earnings per equity share (Nominal Value of share Rs.10/-) (refer note 24)</b>			
Basic (Rs.)		(4.95)	(7.72)
Diluted (Rs.)		(4.95)	(7.72)
Summary of significant accounting policies	2		
Other notes on accounts	3-43		

The accompanying notes are integral part of the financial statements

**DINESH KUMAR BACHCHAS**

Partner

Membership No. 097820

For and on behalf of

**K.K.MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Date: May 15, 2018

For and on behalf of the Board of Directors of Max Estates Limited

**Sahil Vachani**

(Director)

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**Sonia Bansal Arora**

(Company Secretary)

(ACS- 23334)

**Arjunjit Singh**

(Director)

(DIN- 06893703)

# Statement of changes in equity

for the period ended March 31, 2018

## a) Equity share capital

Particulars	Nos.	(Rs. in Lacs)
<b>As at March 22, 2016</b>	50,000	5.00
Add: Equity share issued during the period (refer note 10(i))	7,950,000	795.00
<b>As at March 31, 2017</b>	<b>8,000,000</b>	<b>800.00</b>
Add: Equity share issued during the period (refer note 10(i))	-	-
<b>As at March 31, 2018</b>	<b>8,000,000</b>	<b>800.00</b>

## b) Other equity

Particulars	Reserves and surplus		(Rs. in Lacs)
	Equity Component - Compulsorily Convertible Debentures (CCD)	Retained earnings	Total equity
As at March 22, 2016	-	-	-
Loss for the period		(282.54)	(282.54)
As at March 31, 2017	-	(282.54)	(282.54)
Profit/(loss) for the period		(394.06)	(394.06)
Other comprehensive income for the period		-	-
Equity component of compulsorily convertible debentures	9,000.00	-	9,000.00
As at March 31, 2018	9,000.00	(676.61)	8,323.39

Summary of significant accounting policies 2

Other notes on accounts 3-43

The accompanying notes are integral part of the financial statements

**DINESH KUMAR BACHCHAS**

Partner

Membership No. 097820

For and on behalf of

**K.K.MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Date: May 15, 2018

For and on behalf of the Board of Directors of Max Estates Limited

**Sahil Vachani**

(Director)

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**Sonia Bansal Arora**

(Company Secretary)

(ACS- 23334)

**Arjunjit Singh**

(Director)

(DIN- 06893703)

# Statement of cash flows

for the year ended March 31, 2018

Particulars	(Rs. in Lacs)	
	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax	(390.70)	(287.62)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	9.95	6.45
Amortization of intangible assets	2.26	1.34
Loss on disposal of property, plant and equipment	-	0.18
Profit on sale of current investment	(48.73)	-
Finance costs (including fair value change in financial instruments)	458.12	130.20
<b>Operating profit before working capital changes</b>	<b>30.90</b>	<b>(149.45)</b>
<b>Working capital adjustments:</b>		
Increase/ (decrease) in trade payables	1,019.71	3,538.23
Increase/ (decrease) in long-term provisions	3.98	27.96
Increase/ (decrease) in short-term provisions	20.48	0.45
Increase/ (decrease) in other current liabilities	(671.55)	829.43
Increase/ (decrease) in other financial liabilities	1.58	-
Decrease / (increase) in trade receivables	(16.90)	(9.38)
Decrease / (increase) in inventories	(1,384.37)	(5,213.03)
Decrease / (increase) in other current assets	(1,567.34)	-
Decrease / (increase) in short-term loans and advances	-	(217.22)
<b>Cash generated from operations</b>	<b>(2,563.52)</b>	<b>(1,193.02)</b>
Income tax paid	(27.47)	(14.87)
<b>Net cash flows used in operating activities</b>	<b>(2,590.98)</b>	<b>(1,207.89)</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment		
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(14.56)	(326.15)
Investment in Subsidiary company	(1.00)	-
Investment in Investment property	-	-
Investment in mutual fund	(1,072.00)	-
<b>Net cash flows used in investing activities</b>	<b>(1,087.56)</b>	<b>(326.15)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital including security premium, net of expenses incurred for shares issued	-	800.00
Proceeds from issue of compulsorily convertible debentures	9,000.00	-
Loan to subsidiary company	(9,766.01)	
Interest paid	(180.70)	(114.44)
Proceeds from short-term borrowings from Holding company	4,593.72	-
Proceeds from short-term borrowings	-	897.05
Proceeds from long-term borrowings	-	6.85
Repayment of long-term borrowings	(3.54)	-
<b>Net cash flows from financing activities</b>	<b>3,643.47</b>	<b>1,589.46</b>

Particulars	(Rs. in Lacs)	
	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
Net increase/(decrease) in cash and cash equivalents	(35.07)	55.41
Cash and cash equivalents at the beginning of the year	55.41	-
Cash and cash equivalents transferred on demerger	-	-
<b>Cash and cash equivalents at year end</b>	<b>20.34</b>	<b>55.41</b>
<b>Components of cash and cash equivalents :-</b>		
		(Rs. in Lacs)
	As at March 31, 2018	As at March 31, 2017
<b>Balances with banks:</b>		
On current accounts	19.87	55.38
Cheques/ drafts on hand	-	-
Deposits with remaining maturity for less than 12 months		
Cash on hand	0.47	0.03
	<b>20.34</b>	<b>55.41</b>

Summary of significant accounting policies

Other notes on accounts

The accompanying notes are integral part of the financial statements

**DINESH KUMAR BACHCHAS**

Partner

Membership No. 097820

For and on behalf of

**K.K.MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Date: May 15, 2018

For and on behalf of the Board of Directors of Max Estates Limited

**Sahil Vachani**

(Director)

(DIN 00761695)

**Sonia Bansal Arora**

(Company Secretary)

(ACS- 23334)

**Arjunjit Singh**

(Director)

(DIN- 06893703)

## 1 Corporate Information

Max Estates Limited (the Company) is a company registered under Companies Act, 2013 and incorporated on 22nd March 2016. The Company engaged in the business of Real Estates development. Registered office of the Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab - 144533

The financial statements were authorised for issue in accordance with a resolution of the directors on 15th May 2018.

## 2 Significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rule, 2015 (as amended). For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statements which has been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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

- (i) Certain financial assets and liabilities

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

### 2.2 Summary of significant accounting policies

#### a. Current versus non-current classification

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

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

- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

#### b. Property, Plant and Equipment

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

cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

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

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

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

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

**Assets Useful lives estimated by the management (years)**

Furniture and fixtures	10 Years
Office equipment	5 Years
Computers	3 Years
Vehicles	8 Years

**c. Investment in property**

Property that is held for long term rental yields or for capital appreciation or for both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction cost and where applicable

borrowing costs. Subsequent expenditure is capitalised to assets carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance cost are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property consist of capital work-in-progress relating to initial cost incurred for purchase of land and building. The Company will amortise the leasehold land on a straight line basis over the lease period and building will be depreciated using the straight line method over their estimated useful life.

**d. Intangible assets**

The Company has applied exemptions of Ind AS 101 to continue the carrying value of intangible assets at the date of transition as its deemed cost in accordance with Ind AS 101 First Time adoption. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization

expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 3-6 years.

#### **e. Impairment of non financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net 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 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 the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

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

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

#### **f. Financial Instruments**

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

##### **(i) Financial assets**

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

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



**Initial recognition and measurement**

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

**Subsequent measurement**

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

- (i) Debt instruments at amortized cost
- (ii) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

**Debt instruments at amortized cost**

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

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR is the rate that exactly discount the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate to the gross carrying amount of financial assets. When calculating the

effective interest rate the company estimate the expected cash flow by considering all contractual terms of the financial instruments. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

**Debt instruments at FVTPL**

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

**Derecognition**

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

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
  - (a) the Company has transferred the rights to receive cash flows from the financial assets or
  - (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all the risks and rewards of the ownership of the financial assets. In such cases, the financial

asset is derecognized. Where the entity has not transferred substantially all the risks and rewards of the ownership of the financial assets, the financial asset is not derecognized.

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

### **Inventories**

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

- (A) Completed Unsold inventory is valued at lower of cost and net realizable value. Cost is determined by including cost of land, materials, services and related overheads.
- (B) Work in progress is valued at cost. Cost comprises value of land (including development rights), materials, services and other overheads related to projects under construction.

### **Impairment of financial assets**

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

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

The Company follows "simplified approach" for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it

recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. the Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

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

### **Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively

from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

## **(ii) Financial liabilities**

### **Initial recognition and measurement**

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

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

#### **Trade Payables**

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

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as

FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

### **Loans and borrowings**

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

### **Financial guarantee contracts**

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

### **Derecognition**

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

The difference in the respective carrying amounts is recognised in the statement of profit and loss.

#### **Offsetting of financial instruments**

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

#### **g. Investment in Subsidiaries**

The investment in subsidiaries are carried at cost as per IND AS 27. Investment accounted for at cost is accounted for in accordance with IND AS 105 when they are classified as held for sale. Investment carried at cost is tested for impairment as per IND AS 36. An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, an investor controls an investee if and only if the investor has all the following:

- (a) power over the investee;
- (b) exposure, or rights, to variable returns from its involvement with the investee and
- (c) the ability to use its power over the investee to affect the amount of the investor's returns.

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

#### **h. 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 are accounted for on accrual basis.

#### **i. Taxes**

##### **Current income tax**

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

Current income tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive

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

### **Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

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

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

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

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

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

### **j. Borrowing costs**

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

### **k. Leases**

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

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of

facts and circumstances existing on the date of transition.

### **Company as a lessee**

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

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

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

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

## **I. Provision and Contingent liabilities**

### **Provisions**

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

required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

### **Contingent liabilities**

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

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

## **m. 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**

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



Company has also made contribution to Life Insurance Corporation (LIC) towards a policy to cover the gratuity liability of the employees to an extent. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

- (i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.

- (ii) Net interest expenses or income

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

### **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 Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

### **Short-term obligations**

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

### **n. Cash and cash equivalents**

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

### **o. Earning per share**

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

### **p. Foreign currencies**

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

Foreign currency transactions are recorded on initial recognition in the functional currency,



using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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

#### q. Fair value measurement

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

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

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

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

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

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

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

#### 2.3 Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are

disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

#### **Amendments to Ind AS 7, Statement of Cash Flow**

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

#### **Amendments to Ind AS 102, Share-based payment**

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. The Company is assessing the potential effect of the amendments on its financial statements.

The Company will adopt these amendments, if applicable from their applicability date.

### **2.4 Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions

and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

#### **Estimates and assumptions**

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

##### **(a) Taxes**

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

##### **(b) Gratuity benefit**

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes

in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis.

(c) Fair value measurement of financial instrument

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

(d) Impairment of non-Financial assets

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

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

(Rs in Lacs)						
Particulars	Office equipment	Furniture and fixture	Motor vehicles	Computers and data processing units	Total	Capital work in progress
<b>At cost</b>						
<b>As at March 22, 2016</b>	-	-	-	-	-	-
Additions	1.18	0.18	21.06	17.30	39.73	273.06
Disposals	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>1.18</b>	<b>0.18</b>	<b>21.06</b>	<b>17.30</b>	<b>39.73</b>	<b>273.06</b>
Additions	0.65	-	6.26	5.38	12.28	-
Disposals	-	-	-	-	-	273.06
<b>As at March 31, 2018</b>	<b>1.83</b>	<b>0.18</b>	<b>27.32</b>	<b>22.68</b>	<b>52.01</b>	-
<b>Depreciation</b>						
<b>As at March 22, 2016</b>	-	-	-	-	-	-
Additions	0.15	0.01	1.24	5.05	6.45	-
Disposals	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>0.15</b>	<b>0.01</b>	<b>1.24</b>	<b>5.05</b>	<b>6.45</b>	-
Additions	0.22	0.01	3.07	6.64	9.95	-
Disposals	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>0.37</b>	<b>0.02</b>	<b>4.31</b>	<b>11.69</b>	<b>16.39</b>	-
<b>Net carrying amount</b>						
<b>As at March 31, 2018</b>	<b>1.46</b>	<b>0.15</b>	<b>23.01</b>	<b>10.99</b>	<b>35.62</b>	-
<b>As at March 31, 2017</b>	<b>1.03</b>	<b>0.17</b>	<b>19.82</b>	<b>12.25</b>	<b>33.28</b>	<b>273.06</b>

Motor vehicle amounting to Rs.13.82 lacs (March 31,2017 Rs.13.82 lacs) subject to charge against vehicle loan Refer note no 11

Depreciation includes Rs.0.62 (Previous year Rs.0.14 lacs) shown under Note.18.1 as part of project cost

**4. Intangible assets**

(Rs in Lacs)		
Particulars	Computer software	Total
<b>At cost</b>		
<b>As at March 22, 2016</b>	-	-
Additions	13.36	13.36
Disposals	-	-
<b>As at March 31, 2017</b>	<b>13.36</b>	<b>13.36</b>
Additions	2.28	2.28
Disposals	-	-
<b>As at March 31, 2018</b>	<b>15.64</b>	<b>15.64</b>
<b>Amortization</b>		
<b>As at March 22, 2016</b>	-	-
Additions	1.34	1.34
Disposals	-	-
<b>As at March 31, 2017</b>	<b>1.34</b>	<b>1.34</b>
Additions	2.26	2.26
Disposals	-	-
<b>As at March 31, 2018</b>	<b>3.60</b>	<b>3.60</b>
<b>Net carrying amount</b>		
<b>As at March 31, 2018</b>	<b>12.04</b>	<b>12.04</b>
<b>As at March 31, 2017</b>	<b>12.02</b>	<b>12.02</b>

**5. Investment in subsidiary**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
<b>Investment in equity instrument (value at cost)</b>		
<b>Investments in subsidiaries</b>		
<b>(a) Unquoted equity shares</b>		
<b>Wise Zone Builders Pvt. Ltd</b>		
10,000 Equity shares of Rs. 10 each fully paid up	1.00	-
	<b>1.00</b>	-
<b>Non-Current</b>	<b>1.00</b>	-
<b>Aggregate value of unquoted investments</b>	<b>1.00</b>	-

**6. Other non current assets**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
Tax deducted at source recoverable	42.34	14.87
Prepaid Cost (Refer note 40)	379.17	-
	<b>421.51</b>	<b>14.87</b>

**7. Inventories**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
Construction Materials	57.06	108.14
Work in progress	6,813.42	5,104.90
	<b>6,870.48</b>	<b>5,213.04</b>

**8. Current financial assets**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
<b>(i) Loans</b>		
Loans to related parties (refer note 33)	9,766.01	-
	<b>9,766.01</b>	-
<b>(ii) Trade receivables</b>		
<b>Unsecured :-</b>		
Unsecured, considered good	26.29	9.38
	<b>26.29</b>	<b>9.38</b>
<b>(iii) Other investment</b>		
<b>Unquoted mutual funds</b>		
Axis Mutal Fund *	1,120.73	-
Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 58,143.068 , NAV - 1927.5308, March 31, 2017- Nil)		
	<b>1,120.73</b>	-
<b>Aggregate amount of quoted mutual fund</b>	1,072.00	-
<b>Market value of quoted mutual fund</b>	1,120.73	-
* Mutual fund units are lien marked against letter of credit facility availed in Wise Zone Builders Pvt. Ltd. of Rs.744 lacs		
<b>(iv) Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
On current accounts	19.87	55.38
Cash in hand	0.47	0.03
	<b>20.34</b>	<b>55.41</b>

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
<b>(v) Other financial assets</b>		
Security Deposit	9.51	7.98
Unbilled receivables	543.74	-
	<b>553.25</b>	<b>7.98</b>

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

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
Other advances :-		
Unsecured, considered good - from others	11.43	119.06
Unsecured, considered good - from related party	395.25	-
Prepaid expenses	2.53	5.86
Balance with statutory authorities	439.64	83.92
Security Deposit	3.27	0.39
	<b>852.12</b>	<b>209.22</b>

#### 10. Share capital and other equity

##### (i) Equity share capital

###### a) Authorized

	(Rs in Lacs)	
	As at March 31, 2018	As at March 31, 2017
10,000,000 equity shares of Rs.10/- each	1,000.00	1,000.00
	<b>1,000.00</b>	<b>1,000.00</b>
<b>Issued, subscribed and fully paid-up</b>		
80,00,000 equity shares of Rs.10/- each fully paid up	800.00	800.00
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>800.00</b>	<b>800.00</b>

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

Equity shares	March 31, 2018		March 31, 2017	
	No. of shares	(Rs. In lacs)	No. of shares	(Rs. In lacs)
At the beginning of the period	8,000,000	800.00	-	-
Add: Shares issued at incorporation of the Company	-	-	50,000	5.00
Add: Shares issued during the period	-	-	7,950,000	795.00
<b>Outstanding at the end of the period</b>	<b>8,000,000</b>	<b>800.00</b>	<b>8,000,000</b>	<b>800.00</b>

###### c) Terms and rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

Name of the Shareholder	March 31, 2018		March 31, 2017	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up				
Max Ventures & Industries Limited	7,999,994	99.9999%	7,999,994	99.9999%

**e) Aggregate number of Shares issued for consideration other than cash during the period of five years immediately preceding the reporting date - NIL****(ii) Other equity**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
Compulsorily Convertible Debentures (CCD) (refer note a below)	9,000.00	-
Retained earnings (refer note b below)	(676.61)	(282.54)
	<b>8,323.39</b>	<b>(282.54)</b>
Notes:		
<b>a) Compulsorily Convertible Debentures (CCD)</b>		
At the beginning of the period	-	-
Add: additions during the period	9,000.00	-
<b>At the end of the period</b>	<b>9,000.00</b>	-
<b>b) Retained earnings</b>		
At the beginning of the period	(282.54)	-
Profit/(Loss) for the period	(394.06)	(282.54)
Items of other comprehensive income recognized directly in retained earnings	-	-
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	-	-
<b>At the end of the period</b>	<b>(676.61)</b>	<b>(282.54)</b>

**11. Borrowings**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
<b>Non-current borrowings</b>		
<b>Vehicle loans (secured)</b>	6.85	9.92
	<b>6.85</b>	<b>9.92</b>
<b>Less: Amount disclosed under "other current financial liabilities" [refer note 14(iii)]</b>	<b>3.54</b>	<b>3.07</b>
	<b>3.31</b>	<b>6.85</b>
Aggregate Secured loans	6.85	9.92
Aggregate Unsecured loans	-	-

**Vehicle loan :-**

Vehicle loans amounting to Rs. 6.85 Lakhs (March 31, 2017 - Rs. 9.92 Lacs) are secured by way of hypothecation of respective vehicles. The loans are repayable in 3 years. Rate of interest is 9.60% and 8.90%



**11.1 Non- Current trade payables**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	2,033
	-	<b>2,033</b>

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

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

**12. Long term provision**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 28)	16.90	9.58
Provision for Leave Encashment	13.33	18.38
	<b>30.23</b>	<b>27.96</b>

**13. Deferred tax liabilities**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
<b>(i) Deferred tax liability</b>		
Fixed Assets: Impact of difference between tax depreciation and depreciation charged for the financial reporting period	-	3.70
<b>Gross deferred tax liability</b>	-	<b>3.70</b>
<b>(ii) Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the period but allowed for tax purposes on payment basis	-	8.78
<b>Gross deferred tax assets</b>	-	<b>8.78</b>
<b>Deferred Tax liability</b>	-	<b>(5.08)</b>

**14. Current financial liabilities**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
<b>(i) Borrowings</b>		
Loan from related party ( Unsecured ) *	5,490.77	897.05
	<b>5,490.77</b>	<b>897.05</b>

\* interest bearing loan @ 9.25%, repayable on demand

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
<b>(ii) Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,557.95	1,504.79
	<b>4,557.95</b>	<b>1,504.79</b>

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

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

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
<b>(iii) Other current financial liabilities</b>		
Current maturity of long term borrowings (refer note 11 )	3.54	3.07
Interest accrued but not due on short term borrowings	293.18	15.76
Security deposits	4.42	3.32
	<b>301.14</b>	<b>22.15</b>

**15. Short term provision**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits</b>		
Provision for leave encashment	20.90	0.43
Provision for gratuity (refer note 28)	0.04	0.02
	<b>20.93</b>	<b>0.45</b>

**16. Other current liabilities**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
Statutory dues	151.66	59.94
Advance from Customers	-	763.27
	<b>151.66</b>	<b>823.21</b>

**17. Revenue from operations**

	(Rs. in Lacs)	
	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
Revenue from operations	2,609.69	-
Revenue from Project Management Consultancy	69.38	46.46
	<b>2,679.07</b>	<b>46.46</b>
<b>Other operating revenues</b>		
Income from Shared Services	38.35	45.69
	<b>38.35</b>	<b>45.69</b>
<b>Total revenue from operations</b>	<b>2,717.42</b>	<b>92.15</b>

**18. Other Income**

	(Rs. in Lacs)	
	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
Gain on mutual fund investments	48.73	-
	<b>48.73</b>	<b>-</b>

**18.1 Cost of material consumed, construction & other related project cost**

	(Rs. in Lacs)	
	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
Inventories at beginning of period	108.14	-
Add: Purchases	-	-
Development Rights	253.72	2,594.73
Development Cost (Initial Capex Pay Back)	-	1,010.00
Construction Materials	647.76	315.20
Civil Construction Work	1,956.98	618.48
Construction Expenses	-	25.66
Employees Cost	531.43	163.89
Marketing Cost	73.23	3.42
Approval Expenses	-	14.67
Legal & Professional Charges (Incl. Architects)	404.43	155.11
Business Support Services	-	75.78
Establishment Expenses	50.85	30.29
Administrative Expenses	183.10	89.86
Depreciation (refer note 3)	0.61	0.14
Finance Cost	328.56	115.80
	<b>4,538.81</b>	<b>5,213.04</b>
Less: inventory at the end of period	<b>57.06</b>	<b>108.14</b>
<b>Cost of material consumed, construction &amp; other related project cost</b>	<b>4,481.75</b>	<b>5,104.90</b>

**18.2 (Increase)/ decrease in work-in-progress**

	(Rs. in Lacs)	
	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
<b>Inventories at end of period</b>		
Work-in-process	6,813.42	5,104.90
	<b>6,813.42</b>	<b>5,104.90</b>
<b>Inventories at beginning of the period</b>		
Work-in-process	<b>5,104.90</b>	-
	<b>5,104.90</b>	-
<b>(Increase)/ decrease in work-in-progress</b>	<b>(1,708.52)</b>	<b>(5,104.90)</b>

**19. Employee benefits expense**

	(Rs. in Lacs)	
	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
Salaries, wages and bonus	101.84	166.06
Contribution to provident and other funds	3.74	6.58
Gratuity expense (refer note 28)	6.02	4.94
Staff welfare expenses	5.19	6.21
	<b>116.79</b>	<b>183.79</b>

**20. Finance costs**

	(Rs. in Lacs)	
	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
Interest on borrowings	129.56	14.18
Bank charges	0.01	0.22
	<b>129.57</b>	<b>14.40</b>

**21. Depreciation and amortization expense**

	(Rs. in Lacs)	
	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
Depreciation of property, plant and equipment (refer note 3)	9.33	6.30
Amortization of intangible assets (refer note 4)	2.26	1.34
	<b>11.59</b>	<b>7.64</b>

**22. Other expense**

	(Rs. in Lacs)	
	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
Insurance	3.23	2.05
Rates and taxes	0.27	8.71
Repairs and maintenance:		
Others	0.75	0.59
Printing and stationery	0.17	0.60
Travelling and conveyance	4.17	10.02
Communication	0.66	1.30
Legal and professional *	73.89	117.21
Establishment expenses	40.63	21.14
Vehicle Running & Maintenance	0.42	2.40
Membership & Subscription	1.40	5.24
Website Development Charges	-	4.37
Business Promotion	-	0.12
Loss on discard of fixed assets	-	0.18
Miscellaneous expenses	0.07	-
	<b>125.66</b>	<b>173.93</b>
Cost allocated		
	<b>125.66</b>	<b>173.93</b>
<b>* Payment to auditor (included in legal and professional fee)</b>		
<b>As auditor:</b>		
Audit fee	0.75	0.50
Other services (certification fees)	2.92	0.45
	<b>3.67</b>	<b>0.95</b>

**23 Other comprehensive income**

	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
Re-measurement losses on defined benefit plans	1.71	-
Income tax effect	-	-
	<b>1.71</b>	<b>-</b>

**24 Earning Per Share**

	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
<b>Basic EPS</b>		
Profit after tax (Rs. in Lacs)	(395.78)	(282.54)
Weighted average number of equity shares outstanding during the year (Nos.)	8,000,000	3,662,133
Basic earnings per share (Rs.)	<b>(4.95)</b>	<b>(7.72)</b>
<b>Dilutive EPS</b>		
Profit after tax (Rs. in Lacs)	(395.78)	(282.54)
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)*	44,795,726	3,662,133
Diluted earnings per share (Rs.)	<b>(0.88)</b>	<b>(7.72)</b>

**25 Income Tax**

The major components of income tax expense for the period ended March 31, 2018 and March 31, 2017 :

**Statement of profit and loss :****Profit and loss section**

	(Rs. in Lacs)	
Particulars	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	5.08	(5.08)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>5.08</b>	<b>(5.08)</b>

**Deferred tax relates to the following:**

	(Rs. in Lacs)	
	As at March 31, 2018	As at March 31, 2017
<b>Deferred tax liabilities</b>	-	<b>3.70</b>
Differences in depreciation in block of fixed assets as per tax books and financial books	(3.70)	3.70
Difference in book base and tax base in investments	-	-
Others	-	-
<b>Gross deferred tax liabilities (a)</b>	<b>(3.70)</b>	<b>3.70</b>
<b>Deferred tax assets</b>	-	<b>8.78</b>
Effect of expenditure debited to the statement of Profit and Loss in the current period/earlier periods but allowed for tax purposes in following periods	(8.78)	8.78
Others	-	-
<b>Gross deferred tax assets (b)</b>	<b>(8.78)</b>	<b>8.78</b>
<b>Mat Credit (c)</b>	-	-
<b>Deferred tax liabilities (net)</b>	<b>5.08</b>	<b>(5.08)</b>

**Reconciliation of deferred tax liabilities (net):**

	(Rs. in Lacs)	
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Opening balance as of April 1</b>	(5.08)	-
Tax expense/( income) during the period recognised in profit or loss	5.08	(5.08)
Tax expense/( income) during the period recognised in OCI	-	-
<b>Closing balance as at March 31</b>	-	<b>(5.08)</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

## 26. Commitments and contingencies

### a) Capital commitments

	(Rs. In lacs)	
	for the year ended March 31, 2018	for the year ended March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not accounted for	2,700	-
Less: Capital Advances	220	-
Net Commitment	2,480	-

### b) Other commitments

	(Rs. In lacs)	
	for the year ended March 31, 2018	for the year ended March 31, 2017
Estimated amount of contracts remaining to be executed and not accounted for	1358.8	1011.42
Less: Advances	63.26	64.54
Net Commitment	1,295.54	946.88

## 27. Other notes to accounts

### Investment in subsidiaries, associates and joint venture

- (a) These financial statement are separate financial statements prepared in accordance with Ind AS-27" Separate Financial Statements".
- (b) The Company's investments in subsidiaries are as under:

Name of the Subsidiary	Country of incorporation	Portion of ownership interest as at March 31, 2018	Portion of ownership interest as at March 31, 2017	Method used to account for the investment
Wise Zone Builders Pvt.Ltd.	India	100.00%	0%	At deemed cost

## 28. Gratuity

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

	(Rs. in lacs)	
	As at March 31, 2018	As at March 31, 2017
a) <b>Reconciliation of opening and closing balances of defined benefit obligation</b>		
Defined benefit obligation at the beginning of the period	9.59	-
Interest expense	0.72	-
Current service cost	9.87	9.59
Benefit paid	-	-
Acquisition adjustment	(1.54)	-
Remeasurement of (Gain)/loss in other comprehensive income		
Actuarial changes arising from changes in financial assumptions	(0.49)	-
Actuarial changes arising from changes in experience adjustments	(1.23)	-
<b>Defined benefit obligation at period end</b>	<b>16.93</b>	<b>9.59</b>

(Rs. in lacs)		
	As at March 31, 2018	As at March 31, 2017
b) <b>Reconciliation of opening and closing balances of fair value of plan assets</b>		
Fair value of plan assets at beginning of the period	-	-
Expected return on plan assets	-	-
Employer contribution	-	-
Remeasurement of (Gain)/loss in other comprehensive income	-	-
<b>Fair value of plan assets at period end</b>	<b>-</b>	<b>-</b>
c) <b>Net defined benefit asset/ (liability) recognized in the balance sheet</b>		
Present value of defined benefit obligation	16.93	9.60
<b>Amount recognized in balance sheet- asset / (liability)</b>	<b>(16.93)</b>	<b>(9.60)</b>
d) <b>Net defined benefit expense (recognized in the statement of profit and loss for the period )</b>		
Current service cost	9.87	9.60
Interest cost on benefit obligation	0.72	-
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>10.59</b>	<b>9.60</b>
e) <b>Remeasurment (gain)/loss recognised in other comprehensive income</b>		
Actuarial changes arising from changes in financial assumptions	(0.49)	-
Actuarial changes arising from changes in experience adjustments	(1.23)	-
<b>Recognised in other comprehensive income</b>	<b>(1.71)</b>	<b>-</b>
f) <b>Broad categories of plan assets as a percentage of total assets</b>		
Insurer managed funds	0%	0%
g) <b>Principal assumptions used in determining defined benefit obligation</b>		
Discount rate	7.71%	7.50%
Salary escalation rate	10.00%	10.00%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%

(Rs. in Lacs)		
	for the year ended March 31, 2018	for the period March 22, 2016 to March 31, 2017
h) <b>Quantitative sensitivity analysis for significant assumptions is as below:</b>		
Increase / (decrease) on present value of defined benefits obligations at the end of the period		
Discount rate		
Increase by 0.50%	(1.27)	(0.74)
Decrease by 0.50%	1.40	0.82
Salary growth rate		
Increase by 0.50%	1.37	0.79
Decrease by 0.50%	(1.25)	(0.72)



(Rs. in Lacs)		
	for the year ended March 31, 2018	for the period March 22, 2016 to March 31, 2017
i) <b>Maturity profile of defined benefit obligation (valued on undiscounted basis)</b>		
Within the next 12 months (next annual reporting period)	0.04	0.02
Between 2 and 5 periods	3.86	0.86
Beyond 5 periods	13.04	8.72
<b>Total expected payments</b>	<b>16.93</b>	<b>9.60</b>

- i) The average duration of the defined benefit plan obligation at the end of the reporting period is 21 years (March 31, 2017 : 20 years)
- k) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
- l) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- m) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

### 28.01 Leave Encashment (unfunded)

The Company recognises the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation.

The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year :

(Rs. in Lacs)		
Particulars	for the year ended March 31, 2018	for the period March 22, 2016 to March 31, 2017
Liability at the beginning of the period	18.81	-
Benefits paid during the period	4.26	-
Provided during the period	19.68	18.81
<b>Liability at the end of the period</b>	<b>34.23</b>	<b>18.81</b>

### 29.0 Segment reporting

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

### 30 A) Acquisition of Wise Zone Builders Private Limited (Wise)

On April 29th 2017,the Group has acquired 100% stake in Wise Zone Builders Private Limited, a non-listed entity in India. The identifiable assets and liabilities of Wise as at the date of acquisition were:-

	Amount in Lakhs
<b>Assets</b>	
Inventories (Refer note (i))	50616.33
Cash and cash equivalents	0.87
	<b>50617.2</b>

	Amount in Lakhs
<b>Liabilities</b>	
Other non-current liabilities	4825.48
Short term borrowings	6315
Other current liabilities	39475.72
	<b>50,616.20</b>
<b>Total identifiable net assets at fair value</b>	1.00
<b>Purchase consideration transferred</b>	1.00
<b>Net Cash flows on acquisition</b>	1.00

- i) The Group has got 3352 sqmt of land in Delhi one Project situated at Plot no C 001/A, Sector 16, Noida
- (ii) The Group has taken over the liabilities payable to Piveta Estates Private Limited, related party and to the Noida Authority .

## **B) Approval from shareholders for cancellation of area purchase agreement**

Noida Authority had leased Plot No. C-001/A, Sector 16B, Noida admeasuring 40,056.72 square meters (Forty thousand fifty six point seventy two) (hereinafter referred to as the "Land") in favour of Boulevard Projects Private Limited ("BPPL"), the special purpose company of Vistar Constructions Private Limited, Three C Developers Private Limited, Advance Graphics Complogic Solutions Private Limited and Jaksons Limited for a term of ninety (90) years commencing from June 29, 2010 ("Lease Deed"). In terms of the said Lease Deed and after obtaining requisite approvals, BPPL initiated the process of constructing a commercial complex for commercial activities including hotel, commercial areas, office, retail outlets etc. by the name of 'Delhi One' ("Complex") on the Land.

Piveta Estates Private Limited ('Piveta'), an entity forming part of the Promoter group is a customer of BPPL who had executed an Agreement dated September 4, 2013 and an addendum thereto dated July 27, 2016 with BPPL for purchase of Super Built Up Area admeasuring 5,91,104 square feet (Five lakh ninety one thousand one hundred and four) alongwith car parking area, all passageways and other facilities at the Complex (referred as 'Piveta's Tower').

BPPL obtained an in-principle approval from Noida Authority dated February 3, 2017 for the sub-division of the Plot No. C-001/A, Sector-16B, Noida into sub plot no. C-1A/1, Sector 16B, Noida admeasuring 3,352 square meters (Three thousand three hundred fifty-two) containing Piveta's Tower ("Sub-Divided Plot") in favour of Wise Zone Builders Private Limited (then a wholly owned subsidiary of BPPL) ("Wise"). Subsequently, BPPL, Wise and the Noida Authority entered into a Sub-Lease Deed dated April 28, 2017 by which BPPL demised the Sub-Divided Plot on lease to Wise.

In the year 2013, Piveta sold out 115,000 sqft. collectively to (i) Max India Limited, now renamed as Max Financial Services Limited ('MFSL') and (ii) Max Life Insurance Company Limited ("MLIC") for Rs. 140.30 Crores.

Upon obtaining consent from Piveta, BPPL and Wise entered into a Novation Agreement dated April 29, 2017 under which BPPL novated its rights and obligations for development, further construction and conveyance of Piveta's Tower, and assets/area under construction in favour of Wise.

Thereafter, Max Estates Limited, a wholly owned subsidiary of the Company purchased 100% of the share capital of Wise by executing a share purchase agreement dated April 29, 2017. Basis the above, Wise became a step down wholly owned subsidiary of the Company w.e.f. April 29, 2017. Further, Noida Authority also recognized the change in shareholding pattern of Wise vide their letter dated October 26, 2017. Piveta requested Wise to cancel the entire Area Purchase Agreement dated September 4, 2013, addendum agreement dated July 27, 2016, Agreement 2 dated July 27, 2016 and all other related agreements executed by it for purchase of aggregate Super Built Up Area admeasuring 591,104 square feet along with car parking area, all passageways and other facilities at the Complex.

Piveta requested Wise to cancel the entire Area Purchase Agreement dated September 4, 2013, addendum agreement dated July 27, 2016, Agreement 2 dated July 27, 2016 and all other related agreements executed by it for purchase of aggregate Super Built Up Area admeasuring 591,104 square feet along with car parking area, all passageways and other facilities at the Complex

As a good governance, The Company has conducted the Postal Ballot process on November 7, 2017 to take approval from its shareholders on cancellation of area purchase agreement.

On December 19, 2017, Results of Postal ballot declared and shareholders has approved the transaction.

Consequent to above approval, rights and obligations of Piveta towards sale of 1,15,000 Sq.Ft. area to Max Financial Services Limited and Max Life Insurance Company Limited aggregating to Rs.140.30 Crores will be assigned/novated in favour of Wise.

The necessary accounting effect of above transaction has been considered.

### C) Other Commitments

The Company has entered into an Agreement To Sell with Pharmax Corporation Limited, related party for purchase of part of the building underlying land equivalent to fifty percent (50%) of the land parcel in lieu of the payment of an aggregate sale consideration of Rs.2700 lakhs.

- D)** The Company had signed an agreement with Trophy Estates Private Limited, Mr Analjit Singh and Analjit Singh HUF (collectively "land owners") on July 25, 2016 for development of land owners' land in Dehradun for which consideration payable to them was 27% of the sale proceeds of the developed property on such land by the subsidiary. As required by Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) ("Guidance Note"), development rights received from the land owner for development of land was required to be recognised in Inventory at Fair value, however, these rights were earlier recorded to the extent of non-refundable security deposit paid. The management has identified such adjustment only in current period together with certain other adjustments and hence figures in respect of 'Inventory' in Statement of Assets and Liabilities in the restated financial statements as at September 30, 2017 have been restated in accordance with Ind AS 8 and are Rs. 7,414.17 lacs as against Rs. 4,695.71 lacs in the Statement of Assets and Liabilities as per Limited review results as at September 30, 2017, 'Non- Current Trade Payables' are Rs. 484.93 lacs as against Nil, 'Current Trade Payables' are Rs. 3,440.56 lacs as against Rs. 1,612.41 lacs, 'Loans & Other Current Assets' are Rs.4,969.56 lacs as against 5,371.73 lacs (approved by the Board of Directors on February 14, 2018).

- E)** 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.

### 31.0 Financial instruments

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

Category	Carrying value			Fair Value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>1) Financial asset at amortized cost</b>						
<b>Current</b>						
Loans	9,766.01	-	-	9,766.01	-	-
<b>2) Financial liabilities at amortized cost</b>						
<b>Non Current</b>						
Borrowings	3.31	6.85	-	3.31	6.85	-
<b>Current</b>						
Borrowings	5,490.77	897.05	-	5,490.77	897.05	-
Other financial liabilities	301.14	22.15	-	301.14	22.15	-
<b>3) Financial asset carried at fair value through statement of profit &amp; loss</b>						
Current investments	1,120.73	-	-	1,120.73	-	-

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

### 31.1 Fair value hierarchy

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

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

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

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

- (i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2018

(Rs. in Lacs)				
Particulars	Carrying value March 31, 2018	Fair value		
		Level 1	Level 2	Level 3
Current				
Loans	9,766.01	-	9,766.01	-
Current investments	1,120.73	1,120.73	-	-

- (ii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2018

(Rs. in Lacs)				
Particulars	Carrying value March 31, 2018	Fair value		
		Level 1	Level 2	Level 3
<b>Non Current</b>				
Borrowings	3.31	-	3.31	-
<b>Current</b>				
Borrowings	5,490.77	-	5,490.77	-
Other financial liabilities	301.14	-	301.14	-

- (iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2017

(Rs. in Lacs)				
Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
<b>Non Current</b>				
Borrowings	6.85	-	6.85	-
<b>Current</b>				
Borrowings	897.05	-	897.05	-
Other financial liabilities	22.15	-	22.15	-

### 32.0 Financial risk management objectives and policies

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

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

#### a) Capital risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 11 and 14, cash and cash equivalents disclosed in note 8 and equity as disclosed in the statement of financial position.

**b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Investment and Performance Review Committee of the Board.

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2017 and March 31, 2018 based on contractual undiscounted payments :-

<b>March 31, 2017</b>	<b>0-1 Years</b>	<b>1-5 Years</b>	<b>More than 5 Years</b>	<b>Total</b>
Interest bearing borrowings	897.05	6.85		903.89
Trade payable	1,504.79	-	-	1,504.79
Other financial liabilities	19.07	-	-	19.07
<b>% to Total</b>	<b>99.72%</b>	<b>0.28%</b>	<b>0.00%</b>	<b>100.00%</b>
<b>March 31, 2018</b>				
Interest bearing borrowings	5,490.77	3.31		5,494.08
Trade payable	4,557.95	-	-	4,557.95
Other financial liabilities	297.60	-	-	297.60
<b>% to Total</b>	<b>99.97%</b>	<b>0.03%</b>	<b>0.00%</b>	<b>100.00%</b>

**c) Credit risk**

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

**(i) Trade receivables**

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

**Trade receivables**

<b>Particulars</b>	<b>(Rs. in Lacs)</b>	
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Neither past due or impaired	-	-
0 to 180 days due past due date	26.29	9.38
More than 180 days due past due date	-	-
<b>Total trade receivables</b>	<b>26.29</b>	<b>9.38</b>

**(ii) Financial instruments and cash deposit**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate

financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts as illustrated in note 31 and the liquidity table above.

#### d) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2018.

#### (i) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at fixed interest rate.

Period	(Rs. in Lacs)	
	Increase/decrease in interest rate	Impact on profit before tax
March 31, 2018	0.50%	27.45
March 31, 2017	0.50%	4.49

### 33.0 Related party 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
Subsidiary companies	Wise Zone Builders Private Limited
<b>Names of other related parties with whom transactions have taken place during the period</b>	
Key management personnel	Mr. Sahil Vachani (Director)
	Mrs. Tara Singh Vachani (Director)
	Mr. Arjunjit Singh (Director)
	Mr. Alok Goel - Company Secretary (upto 3rd October 2017)
	Ms. Sonia Bansal Arora- Company Secretary (w.e.f. 1st May 2018)
Individual owning interest in voting power	Mr. Analjit Singh
Entities controlled or jointly controlled by person or entities where person has significantly influence or entities where person having control is Key Management personnel	Piveta Estates Private Limited
	Siva Realty Ventures Private Limited
	Trophy Estates Private Limited
	Analjit Singh HUF
	Four Season Foundation
	Icare Health Projects & Research Private Limited
	Antara Purukul Senior Living Limited
	Max Healthcare Institute Limited
	Pharmax Corporation Limited
	Max Life Insurance Company Limited

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

				(Rs. in Lacs)
S.No	Nature of transaction	Particulars	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
1	Reimbursement of expenses (Received from)	Wise Zone Builders Private Limited	112.55	
		<b>Total</b>	<b>112.55</b>	-
2	Reimbursement of expenses (Paid to)	Max Ventures & Industries Limited	8.77	20.61
		Max Speciality Films Limited	0.39	1.78
		Piveta Estates Pvt Ltd	0.38	1.54
		Max Healthcare Institute Limited	0.26	0.12
		Max Life Insurance Co. Limited	1.31	1.41
		Icare Health Projects & Research Pvt Ltd	14.95	82.23
		Antara Purukul Senior Living Limited	0.78	-
		<b>Total</b>	<b>26.84</b>	<b>107.69</b>
3	Shared Services charges (paid to)	Max Ventures & Industries Limited	48.64	35.62
		<b>Total</b>	<b>48.64</b>	<b>35.62</b>
4	Shared Services charges (paid to) - Inventory/CWIP	Max Ventures & Industries Limited	268.98	192.34
		<b>Total</b>	<b>268.98</b>	<b>192.34</b>
5	Shared Services charges (rendered to)	Max Ventures & Industries Limited	24.33	5.98
		<b>Total</b>	<b>24.33</b>	<b>5.98</b>
6	Interest on Unsecured Loan (Paid to)	Max Ventures & Industries Limited	125.33	14.20
		<b>Total</b>	<b>125.33</b>	<b>14.20</b>
7	Interest on Unsecured Loan (Paid to) - Inventory/CWIP	Max Ventures & Industries Limited	182.91	23.46
		<b>Total</b>	<b>182.91</b>	<b>23.46</b>
8	Purchases of materials	Siva Realty Ventures Private Limited	-	15.61
		<b>Total</b>	<b>-</b>	<b>15.61</b>
9	Purchases of tangible assets	Max Ventures & Industries Limited	-	4.48
		Piveta Estates Pvt Ltd	4.00	-
		Siva Realty Ventures Private Limited	-	16.94
		Max Speciality Films Limited	1.91	-
		Trophy Estates Pvt Ltd	-	0.18
		<b>Total</b>	<b>5.91</b>	<b>21.60</b>
10	Key managerial remuneration - short term benefits	Arjunjit Singh	74.81	71.61
		<b>Total</b>	<b>74.81</b>	<b>71.61</b>
11	Key managerial remuneration - post employment benefits	Arjunjit Singh	2.83	2.64
		<b>Total</b>	<b>2.83</b>	<b>2.64</b>
12	Loan given (net)	Wise Zone Builders Private Limited	9,766.01	-
		<b>Total</b>	<b>9,766.01</b>	-
13	Loan taken	Max Ventures & Industries Limited	4,593.72	897.05
		<b>Total</b>	<b>4,593.72</b>	<b>897.05</b>
14	Compulsorily convertible debentures issued	Max Ventures & Industries Limited	9,000.00	-
		<b>Total</b>	<b>9,000.00</b>	-



				(Rs. in Lacs)
S.No	Nature of transaction	Particulars	For the year ended March 31, 2018	For the period March 22, 2016 to March 31, 2017
15	<b>Investment made</b>	Wise Zone Builders Private Limited	1.00	-
		<b>Total</b>	<b>1.00</b>	-
16	<b>Development Rights (taken)</b>	Trophy Estates Pvt Ltd	70.52	1,264.68
		Mr Analjit Singh	33.54	1,475.97
		Mr Analjit Singh HUF	14.29	256.25
		<b>Total</b>	<b>118.34</b>	<b>2,996.89</b>
17	<b>Development Cost (Initial Pay Back)</b>	Trophy Estates Pvt Ltd	-	426.22
		Mr Analjit Singh	-	497.43
		Mr Analjit Singh HUF	-	86.36
		<b>Total</b>	-	<b>1,010.01</b>
18	<b>Interest on Initial Capex Pay Back</b>	Trophy Estates Pvt Ltd	64.98	37.95
		Mr Analjit Singh	75.84	44.29
		Mr Analjit Singh HUF	13.17	7.69
		<b>Total</b>	<b>153.98</b>	<b>89.93</b>
19	<b>Advance against Land Purchase</b>	Pharmax Corporation Limited	202.02	-
		<b>Total</b>	<b>202.02</b>	-
20	<b>Advances recoverable in cash or in kind</b>	Pharmax Corporation Limited	29.64	-
		<b>Total</b>	<b>29.64</b>	-
21	<b>Reimbursement of expenses</b>	Pharmax Corporation Limited	156.39	-
		<b>Total</b>	<b>156.39</b>	-
22	<b>Secondment fees (received)</b>	Antara Purukul Senior Living Limited	14.01	39.71
		<b>Total</b>	<b>14.01</b>	<b>39.71</b>
23	<b>Project Management Consultancy (rendered to)</b>	Pharmax Corporation Limited	49.38	46.46
		Max Speciality Films Limited	20.00	-
		<b>Total</b>	<b>69.38</b>	<b>46.46</b>

\* 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.

(b) Balances outstanding at period end

				(Rs. in Lacs)
S. No.	Nature of transaction	Particulars	As at March 31, 2018	As at March 31, 2017
1	<b>Interest Accrued on Unsecured Loan</b>	Max Ventures & Industries Limited	293.18	15.76
		<b>Total</b>	<b>293.18</b>	<b>15.76</b>
2	<b>Loan outstanding</b>	Max Ventures & Industries Limited	5,490.77	897.05
		<b>Total</b>	<b>5,490.77</b>	<b>897.05</b>
3	<b>Compulsorily convertible debentures</b>	Max Ventures & Industries Limited	9,000.00	-
		<b>Total</b>	<b>9,000.00</b>	-
4	<b>Development Rights payable</b>	Trophy Estates Pvt Ltd	154.07	1,115.49
		Mr Analjit Singh	90.47	1,253.09
		Mr Analjit Singh HUF	31.21	226.02
		<b>Total</b>	<b>275.75</b>	<b>2,594.59</b>

(Rs. in Lacs)				
S. No.	Nature of transaction	Particulars	As at March 31, 2018	As at March 31, 2017
5	<b>Interest Liability on Initial Capex Pay Back</b>	Trophy Estates Pvt Ltd	92.63	34.16
		Mr Analjit Singh	77.43	28.55
		Mr Analjit Singh HUF	18.76	6.92
		<b>Total</b>	<b>188.82</b>	<b>69.63</b>
6	<b>Initial Pay Back (Construction &amp; Development Work)</b>	Trophy Estates Pvt Ltd	426.22	426.22
		Mr Analjit Singh	497.43	497.43
		Mr Analjit Singh HUF	86.36	86.36
		<b>Total</b>	<b>1,010.01</b>	<b>1,010.01</b>
7	<b>Trade payables and Capital Creditors</b>	Max Ventures & Industries Limited	76.22	39.81
		Max Speciality Films Limited	-	1.78
		Piveta Estates Private Limited	1.78	0.64
		Siva Realty Ventures Private Limited	7.77	8.77
		Four Season Foundation	0.18	0.18
		Max Healthcare Institute Limited	-	0.02
		Icare Health Projects & Research Pvt Ltd	-	75.08
		<b>Total</b>	<b>85.95</b>	<b>126.28</b>
8	<b>Trade receivables</b>	Antara Purukul Senior Living Limited	-	8.83
		Max Ventures & Industries Limited	26.28	-
		<b>Total</b>	<b>26.28</b>	<b>8.83</b>
9	<b>Other Receivables</b>	Wise Zone Builders Private Limited	117.87	-
		Max Life Insurance Co. Limited	0.38	-
		Pharmax Corporation Limited	231.66	-
		<b>Total</b>	<b>349.91</b>	-
10	<b>Loan Receivables</b>	Wise Zone Builders Private Limited	9,766.01	-
		<b>Total</b>	<b>9,766.01</b>	-
11	<b>Investment made</b>	Wise Zone Builders Pvt. Ltd.	1.00	-
		<b>Total</b>	<b>1.00</b>	-

#### Terms and conditions of transactions with related parties

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions
- There have been no guarantees provided or received for any related party receivables or payables

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

##### (a) Particulars of Loans given:

(Rs. in Lacs)						
Sr. No	Name of the Loanee	Opening Balance as on March 31, 2017	Loan given	Loan repaid	Closing Balance as on March 31, 2018	Purpose
1	Wise Zone Builders Pvt. Ltd.	-	9,766.01	-	9,766.01	Operational Cash Flow requirement

**(b) Particulars of Investments made in equity:**

(Rs. in Lacs)						
Sr. No	Name of the Investee	Opening Balance as on March 31, 2017	Investment made	Investment redeemed	Closing Balance as on March 31, 2018	Purpose
<b>Investment in subsidiaries</b>						
1	Wise Zone Builders Pvt. Ltd.	-	1.00	1.00	-	Strategic investment

**35.00 A. Reconciliation statement of equity as previously reported under IGAAP to Ind AS**

(Rs. in Lacs)			
	Balance sheet as at March 31, 2017		
	IGAAP	Adjustment	Ind AS
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	33.28	-	33.28
Capital work-in-progress	273.06	-	273.06
Intangible assets	12.02	-	12.02
Deferred tax assets	5.08	-	5.08
Other non current assets		14.87	14.87
	<b>323.44</b>	<b>14.87</b>	<b>338.31</b>
<b>Current assets</b>			
Inventories	2,618.30	2,594.74	5,213.04
Financial assets			
Trade receivables	9.38	-	9.38
Cash and cash equivalents	55.41	-	55.41
Other bank balances	-	7.98	7.98
Other current assets	619.37	(410.17)	209.22
Current tax assets	14.87	(14.87)	-
	<b>3,317.34</b>	<b>2,177.68</b>	<b>5,495.03</b>
<b>TOTAL ASSETS</b>	<b>3,640.78</b>	<b>2,192.55</b>	<b>5,833.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	800.00	-	800.00
Other equity	(282.54)	-	(282.54)
<b>Total Equity</b>	<b>517.46</b>	<b>-</b>	<b>517.46</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
Borrowings	6.85	-	6.85
Trade payables	-	2,033.42	2,033.42
Long term provisions	27.96	-	27.96
	<b>34.81</b>	<b>2,033.42</b>	<b>2,068.23</b>
<b>Current liabilities</b>			
Financial Liabilities			
Borrowings	897.05	-	897.05
Trade payables	1,345.66	159.13	1,504.79
Other financial liabilities	22.15	-	22.15
Short term provisions	0.45	-	0.45
Other current financial liabilities	823.21	-	823.21
	<b>3,088.52</b>	<b>159.13</b>	<b>3,247.65</b>
<b>TOTAL LIABILITIES</b>	<b>3,123.32</b>	<b>2,192.55</b>	<b>5,315.88</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,640.78</b>	<b>2,192.55</b>	<b>5,833.34</b>

**36.00 Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS**

	(Rs. in Lacs)		
	<b>for the period March 22, 2016 to March 31, 2017</b>		
	<b>IGAAP</b>	<b>Adjustment</b>	<b>Ind AS</b>
<b>INCOME</b>			
Revenue from operations	92.15	-	92.15
Other income		-	-
<b>Total income</b>	<b>92.15</b>	<b>-</b>	<b>92.15</b>
<b>Expenses</b>			
Cost of material consumed, construction & other related project cost	2,510.16	-	5,104.90
(Increase)/decrease in inventories of finished goods and work-in-progress	(2,510.16)	-	(5,104.90)
Employee benefits expense	183.79	-	183.79
Depreciation and amortization expense	7.64	-	7.64
Finance costs	14.40	-	14.40
Other expenses	173.93	-	173.93
<b>Total expense</b>	<b>379.77</b>	<b>-</b>	<b>379.77</b>
Loss before tax	(287.62)	-	(287.62)
Tax expenses	(5.08)	-	(5.08)
Loss for the period	(282.54)	-	(282.54)
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans	-	-	-
Income tax effect	-	-	-
Other comprehensive income for the period, net of tax	-	-	-
<b>Total comprehensive income for the period, net of tax</b>	<b>(282.54)</b>	<b>-</b>	<b>(282.54)</b>

**37.00 First-time adoption of Ind AS (Exception and exemption availed)**

These financial statements, for the period ended March 31, 2018, are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for period ended on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies.

**Ind-AS optional exemption**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

**Investments in subsidiaries**

Ind AS 101 permits the first time adopter to measure investment in subsidiaries, joint ventures and associates in accordance with Ind AS 27 at one of the following:

- a) cost determined in accordance with Ind AS 27 or
- b) Deemed cost:
  - (i) fair value at date of transition
  - (ii) previous GAAP carrying amount at that date.

The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition to Ind AS as its deemed cost for the purpose of determining cost in accordance with principles of IND AS 27- "Separate financial statements".

### **Ind AS mandatory exceptions**

#### **Estimates**

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

#### **Derecognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

#### **Classification of financial assets and liabilities**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

#### **Impairment of financial assets**

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

#### **Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)**

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

### **38 Capital Management**

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

	(Rs. In lacs)	
	As at March 31, 2018	As at March 31, 2017
Borrowings	5,494.08	903.89
Trade payables	4,557.95	3,538.21
Less: Cash and Cash equivalents	20.34	55.41
Net Debt	10,031.69	4,386.69
Equity	9,123.39	517.46
Total Equity	<b>9,123.39</b>	<b>517.46</b>
Total Capital and net debt	<b>19,155.08</b>	<b>4,904.15</b>
Gearing ratio	110%	848%

### 39 Revenue related disclosures

Disclosure in respect of projects under the Guidance Note on "Accounting for Real Estate Transactions":

	(Rs. In lacs)	
	As at March 31, 2018	As at March 31, 2017
Amount of project revenue recognised as revenue during the period	-	-
Aggregate amount of costs incurred and profits recognised to date	-	-
Amount of advances received	-	763.27
Amount of work-in-progress and value of inventories	6,870.48	5,213.04
Excess of revenue recognised over actual bills raised (unbilled revenue)	-	-

### 40 Details of prepaid cost

	(Rs. In lacs)	
Particulars	As at March 31, 2018	As at March 31, 2017
Architect & consultants	112.39	-
Cost of increase in floor area ratio	142.18	-
Legal & professional charges	40.14	-
Establishment Expenses	5.66	-
Employees Cost	57.39	-
Other administrative expenses	0.41	-
Finance cost	21.00	-
<b>Total</b>	<b>379.17</b>	<b>-</b>

**41** The figures have been rounded off to the nearest Lacs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-.

**42** Figures relating March 31, 2017 has been regrouped/reclassified wherever necessary to make them comparable with the current period/period figures.

**43** Note No.1 to 43 form integral part of the Balance sheet and Statement of profit and loss.

The accompanying notes are integral part of the financial statements

**DINESH KUMAR BACHCHAS**

Partner

Membership No. 097820

For and on behalf of

**K.K.MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Date: May 15, 2018

For and on behalf of the Board of Directors of Max Estates Limited

**Sahil Vachani**

(Director)

(DIN 00761695)

**Sonia Bansal Arora**

(Company Secretary)

(ACS- 23334)

**Arjunjit Singh**

(Director)

(DIN- 06893703)

**MAX LEARNING LIMITED**



# DIRECTORS' REPORT

## Dear Shareholders,

Your Directors have great pleasure in presenting the Second Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2018.

## FINANCIAL REVIEW

Pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 4(1)(iii) of Companies (Indian Accounting Standards) Rules, 2015, Indian Accounting Standards ('IND AS') become applicable to the Company effective from FY 2017-18 and accordingly the financials for the year ended March 31, 2018 have been prepared as per IND AS.

## Financial Performance

(Rs. in '000)

Particulars	From April 01, 2017 to March 31, 2018	From August 23, 2016 to March 31, 2017
<b>Income</b>		
Revenue from Operations	-	-
Other Income	1,190	13
<b>Total Revenues</b>	<b>1,190</b>	<b>13</b>
<b>Expenses</b>		
Employee benefits expense	29,840	11,035
Finance costs	4,347	166
Depreciation and amortization expense	1,244	187
Other Expenses	28,635	19,136
<b>Total Expenses</b>	<b>64,066</b>	<b>30,524</b>
<b>Net Profit/ (Loss) Before Tax</b>	<b>(62,876)</b>	<b>(30,511)</b>
<b>Tax expenses</b>		
Current tax	-	-
Less: MAT credit entitlement	-	-
Deferred tax	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>
<b>Net Profit/ (Loss) After Tax</b>	<b>(62,876)</b>	<b>(30,511)</b>
<b>EPS</b>	<b>(30.67)</b>	<b>(47.14)</b>

## Dividend

The Company has not earned profit during the year and hence the Board of Directors of the Company does not recommend any dividend for the year ended March 31, 2018 on the Equity Share Capital of the Company.

## Transfer to Reserves

Since there were no profits during the year under review, the Company did not transfer any amount to the General Reserve.

**OPERATIONS REVIEW****Operational Performance**

The Company was evaluating and exploring opportunities in the education business. The Company believes that there are limited high-quality schools and a lack of infrastructure in the state and private education sectors in India and other jurisdictions. Further, there is a significant gap in the demand and supply of quality education specifically in respect of academic innovation, character development and mental and physical wellbeing of students. The Company endeavor to use this opportunity not only in terms of business but also in terms of making a significant positive social impact by providing high-quality education through K-12 schools and by offering management services to the existing schools.

Currently, considering the explorative phase of the education sector, regulatory challenges, market uncertainties and the overall landscape of education industry, it is decided to go slow in the education verticle for the time being and evaluate the opportunities at a later time in future.

**SHARE CAPITAL**

The Authorized Share Capital of the Company as on March 31, 2018 was Rs. 5,00,00,000/- (Rupees Five Crores only) comprising of 50,00,000 (Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten only) each.

The Paid-up Capital of the Company as on March 31, 2018 was Rs. 2,05,00,000/- (Rupees Two Crores and Five Lakhs only) comprising of 20,50,000 (Twenty Lakhs Fifty Thousand) equity shares of Rs. 10/- (Rupees Ten only) each.

**HOLDING COMPANY/ SUBSIDIARY COMPANY(S) / ASSOCIATES / JOINT VENTURES**

Your Company is a wholly owned subsidiary of Max Ventures and Industries Limited.

The Company did not have any subsidiary company, associate or joint venture during the year under review.

**BOARD OF DIRECTORS**

The Board of your Company consists of three (3) Directors as on March 31, 2018 viz. Mr. Sahil Vachani, Mrs. Tara Singh Vachani and Mr. Rohit Rajput.

During the year under review, following changes took place:

Mr. Alok Goel resigned from the position of Director on September 28, 2017. The Board places on record the appreciation for the valuable contributions made by him during his association with the Company. Mr. Rohit Rajput was co-opted as an Additional Director on September 28, 2017. His term of office expires on the date of ensuing Annual General Meeting ('AGM') of the Company and is eligible for appointment.

The Company has received notice under Section 160 of the Act from Max Ventures and Industries Limited proposing the candidature of Mr. Rohit Rajput, additional director for being appointed as Director of the Company. The Board of Directors recommend to the shareholders for his appointment as Director of the Company.

In terms of Articles of Association of the Company and pursuant to the provisions of Section 152 of the Act, Mrs. Tara Singh Vachani, Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible, offer herself for re-appointment. The Board of Directors recommends her re-appointment for the consideration of the members of the Company at the ensuing AGM of the Company.

The Board met seven times during the year under review which is as follows:

S. No.	Date of Meeting	Board Strength	No. of Directors present
1.	April 25, 2017	3	3
2.	May 22, 2017	3	3
3.	August 01, 2017	3	3
4.	September 28, 2017	4	4
5.	October 30, 2017	3	3
6.	February 12, 2018	3	3
7.	February 14, 2018	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	07	07
Mrs. Tara Singh Vachani	Director	07	07
Mr. Alok Goel #	Director	04	04
Mr. Rohit Rajput @	Director	04	04

# Resigned from the position of Director w.e.f. September 28, 2017.

@ Appointed as an Additional Director w.e.f. September 28, 2017.

## KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Sonia Bansal Arora was appointed as the Company Secretary of the Company w.e.f. August 01, 2017 and resigned from her position on April 30, 2018.

## COMMITTEES OF BOARD OF DIRECTORS

During the year under review, the Company was not required to constitute any committee of Board of Directors in terms of provisions of the Act and the rules made there under.

## STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

During the year under review, the Company was not required to appoint Independent Directors under section 149(4) of the Act and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence no such declaration is required.

## 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.

## 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, 2018 and the date of this Board's Report.

## 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 provisions of Section 139 and other applicable provisions, if any, of the Act, M/s. K.K Mankeshwar & Co., Chartered Accountants (FRN – 106009W) were appointed as the Statutory Auditors of the Company at AGM held on September 26, 2017 to hold office till the conclusion of the 5<sup>th</sup> AGM of the Company to be held in the year 2022, subject to ratification of their appointment in every AGM held during their tenure.

However, in view of the notification dated May 07, 2018 issued by the Ministry of Corporate Affairs, requirement for ratification of appointment of auditor by shareholders has been done away.

The Company has received a letter from M/s. K.K Mankeshwar & Co., Chartered Accountants, to the effect that their ratification as Statutory Auditors of the Company is within the prescribed limits under Section 139 of the Act and they are not disqualified for their appointment. Accordingly, the Board ratifies the appointment of M/s. K.K Mankeshwar & Co., Chartered Accountants, as Statutory Auditors of the Company for the financial year 2018-19.

There are no audit qualifications in the Statutory Auditors Report given by M/s K.K Mankeshwar, Statutory Auditors of the Company for FY 2017-18 as annexed to this Annual Report.

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

### **COST RECORDS**

During the year under review, the provisions of Section 148(1) of the Act relating to maintenance of cost records does not apply to 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 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**

During the year under review, 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 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 Companies (Accounts) Rules, 2014 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 Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return as at March 31, 2018 forms part of this report as '**Annexure –2**'.

## PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Act and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, 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 year under review impacting the going concern status and your Company's operations in future.

## SECRETARIAL STANDARDS

The Company complies with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

## 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 employees for their performance during the year.

For and on behalf of the Board of Directors  
For **MAX LEARNING LIMITED**

Place: Noida, U.P.  
Date: August 28, 2018

**Sahil Vachani**  
**Director**  
**DIN: 00761695**

**Rohit Rajput**  
**Director**  
**DIN:07944150**

**Annexure- 1****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/ 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	:	149.32 Lakhs

## ANNEXURE - 2

## FORM MGT-9

## Extract of Annual Return as on the financial year ended on March 31, 2018

[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, District 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.	<b>Max Ventures and Industries Limited*</b> 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab – 144 533	L85100PB2015PLC039204	Holding Company	100	2(46)

\* holds 100% shares of the Company with 6 (six) individual nominee shareholders.

## 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 01, 2017				No. of Shares held on March 31, 2018				% Change during the year
	Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
a)	Individual/HUF#	-	6	6	0.00	-	6	6	0.00	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	20,49,994	20,49,994	100.00	-	20,49,994	20,49,994	100.00	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	-	<b>20,50,000</b>	<b>20,50,000</b>	<b>100.00</b>	-	<b>20,50,000</b>	<b>20,50,000</b>	<b>100.00</b>	-



Sl. No.	Category of Shareholders Particulars	No. of Shares held on April 01, 2017				No. of Shares held on March 31, 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2</b>	<b>Foreign</b>									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter &amp; Promoter Group [(A) = (A)(1) + (A)(2)]</b>	-	20,50,000	20,50,000	100.00	-	20,50,000	20,50,000	100.00	-
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
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)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2</b>	<b>Non-Institutions</b>									
<b>a)</b>	<b>Bodies Corp.</b>									
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
<b>b)</b>	<b>Individuals</b>									
i)	holding shares upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii)	holding shares above Rs.1 lakh	-	-	-	-	-	-	-	-	-
<b>c)</b>	<b>NBFCs Registered with RBI</b>	-	-	-	-	-	-	-	-	-
<b>d)</b>	<b>Employees Trusts</b>	-	-	-	-	-	-	-	-	-
<b>c)</b>	<b>Any Others</b>	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding [(B)=(B)(1)+(B)(2)]</b>	-	-	-	-	-	-	-	-	-
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	-	20,50,000	20,50,000	100	-	20,50,000	20,50,000	100	-

# Shares held as nominees of Max Ventures and Industries Limited

## (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 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	20,49,994	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	-	-
	<b>Total</b>	<b>20,50,000</b>	<b>100.00</b>	<b>-</b>	<b>20,50,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

# 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
<b>1</b>	<b>Max Ventures and Industries Limited</b>				
	At the beginning of the year	20,49,994	100.00		
	Date wise increase / decrease	-	-	20,49,994	100.00
	At the end of year	20,49,994	100.00		
<b>2</b>	<b>Mr. Sahil Vachani#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>3</b>	<b>Mr. Arjunjit Singh #</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>4</b>	<b>Mr. Nitin Kumar Kansal#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>5</b>	<b>Mr. Amit Jain#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>6</b>	<b>Mr. Navneet Narayan Malhotra#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	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	No. of Shares	% of total shares
<b>7</b>	<b>Mr. Manohar Kumar#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	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
<b>1.</b>	<b>Mr. Sahil Vachani#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		

# Shares held as nominee 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	Buyers credit - Capex	Cash Credit	Car Loan			
Indebtedness at the beginning 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				-	0.48		0.48
Total (i+ii+iii)				21.43	45.48		66.91
Change in Indebtedness during the financial year							
Addition				-	724.47		724.47
Reduction				3.99	-		3.99
Net Change				3.99	724.47		720.48
Indebtedness at the end of the financial year							
i) Principal Amount				17.44	733.00		750.44
ii) Interest due but not paid				-	-		-
iii) Interest accrued but not due				-	36.95		36.95
Total (i + ii + iii)				17.44	769.95		787.39

**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: **Nil**.

**VII. Penalties / Punishment / Compounding of offences: Nil**

**ANNEXURE - 3****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 (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	Dr. Peter McLaughlin	Chief Executive Officer	65	1,52,16,899	BA (Hons), PhD, Post-doctoral Research Fellow	43	14-Oct-16	The Doon School

**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.	Elizabeth Jane Clarke	Director - Admissions & Marketing	50	50,22,568	BA (Hons), PGDL (Law)	25	14-Oct-16	The Doon School
2.	Jyoti Sethi	Executive Assistant	39	13,81,585	Professional Secretarial Diploma, B.Com.	16	20-Jan-17	Religare Enterprises Limited
3.	Sonia Bansal Arora	Senior Manager	32	12,74,891	LLB, CS, B.Com. (Hons.)	9.5	1-Aug-17	Jubilant Foodworks Limited
4.	Sumit Singh	Assistant Manager	33	2,67,357	Post Graduate Diploma in Business Administration; B.Com.	10	13-Nov-17	Vana Therapiya Private Limited
5.	Rahul Rohra*	Assistant Manager	32	3,71,416	CA (Intermediate), B.Com.	13	30-Aug-16	Fenesta Building Systems Ltd.

\*Ceased to be an employee w.e.f. October 27, 2017.

**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 MAX LEARNING LIMITED

## REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of M/s Max Learning Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as 'Ind AS financial statements').

### Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity 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 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, Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;
  - e. On the basis of the written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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.

**DINESH KUMAR BACHCHAS**

*Partner*

Membership No. 097820

For and on Behalf of

**K. K. MANKESHWAR & CO.**

*Chartered Accountants*

FRN: 106009W

Place : Noida

Dated : 15<sup>th</sup> May, 2018

**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 Ind AS financial statements for the period ended March 31, 2018, we report that:

1. (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) As the Company does not held 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. 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, 2018 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 2018 which have not been deposited on account of disputes.
8. According to the information and explanations give to us and based on our examination of the records of the Company has not defaulted in repayment of dues to any to 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 Ind AS 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

Dated : 15<sup>th</sup> May, 2018

## **“ANNEXURE B” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE IND AS 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, 2018 in conjunction with our audit of the Ind AS 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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, 2018, 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

Dated : 15<sup>th</sup> May, 2018

# Balance sheet

as at March 31, 2018

		(Rs. in '000)	
	Notes	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,906	3,023
Intangible assets	4	1,962	-
Intangible assets under development	4	19,401	4,341
Financial assets	5		
(i) Loans		461	414
Other non-Current tax assets	6	24	24
		<b>24,753</b>	<b>7,802</b>
<b>Current assets</b>			
Financial assets	7		
(i) Cash and cash equivalents		1,436	273
Other current assets	8	6,097	1,954
		<b>7,533</b>	<b>2,227</b>
<b>TOTAL ASSETS</b>		<b>32,286</b>	<b>10,029</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	20,500	20,500
Other equity	9	(93,455)	(30,511)
<b>Total equity</b>		<b>(72,955)</b>	<b>(10,011)</b>
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	10	885	1,744
Provisions	11	1,368	428
		<b>2,253</b>	<b>2,172</b>
<b>Current liabilities</b>			
Financial liabilities	12		
(i) Borrowings		76,995	4,548
(ii) Trade payables		22,159	11,110
(iii) Other financial liabilities		859	399
Provisions	13	1,020	99
Other current liabilities	14	1,955	1,712
		<b>102,988</b>	<b>17,868</b>
<b>TOTAL LIABILITIES</b>		<b>105,241</b>	<b>20,040</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32,286</b>	<b>10,029</b>
Summary of significant accounting policies			
Other notes on accounts	2 3-31		

The accompanying notes are integral part of the financial statements

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  
**K .K. MANKESHWAR & CO.**  
Chartered Accountants  
FRN: 106009W

**Rohit Rajput**  
(Director)  
(DIN: 07944150)

**Sahil Vachani**  
(Director)  
(DIN: 00761695)

Place : Noida  
Date : 15<sup>th</sup> May, 2018

Place : Noida  
Date : 15<sup>th</sup> May, 2018

# Statement of profit and loss

for the year ended March 31, 2018

		(Rs. in '000)	
	Notes	for the year ended March 31, 2018	for the period August 23, 2016 to March 31, 2017
<b>INCOME</b>			
Other income	15	1,190	13
<b>Total income</b>		<b>1,190</b>	<b>13</b>
<b>EXPENSES</b>			
Employee benefits expense	16	29,840	11,035
Finance costs	17	4,347	166
Depreciation and amortization expense	18	1,244	187
Other expenses	19	28,635	19,136
<b>Total expenses</b>		<b>64,066</b>	<b>30,524</b>
<b>Profit/(Loss) before tax</b>		<b>(62,876)</b>	<b>(30,511)</b>
<b>Tax expenses</b>		-	-
<b>Total tax expense</b>		-	-
<b>Profit/(Loss) after tax</b>		<b>(62,876)</b>	<b>(30,511)</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans		(68)	-
Income tax effect		-	-
		<b>(68)</b>	-
Other comprehensive income for the year, net of tax		<b>(68)</b>	-
Total comprehensive income for the year, net of tax.		(62,944)	(30,511)
<b>Earnings per equity share (Nominal Value of share Rs.10/-)</b>	20		
Basic (Rs.)		(30.67)	(47.14)
Diluted (Rs.)		(30.67)	(47.14)
Summary of significant accounting policies	2		
Other notes on accounts	3-31		

The accompanying notes are integral part of the financial statements

**DINESH KUMAR BACHCHAS**

Partner

Membership No 097820

For and on behalf of  
**K .K. MANKESHWAR & CO.**  
Chartered Accountants  
FRN: 106009W

Place : Noida  
Date : 15<sup>th</sup> May, 2018

For and on behalf of the Board of Directors of Max Learning Limited

**Rohit Rajput**  
(Director)  
(DIN: 07944150)

Place : Noida  
Date : 15<sup>th</sup> May, 2018

**Sahil Vachani**  
(Director)  
(DIN: 00761695)

# Statement of cash flows

for the year ended March 31, 2018

		(Rs. in '000)
	for the year ended March 31, 2018	for the period August 23, 2016 to March 31, 2017
<b>Cash flow from operating activities</b>		
Loss before tax	(62,876)	(30,511)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	584	187
Amortization of intangible assets	660	-
Amount written back	(1,143)	-
Unwinding of discount on Security deposit	(47)	(13)
Finance costs (including fair value change in financial instruments)	4,346	166
<b>Operating profit before working capital changes</b>	<b>(58,476)</b>	<b>(30,171)</b>
<b>Working capital adjustments:</b>		
Movements in provisions and gratuity	1,793	526
(Increase)/decrease in trade and other receivables and prepayments	(4,142)	(2,355)
Increase/(decrease) in trade and other payables	12,435	12,823
<b>Cash generated from operations</b>	<b>(48,390)</b>	<b>(19,177)</b>
Income tax paid	-	(24)
<b>Net cash flow used in operating activities</b>	<b>(48,390)</b>	<b>(19,201)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(18,148)	(7,551)
<b>Net cash flow used in investing activities</b>	<b>(18,148)</b>	<b>(7,551)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital including security premium, net of expenses incurred for shares issued	-	20,500
Interest paid and other bank charges	(4,347)	(166)
Proceeds from short-term borrowings	72,447	4,548
Proceeds from long-term borrowings	-	2,143
Repayment of long-term borrowings	(399)	-
<b>Net cash flow from financing activities</b>	<b>67,701</b>	<b>27,025</b>
Net increase/(decrease) in cash and cash equivalents	1,163	273
Cash and cash equivalents at the beginning of the year	273	-
<b>Cash and cash equivalents at year end</b>	<b>1,436</b>	<b>273</b>

## Components of cash and cash equivalents :-□

		(Rs. in '000)
	As at March 31, 2018	As at March 31, 2017
<b>Balances with banks:</b>		
On current accounts	1,436	273
	<b>1,436</b>	<b>273</b>
Summary of significant accounting policies		
Other notes on accounts		

The accompanying notes are integral part of the financial statements

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  
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**Rohit Rajput**  
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(DIN: 07944150)

**Sahil Vachani**  
(Director)  
(DIN: 00761695)

Place : Noida  
Date : 15<sup>th</sup> May, 2018

Place : Noida  
Date : 15<sup>th</sup> May, 2018

# Statement of changes in equity

for the year ended March 31, 2018

## a) Equity share capital

Particulars	(Nos. )	(Rs. in '000)
<b>As at August 23, 2016</b>		
Add: Equity share issued at incorporation of the Company	50,000	500.00
Add: Equity share issued during the period (refer note 9 )	2,000,000	20,000
<b>As at March 31, 2017</b>	<b>2,050,000</b>	<b>20,500</b>
Add: Equity share issued during the period	-	-
<b>As at March 31, 2018</b>	<b>2,050,000</b>	<b>20,500</b>

## b) Other equity

Particulars	Reserves and surplus		(Rs. in '000)
	Retained earnings	Other comprehensive income	Total equity
<b>As at August 23, 2016</b>	-	-	-
Loss for the period	(30,511)	-	(30,511)
<b>As at March 31, 2017</b>	<b>(30,511)</b>	-	<b>(30,511)</b>
Profit for the period	(62,876)	(68)	(62,944)
<b>As at March 31, 2018</b>	<b>(93,387)</b>	<b>(68)</b>	<b>(93,455)</b>

Summary of significant accounting policies

2

Other notes on accounts

3-31

The accompanying notes are integral part of the financial statements

**DINESH KUMAR BACHCHAS**

Partner

Membership No 097820

For and on behalf of  
**K .K. MANKESHWAR & CO.**  
Chartered Accountants  
FRN: 106009W

Place : Noida  
Date : 15<sup>th</sup> May, 2018

For and on behalf of the Board of Directors of Max Learning Limited

**Rohit Rajput**  
(Director)  
(DIN: 07944150)

Place : Noida  
Date : 15<sup>th</sup> May, 2018

**Sahil Vachani**  
(Director)  
(DIN: 00761695)



**Max Learning Limited****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/establishing schools. Registered office of the Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab - 144533

The financial statements were authorised for issue in accordance with a resolution of the directors on May 15, 2018

**2 Significant accounting policies****2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rule, 2015. For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statements which has been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standards Rules, 2015. Refer note 28 for information on how the company has adopted Ind AS.

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

- (i) Certain financial assets and liabilities

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

**2.2 Summary of significant accounting policies****a. Current versus non-current classification**

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

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

**b. Property, Plant and Equipment**

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

cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

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

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

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

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

<b>Assets</b>	<b>Useful lives estimated by the management (years)</b>
Furniture and fixtures	10 Years
Office equipment	3 - 5 Years
Computers	3- 6 Years
Vehicles	3 - 8 Years

Leasehold improvements Over life of lease or life of asset whichever is less

### 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 intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 3-6 years.

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- (a) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- (b) Its intention to complete and its ability and intention to use or sell the asset
- (c) How the asset will generate future economic benefits
- (d) The availability of resources to complete the asset
- (e) The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

During the period of development, the asset is tested for impairment annually.

#### **d. Impairment of non financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net 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 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 the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

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

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

#### **e. Financial Instruments**

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

##### **(i) Financial assets**

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

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

### **Initial recognition and measurement**

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

### **Subsequent measurement**

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

- (i) Debt instruments at amortized cost
- (ii) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

### **Debt instruments at amortized cost**

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

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are

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

### **Debt instruments at FVTPL**

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

### **Equity investments of other entities**

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

### **Derecognition**

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

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
  - (a) the Company has transferred the rights to receive cash flows from the financial assets or
  - (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the Company has neither transferred a financial asset nor retains

substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

### **Impairment of financial assets**

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

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

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

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

instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12- months ECL.

### **Reclassification of financial assets**

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

## **(ii) Financial liabilities**

### **Initial recognition and measurement**

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

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

### **Trade Payables**

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

### **Financial liabilities at fair value through profit or loss**

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

### **Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are



derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

### **Derecognition**

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

### **Offsetting of financial instruments**

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

## **f. 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:

### **Gain on sale of Investments**

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

### **Interest Income**

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

## **g. Taxes**

### **Current income tax**

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

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

### **Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

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

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

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

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

#### **h. Borrowing costs**

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

#### **i. Provision and Contingent liabilities**

##### **Provisions**

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

#### **Contingent liabilities**

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

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

#### **j. Employee benefits**

##### **Gratuity**

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

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

- (i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.
- (ii) Net interest expenses or income

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability),



are recognized immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

### **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 Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

### **Short-term obligations**

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

### **k. Cash and cash equivalents**

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

### **l. Earning per share**

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

### **m. Foreign currencies**

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

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising on settlement or translation of monetary items are recognized

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

#### **n. Fair value measurement**

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

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

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

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

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

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

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to

the fair value measurement is directly or indirectly observable

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

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

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

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

### **2.3 Significant accounting judgements, estimates and assumptions**

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

#### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters

available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 27.3.

(b) Fair value measurement of financial instrument

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

risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(c) Impairment of Financial assets

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

(d) Impairment of non-Financial assets

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

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

	(Rs. in '000)						
	Leasehold improvements	Plant and equipment	Furniture and fixture	Motor vehicles *	Computers and data processing units	Total	Capital work in progress**
<b>At cost</b>							
<b>As at August 23, 2016</b>	-	-	-	-	-	-	-
Additions	71	303	-	2,668	168	3,210	-
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>71</b>	<b>303</b>	<b>-</b>	<b>2,668</b>	<b>168</b>	<b>3,210</b>	<b>-</b>
Additions	288	116	19	-	43	466	20,513
Disposals***	-	-	-	-	-	-	20,513
<b>As at March 31, 2018</b>	<b>359</b>	<b>419</b>	<b>19</b>	<b>2,668</b>	<b>211</b>	<b>3,676</b>	<b>-</b>
<b>Depreciation</b>							
<b>As at August 23, 2016</b>	-	-	-	-	-	-	-
Additions	0	6	-	154	26	187	-
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>0</b>	<b>6</b>	<b>-</b>	<b>154</b>	<b>26</b>	<b>187</b>	<b>-</b>
Additions	123	78	3	317	63	584	-
Disposals	-	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>123</b>	<b>84</b>	<b>3</b>	<b>471</b>	<b>89</b>	<b>770</b>	<b>-</b>
<b>Net carrying amount</b>							
<b>As at March 31, 2018</b>	<b>236</b>	<b>335</b>	<b>16</b>	<b>2,197</b>	<b>122</b>	<b>2,906</b>	<b>-</b>
<b>As at March 31, 2017</b>	<b>71</b>	<b>297</b>	<b>-</b>	<b>2,514</b>	<b>142</b>	<b>3,023</b>	<b>-</b>

\*Motor vehicles amounting to Rs. 2668 thousands (March 31, 2017 - Rs. 2668 thousands) subject to charge against vehicle loan. Refer note no 10

\*\* Include salaries ,travel cost, rent, consultancy fees

\*\*\* Charged to profit and loss account in various expenses

**4 Intangible assets**

	(Rs. in '000)			
	Software licenses	Books-ISC #	Total	Intangible assets under development
<b>At cost</b>				
<b>As at August 23, 2016</b>	-	-	-	-
Additions	-	-	-	4,341
Disposals	-	-	-	-
<b>As at March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,341</b>
Additions	26	2,596	2,622	15,060
Disposals	-	-	-	-
<b>As at March 31, 2018</b>	<b>26</b>	<b>2,596</b>	<b>2,622</b>	<b>19,401</b>
<b>Amortization</b>				
<b>As at August 23, 2016</b>	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
<b>As at March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Additions	8	652	660	-
Disposals	-	-	-	-
<b>As at March 31, 2018</b>	<b>8</b>	<b>652</b>	<b>660</b>	<b>-</b>
<b>Net carrying amount</b>				
<b>As at March 31, 2018</b>	<b>19</b>	<b>1,944</b>	<b>1,962</b>	<b>19,401</b>
<b>As at March 31, 2017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,341</b>

# Includes fees paid to architect and circulum development  
466/ Max Learning Limited

**5. Non-current financial assets**

(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017
Loans (Valued at amortized cost) (unsecured considered good)		
Security deposits	461	414
	<b>461</b>	<b>414</b>

**6. Other non-current tax assets**

(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017
Tax deducted at source recoverable	24	24
	<b>24</b>	<b>24</b>

**7. Current financial assets**

(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents		
Balances with banks:		
On current accounts	1,436	273
	<b>1,436</b>	<b>273</b>

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

(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
- Other advances	72	415
Balance with Statutory	5,584	1,194
Prepaid expenses	441	345
	<b>6,097</b>	<b>1,954</b>

**9. Share capital and other equity****(i) Equity share capital****a) Authorized**

(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017
50,00,000 ( March 31, 2017 - 50,00,000) equity shares of Rs.10/- each	50,000	50,000
	<b>50,000</b>	<b>50,000</b>
<b>Issued, subscribed and fully paid-up</b>		
20,50,000 ( March 31, 2017 - 20,50,000) equity shares of Rs.10/- each	20,500	20,500
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>20,500</b>	<b>20,500</b>

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

(Rs. in '000)				
Equity shares	March 31, 2018		March 31, 2017	
	No. of shares	(Rs. in '000)	No. of shares	(Rs. in '000)
At the beginning of the period	2,050,000	20,500	-	-
Add: Shares issued at incorporation of the Company	-	-	50,000	500
Add: Shares issued during the year/period	-	-	2,000,000	20,000.00
<b>Outstanding at the end of the period / year</b>	<b>2,050,000</b>	<b>20,500.00</b>	<b>2,050,000</b>	<b>20,500.00</b>

**c) Terms and rights attached to equity shares**

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

**d) Shares held by Holding Company**

Name of the Company & Relationship	March 31, 2018		March 31, 2017	
	No. of shares	% held	No. of shares	% held
Equity shares of Rs. 10 each fully paid-up				
Max Ventures and Industries Limited & its nominees - Holding Company	2,050,000	100.00%	2,050,000	100.00%

**(ii) Other equity**

(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017
Retained earnings (refer note a) below)	(93,455)	(30,511)
	<b>(93,455)</b>	<b>(30,511)</b>
a) Retained earnings		
At the beginning of the period	(30,511)	-
Loss for the period	(62,876)	(30,511)
Items of other comprehensive income recognized directly in retained earnings		
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	(68)	-
	<b>(93,455)</b>	<b>(30,511)</b>

**10. Borrowings**

(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017
<b>Non-current borrowings :-</b>		
<b>Vehicle loans (secured)</b>	1,744	2,143
	<b>1,744</b>	<b>2,143</b>
<b>Less: Amount disclosed under "other current financial liabilities" [refer note 12(iii)]</b>	<b>859</b>	<b>399</b>
	<b>885</b>	<b>1,744</b>
Aggregate Secured loans	<b>1,744</b>	<b>2,143</b>
Aggregate Unsecured loans	-	-

**Vehicle loan :-**

Vehicle loans amounting to Rs. 1,744 thousands (March 31, 2017 - Rs. 2143 thousands) are secured by way of hypothecation of vehicle. The loans are repayable in 5 years. Interest rate is 9.50%

**11. Provisions**

(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 21)	1,368	428
	<b>1,368</b>	<b>428</b>

**12. Current financial liabilities****(i) Borrowings**

(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017
Loan from related party ( Unsecured) ^	73,300	4,500
Interest accrued but not due	3,695	48
	<b>76,995</b>	<b>4,548</b>

^ Interest bearing loan @ 9.25% pa, repayable on demand

(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017
<b>(ii) Trade payables (a)</b>		
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises #	22,159	11,110
	<b>22,159</b>	<b>11,110</b>

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

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

# includes amount payable to related party ( refer note 24)

**(iii) Other current financial liabilities**

(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017
Current maturity of long term borrowings (refer note 10)	859	399
	<b>859</b>	<b>399</b>

**13. Provisions**

(Rs. in '000)		
	As at March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits</b>		
Provision for leave encashment	1,018	99
Provision for gratuity (refer note 21)	2	-
	<b>1,020</b>	<b>99</b>



**14. Other current liabilities**

	(Rs. in '000)	
	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Statutory dues	1,955	1,712
	<b>1,955</b>	<b>1,712</b>

**15. Other income**

	(Rs. in '000)	
	<b>for the year ended March 31, 2018</b>	<b>for the period August 23, 2016 to March 31, 2017</b>
Amount written back	1,143	-
Unwinding of discount on Security deposit	47	13
	<b>1,190</b>	<b>13</b>

**16. Employee benefits expense**

	(Rs. in '000)	
	<b>for the year ended March 31, 2018</b>	<b>for the period August 23, 2016 to March 31, 2017</b>
Salaries, wages and bonus	25,444	9,228
Contribution to provident and other funds	2,976	1,084
Gratuity expense (refer note 21)	987	428
Staff welfare expenses	433	295
	<b>29,840</b>	<b>11,035</b>

**17. Finance costs**

	(Rs. in '000)	
	<b>for the year ended March 31, 2018</b>	<b>for the period August 23, 2016 to March 31, 2017</b>
Interest on debts and borrowings	4,054	66
Interest on Car Loan	191	98
Bank charges	102	2
	<b>4,347</b>	<b>166</b>

**18. Depreciation and amortization expense**

	(Rs. in '000)	
	<b>for the year ended March 31, 2018</b>	<b>for the period August 23, 2016 to March 31, 2017</b>
Depreciation of property, plant and equipment (refer note 3)	584	187
Amortization of intangible assets (refer note 4)	660	-
	<b>1,244</b>	<b>187</b>

**19. Other expense**

	(Rs. in '000)	
	for the year ended March 31, 2018	for the period August 23, 2016 to March 31, 2017
Rent	2,239	3,766
Insurance	440	89
Rates and taxes	182	521
Shared Service charges	6,674	3,374
Repairs and maintenance:		
Building	101	59
Business Promotion	1,035	-
Printing and stationery	13	6
Travelling and conveyance	8,634	5,076
Communication	37	56
Legal and professional	7,769	5,276
Preliminary Expenses	-	43
Miscellaneous expenses	1,511	870
	<b>28,635</b>	<b>19,136</b>
Payment to auditor (included in legal and professional fee)		
As auditor:		
Audit fee	60	50
Other services (certification fees)	127	-
	<b>187</b>	<b>50</b>

**20 Earning Per Share**

	(Rs. in '000)	
	for the year ended March 31, 2018	for the period August 23, 2016 to March 31, 2017
<b>Basic EPS</b>		
Loss after tax (Rs. in thousands)	(62,876)	(30,511)
Less: dividends on convertible preference shares & tax thereon		
Loss for calculation of basic EPS	(62,876)	(30,511)
Weighted average number of equity shares outstanding during the year (Nos.)	2,050,000	647,285
Basic earnings per share (Rs.)	<b>(30.67)</b>	<b>(47.14)</b>
<b>Dilutive EPS</b>		
Loss after tax (Rs. in thousands)	(62,876)	(30,511)
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	2,050,000	647,285
Diluted earnings per share (Rs.)	<b>(30.67)</b>	<b>(47.14)</b>

**21 Gratuity**

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

		(Rs. in '000)	
		As at March 31, 2018	As at March 31, 2017
a)	<b>Reconciliation of opening and closing balances of defined benefit obligation</b>		
	Defined benefit obligation at the beginning of the period	428	-
	Interest expense	31	-
	Current service cost	956	428
	Benefit paid	(113)	-
	Acquisition adjustment	-	-
	Remeasurement of (Gain)/loss in other comprehensive income	-	-
	Actuarial changes arising from changes in demographic assumptions	-	-
	Actuarial changes arising from changes in financial assumptions	(18)	-
	Actuarial changes arising from changes in experience adjustments	86	-
	<b>Defined benefit obligation at end of the period</b>	<b>1,370</b>	<b>428</b>
b)	<b>Reconciliation of opening and closing balances of fair value of plan assets</b>		
	Fair value of plan assets at beginning of the period	-	-
	Expected return on plan assets	-	-
	Employer contribution	-	-
	Remeasurement of (Gain)/loss in other comprehensive income	-	-
	<b>Fair value of plan assets at the end of the period</b>	<b>-</b>	<b>-</b>
c)	<b>Net defined benefit asset/ (liability) recognized in the balance sheet</b>		
	Fair value of plan assets		
	Present value of defined benefit obligation	1,370	428
	<b>Amount recognized in balance sheet- asset / (liability)</b>	<b>(1,370)</b>	<b>(428)</b>
d)	<b>Net defined benefit expense (recognized in the statement of profit and loss for the period )</b>		
	Current service cost	956	428
	Past service cost		
	Interest cost on benefit obligation	31	-
	Expected return on plan assets		
	<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>987</b>	<b>428</b>
e)	<b>Broad categories of plan assets as a percentage of total assets</b>		
	Insurer managed funds	0%	0%

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

Assumption particulars	March 31, 2018	March 31, 2017
Discount rate	7.80%	7.35%
Salary escalation rate	10.00%	10.00%
Mortality Rate (% of IALM 06-08)	1.00%	1.00%

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

Increase / (decrease) on present value of defined benefits obligations at the end of the year

	March 31, 2018	March 31, 2017
<u>Discount rate</u>		
Increase by 0.50%	(22)	-
Decrease by 0.50%	24	-
<u>Salary growth rate</u>		
Increase by 0.50%	23	-
Decrease by 0.50%	(22)	-

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

	March 31, 2018	March 31, 2017
Within the next 12 months (next annual reporting period)	2	1
Between 2 and 5 years	909	12
Beyond 5 years	459	415

- i) The average duration of the defined benefit plan obligation at the end of the reporting period is 12 Years (March 31, 2017 : 11 years)
- j) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
- k) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- l) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

b) **Leave Encashment (unfunded)**

The Company recognises the leave encashment expenses in the Statement of Profit and loss based on actuarial valuation

The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year/period:

	(Rs. in '000)	
	March 31, 2018	March 31, 2017
Liability at the beginning of the period/year	99	-
Benefit paid during the period/year	(104)	-
Provided during the period/year	815	99
Liability at the end of the period/year	1,018	99

**22 A. Financial instruments**

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

(Rs. in '000)				
Category	Carrying value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>1) Financial asset at amortized cost</b>				
Other financial assets - Non Current (Refer note 5)	461	414	461	414
<b>2) Financial liabilities at amortized cost</b>				
Borrowings - Non Current (Refer note 10)	885	1,744	885	1,744
Borrowings - Current (Refer note 12)	76,995	4,548	76,995	4,548
Other financial liabilities (Refer note 12)	859	399	859	399

The Company assessed that, cash and cash equivalents, loans and advances to related parties, trade payables, are considered to be the same as their fair values, due to their short term nature.

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

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

**B. Fair value hierarchy**

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

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

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

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

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2018

(Rs. in '000)				
Particulars	Carrying value March 31, 2018	Fair value		
		Level 1	Level 2	Level 3
Other financial assets - Non Current (Refer note 5)	461	-	461	-

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2017

(Rs. in '000)				
Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Other financial assets - Non Current (Refer note 5)	414	-	414	-

(iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2018

(Rs. in '000)				
Particulars	Carrying value March 31, 2018	Fair value		
		Level 1	Level 2	Level 3
Borrowings - Non Current (Refer note 10)	885	-	885	-
Borrowings - Current (Refer note 12)	76,995	-	76,995	-
Other financial liabilities (Refer note 12)	859	-	859	-

(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2017

(Rs. in '000)				
Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Borrowings - Non Current (Refer note 10)	1,744	-	1,744	-
Borrowings - Current (Refer note 12)	4,548	-	4,548	-
Other financial liabilities (Refer note 12)	399	-	399	-

## 23. Financial risk management objectives and policies

The Company's has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by a Corporate Finance department under policies approved by the audit committee from time to time. The Corporate Finance department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The audit committee approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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

### a) Capital risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 10 and 12, cash and cash equivalents disclosed in note 7 and equity as disclosed in the statement of financial position.

### b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Investment and Performance Review Committee of the Board.

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2017 and March 31, 2018 based on contractual undiscounted payments :-

	(Rs. in '000)			
<b>March 31, 2017</b>	<b>0-1 Years</b>	<b>1-5 Years</b>	<b>More than 5 Years</b>	<b>Total</b>
Interest bearing borrowings	4,548			4,548
Trade payable	11,110	-	-	11,110
Other financial liabilities	399	-	-	399
<b>March 31, 2018</b>				
Interest bearing borrowings	76,995			76,995
Trade payable	22,159	-	-	22,159
Other financial liabilities	859	-	-	859

**c) Credit risk**

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

**(i) Financial instruments and cash deposit**

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

**d) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2018.

**(i) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in foreign currency). Foreign currency exchange rate exposure is partly balanced by purchasing of goods from the respective countries. The Company evaluates exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

**Foreign currency risk sensitivity**

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



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

(Rs. in '000)				
Currency	March 31, 2018 Foreign currency	March 31, 2018 Indian rupees	Increase/ decrease in rate	Impact on profit before tax
Payables in GBP	75	6,921	1%	69.21

(Rs. in '000)				
Currency	March 31, 2017 Foreign currency	March 31, 2017 Indian rupees	Increase/ decrease in rate	Impact on profit before tax
Payables in GBP	11	861	1%	9
Payables in Rand	78	374	1%	4

## (ii) Interest rate risk

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at fixed interest rates.

### Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on floating rate portion of loans and borrowings.

(Rs. in '000)		
Year	Increase/decrease in interest rate	Impact on profit before tax
March 31, 2018	0.50%	192
March 31, 2017	0.50%	11

## 24. Related party 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
	Wise Zone Builders Private Limited
Names of other related parties with whom transactions have taken place during the year	
Entities controlled or jointly controlled by person or entities where person has significantly influence	Leeu Collection South Africa PTY Limited
Key management personnel	Ms. Sonia Bansal Arora* (Company Secretary)

\* Company Secretary w.e.f 1st August 2017

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

(Rs. in '000)				
S. No.	Nature of transaction	Particulars	for the year ended March 31, 2018	for the period August 23, 2016 to March 31, 2017
1	Reimbursement of expenses (Paid to)	Max Ventures and industries Limited	1,070	9,840
		Leeu Collection South Africa PTY Limited	777	-
		<b>Total</b>	<b>1,847</b>	<b>9,840</b>
2	Interest paid (to)	Max Ventures and industries Limited	4,054	66
		<b>Total</b>	<b>4,054</b>	<b>66</b>

(Rs. in '000)				
S. No.	Nature of transaction	Particulars	for the year ended March 31, 2018	for the period August 23, 2016 to March 31, 2017
3	Establishment Expense	Max Ventures and industries Limited	6,589	3,283
		<b>Total</b>	<b>6,589</b>	<b>3,283</b>
4	Rent	Max Financial Services Limited	480	3,276
		<b>Total</b>	<b>480</b>	<b>3,276</b>
5	Key managerial remuneration	Sonia Bansal Arora	1,274	-
		<b>Total</b>	<b>1,274</b>	<b>-</b>
6	Loan taken (net)	Max Ventures and industries Limited	68,800	4,500
		<b>Total</b>	<b>68,800</b>	<b>4,500</b>

**Terms and conditions of transactions with related parties**

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions
- There have been no guarantees provided or received for any related party receivables or payables

(b) Balances outstanding at year end

(Rs. in '000)				
S. No	Nature of transaction	Particulars	As at March 31, 2018	As at March 31, 2017
1	Interest Accrued on loan taken	Max Ventures and industries Limited	3,696	48
		<b>Total</b>	<b>3,696</b>	<b>48</b>
2	Trade payables	Max Ventures and industries Limited	10,694	3,320
		Max Financial Services Limited	25	2,992
		<b>Total</b>	<b>10,719</b>	<b>6,312</b>
3	Loan outstanding	Max Ventures and industries Limited	73,300	4,500
		<b>Total</b>	<b>73,300</b>	<b>4,500</b>

**25. Reconciliation statement of equity as previously reported under IGAAP to Ind AS**

(Rs. in '000)				
	Footnotes	Balance sheet as at March 31, 2017		
		IGAAP	Adjustment	Ind AS
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment		3,023	-	3,023
Intangible assets under development		4,341	-	4,341
Financial assets				
Other financial assets	1	548	(134)	414
Other non current assets		24	-	24
		<b>7,936</b>	<b>(134)</b>	<b>7,802</b>
Inventories		-	-	-
Other financial assets		-	-	-
Cash and cash equivalents		273	-	273
Other current assets	1	1,820	134	1,954
Current tax assets		-	-	-
		<b>2,093</b>	<b>134</b>	<b>2,227</b>
<b>TOTAL ASSETS</b>		<b>10,029</b>	<b>-</b>	<b>10,029</b>

(Rs. in '000)				
	Footnotes	Balance sheet as at March 31, 2017		
		IGAAP	Adjustment	Ind AS
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		20,500	-	20,500
Other equity	2	(30,511)	-	(30,511)
<b>Total Equity</b>		<b>(10,011)</b>	<b>-</b>	<b>(10,011)</b>
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings		1,744	-	1,744
Long term provisions		-	428	428
		<b>1,744</b>	<b>428</b>	<b>2,172</b>
<b>Current liabilities</b>				
Financial Liabilities				
Borrowings		4,500	48	4,548
Trade payables		11,110	-	11,110
Other financial liabilities		447	(48)	399
Short term provisions		527	(428)	99
Other current financial liabilities		1,712	-	1,712
		<b>18,296</b>	<b>(428)</b>	<b>17,868</b>
<b>TOTAL LIABILITIES</b>		<b>20,040</b>	<b>-</b>	<b>20,040</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>10,029</b>	<b>-</b>	<b>10,029</b>

## 26. Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS

(Rs. in '000)				
	Footnotes	Year ended March 31, 2017		
		IGAAP	Adjustment	Ind AS
<b>INCOME</b>				
Revenue from operations		-	-	-
Other income	1,2	-	13	13
<b>Total income</b>		<b>-</b>	<b>13</b>	<b>13</b>
<b>Expenses</b>				
Employee benefits expense		11,035	-	11,035
Depreciation and amortization expense		187	-	187
Finance costs		166	-	166
Other expenses	1,2	19,122	13	19,136
<b>Total expense</b>		<b>30,511</b>	<b>13</b>	<b>30,524</b>
Loss before tax		(30,511)	-	(30,511)
Tax expenses		-	-	-
<b>Profit / (Loss) after tax</b>		<b>(30,511)</b>	<b>-</b>	<b>(30,511)</b>
<b>Other comprehensive income</b>				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement losses on defined benefit plans		-	-	-
Income tax effect		-	-	-
Other comprehensive income for the year, net of tax		-	-	-
<b>Total comprehensive income for the year, net of tax attributable to Equity shareholder</b>		<b>(30,511)</b>	<b>-</b>	<b>(30,511)</b>

**27 Footnotes to the reconciliation of equity as at March 31, 2017 and profit or loss for the year ended March 31, 2017 remarks for adjustments****1) Security deposits**

Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

**2) Retained earnings**

Retained earnings as at March 31, 2017 has been adjusted consequent to the Ind AS transition adjustments mentioned herewith

**28 First-time adoption of Ind AS (Exception and exemption availed)**

These financial statements, for the period ended March 31, 2018, are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for period ended on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements as at and for the year ended March 31, 2017.

**Ind AS mandatory exceptions****Estimates**

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at March 31, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**Derecognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

**Classification of financial assets and liabilities**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

**Impairment of financial assets**

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

**Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)**

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

- 29** The Company is a one segment company in the education business. Accordingly, the Company views these activities as one business segment, there are no additional disclosures to be provided in terms of Ind AS 108 on 'Segment Reporting'.
- 30** Figures relating to March 31, 2017 has been regrouped/reclassified wherever necessary to make them comparable with the current year figures.
- 31** Note No.1 to 31 form integral part of the Balance sheet and Statement of profit and loss.

The accompanying notes are integral part of the financial statements

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  
**K .K. MANKESHWAR & CO.**  
Chartered Accountants  
FRN: 106009W

Place : Noida  
Date : 15<sup>th</sup> May, 2018

**Rohit Rajput**  
(Director)  
(DIN: 07944150)

Place : Noida  
Date : 15<sup>th</sup> May, 2018

**Sahil Vachani**  
(Director)  
(DIN: 00761695)







# DIRECTORS' REPORT

## Dear Shareholders,

Your Directors have great pleasure in presenting the Second Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2018.

## FINANCIAL REVIEW

Pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 4(1)(iii) of Companies (Indian Accounting Standards) Rules, 2015, Indian Accounting Standards ('IND AS') become applicable to the Company effective from FY 2017-18 and accordingly the financials for the year ended March 31, 2018 have been prepared as per IND AS.

## Financial Performance

(Rs. in '000)

Particulars	From April 01, 2017 to March 31, 2018	From June 23, 2016 to March 31, 2017
<b>Income</b>		
Revenue from Operations	2,06,675	500
Other Income	3	36
<b>Total Revenues</b>	<b>2,06,678</b>	<b>536</b>
<b>Expenses</b>		
Employee benefits expense	6,579	-
Finance costs	51,473	19,145
Depreciation and amortization expense	20	-
Other Expenses	7,593	4,636
<b>Total Expenses</b>	<b>65,665</b>	<b>23,781</b>
<b>Net Profit/ (Loss) Before Tax</b>	<b>1,41,013</b>	<b>(23,245)</b>
<b>Tax expenses</b>		
Current tax	29,721	-
Less: MAT credit entitlement	0	-
Deferred tax	11,875	(8,012)
<b>Total tax expense</b>	<b>41,596</b>	<b>(8,012)</b>
<b>Net Profit/ (Loss) After Tax</b>	<b>99,417</b>	<b>(15,233)</b>
No. of Equity Shares (Nos.)	50,000	50,000
<b>EPS (Rs. Per Share)</b>	<b>1.99</b>	<b>(0.30)</b>

## Dividend

Considering the future business plans of the Company, the Board of Directors do not recommend any dividend for the year ended March 31, 2018 on the Equity Share Capital of the Company.

## Transfer to Reserves

The Company has not transferred any amount to the General Reserve.

## OPERATIONS REVIEW

### Operational Performance

The Company is engaged in the business of investing in early stage businesses in certain identified sectors including healthcare, fintech, food and beverage services, hospitality, education, cyber security and real estate technology. The Company had non-current investments of Rs. 70.50 crores in Azure Hospitality Private Limited and Rs. 17.54 crores in FSN E-Commerce Ventures Private Limited ("Nyka"). During the year, the Company made a partial exit of its investment in Nyka amounting to Rs. 18.67 crores. In addition, the Company also committed an investment in IAN Fund amounting upto Rs. 2.50 crores and as at March 31, 2018, the investment in IAN Fund I was Rs. 0.23 crores.

During the year under review, the Company had redeemed 1,755 debentures of Rs. 1,00,000/- each aggregating to Rs. 17.55 crore issued to Max Ventures and Industries Limited, the holding company and repaid the entire amount.

Further, your Company achieved operational revenue of Rs. 20.67 crores resulting in growth of about 41340% over its operational revenue of Rs. 0.05 crore of the previous financial year ended March 31, 2017.

### SHARE CAPITAL

The Authorized and Paid-up Share Capital of the Company as on March 31, 2018 was Rs. 5,00,000/- (Rupees Five lakhs only) comprising of 50,000 equity shares of Rs. 10/- each.

### HOLDING COMPANY/ SUBSIDIARY COMPANY(S) / ASSOCIATES / JOINT VENTURES

Your Company is a wholly owned subsidiary of Max Ventures and Industries Limited.

The Company did not have any subsidiary company, associate or joint venture during the year under review.

### BOARD OF DIRECTORS

Your Company has three (3) Directors as on March 31, 2018 viz. Mr. Sahil Vachani, Mr. Rohit Rajput and Mr. Nitin Kumar Kansal.

During the year under review, the following changes took place in the Board:

Mr. Alok Goel resigned from the position of Director on September 28, 2017. The Board places on record the appreciation for the valuable contributions made by him during his association with the Company. Mr. Rohit Rajput was co-opted as an Additional Director on September 28, 2017. His term of office expires on the date of ensuing Annual General Meeting ('AGM') of the Company and is eligible for appointment.

The Company has received notice under Section 160 of the Act from Max Ventures and Industries Limited proposing the candidature of Mr. Rohit Rajput, additional director for being appointed as Director of the Company. The Board of Directors recommend his appointment for the consideration of the members at the ensuing AGM.

In terms of Articles of Association of the Company and pursuant to the provisions of Section 152 of the Act, Mr. Nitin Kumar Kansal, Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible, offer himself for re-appointment. The Board of Directors recommends his re-appointment for the consideration of the members of the Company at the ensuing AGM of the Company.

The Board met ten times during the year under review which is as follows:

S. No.	Date of Meeting	Board Strength	No. of Directors present
1.	May 22, 2017	3	3
2.	June 23, 2017	3	3
3.	August 01, 2017	3	3
4.	August 22, 2017	3	3
5.	September 28, 2017	3	3
6.	September 29, 2017	3	3
7.	October 30, 2017	3	3
8.	November 20, 2017	3	3
9.	February 12, 2018	3	3
10.	February 14, 2018	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	10
Mr. Alok Goel <sup>#</sup>	Director	05	05
Mr. Nitin Kumar Kansal	Director	10	10
Mr. Rohit Rajput <sup>@</sup>	Additional Director	06	06

<sup>#</sup> Resigned from the position of Director on September 28, 2017.

<sup>@</sup> Appointed as an Additional Director w.e.f. September 28, 2017.

## STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

During the year under review, the Company was not required to appoint Independent Directors under section 149(4) of the Act and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence no such declaration is required.

## COMMITTEES OF BOARD OF DIRECTORS

During the year under review, the Company is not required to constitute any committee of Board of Directors in terms of provisions of the Act and the rules made there under.

The Board in its meeting held on May 15, 2018 constituted a Corporate Social Responsibility ('CSR') Committee which in its first meeting held on August 08, 2018 formulated a CSR Policy and identified the activities to be undertaken by the Company in line with the activities prescribed under Schedule VII of the Act, for CSR activities of the Company.

## 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

Particulars of loans, guarantees and investments made under the provisions of Section 186 of the Act have been disclosed in Note no. 4 of the notes to the Financial Statements forming integral part of the Annual Report.

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

Based on the financial statements of the Company for the year ended March 31, 2018 and the norms prescribed by Reserve Bank of India ('RBI'), the Company qualifies as a Non-Banking Financial Company ('NBFC') for the purposes of subsequent financial years and would be required to register itself as a NBFC by making an application to the Department of Non-Banking Supervision of the RBI.

The Company is currently in the process of applying for the registration as a non-deposit taking NBFC with the RBI.

**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 provisions of Section 139 and other applicable provisions, if any, of the Act, M/s. K.K Mankeshwar & Co., Chartered Accountants (FRN – 106009W) were appointed as Statutory Auditors of the Company at the Annual General Meeting ('AGM') held on September 26, 2017 to hold office till the conclusion of the 5<sup>th</sup> AGM of the Company to be held in the year 2022, subject to ratification of their appointment in every AGM held during their tenure.

However, in view of the notification dated May 07, 2018 issued by the Ministry of Corporate Affairs, requirement for ratification of appointment of auditor has been done away.

The Company has received a letter from M/s. K.K Mankeshwar & Co., Chartered Accountants, to the effect that their ratification as Statutory Auditors of the Company is within the prescribed limits under Section 139 of the Act and they are not disqualified for their appointment. Accordingly, the Board ratifies the appointment of M/s. K.K Mankeshwar & Co., Chartered Accountants, as Statutory Auditors of the Company for the financial year 2018-19.

There are no audit qualifications in the Statutory Auditors Report given by M/s K.K Mankeshwar, Statutory Auditors of the Company for FY 2017-18 as annexed to this Annual Report.

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

**COST RECORDS**

During the year under review, the provisions of Section 148(1) of the Act relating to maintenance of cost records does not apply to 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 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**

During the year under review, 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 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 Companies (Accounts) Rules, 2014 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 Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return as at March 31, 2018 forms part of this report as '**Annexure –2**'.

## **PARTICULARS OF EMPLOYEES**

The information required under Section 197 (12) of Act and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, 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 year under review impacting the going concern status and your Company's operations in future.

## **SECRETARIAL STANDARDS**

The Company complies with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

## **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 employees for their performance during the year.

For and on behalf of the Board of Directors  
For **MAX I. LIMITED**

Place: Noida, U.P.  
Date: August 28, 2018

**Sahil Vachani**  
**Director**  
**DIN: 00761695**

**Nitin Kumar**  
**Director**  
**DIN: 03048794**

**Annexure- 1****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 year under review.

## ANNEXURE - 2

## FORM MGT-9

**Extract of Annual Return as on the financial year ended on March 31, 2018**

[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, District 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. 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. As the Company's business activity primarily falls within a single business and geographical segment, thus there are no additional disclosures to be provided under Ind AS 108 - "Operating Segment".

The 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, 2018, the 100% revenue was generated from Other Financial Services Activities (except insurance and pension funding 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.	<b>Max Ventures and Industries Limited*</b> 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab – 144 533	L85100PB2015PLC039204	Holding Company	100	2 (46)

\*holds 100% shares of the Company with 6 (six) individual nominee shareholders.



#### 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 01, 2017				No. of Shares held on March 31, 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
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	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	-	<b>50,000</b>	<b>50,000</b>	<b>100.00</b>	-	<b>50,000</b>	<b>50,000</b>	<b>100.00</b>	-
<b>2</b>	<b>Foreign</b>									
a)	NRLs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter &amp; Promoter Group [(A) = (A)(1)+(A)(2)]</b>	-	<b>50,000</b>	<b>50,000</b>	<b>100.00</b>	-	<b>50,000</b>	<b>50,000</b>	<b>100.00</b>	-
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
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)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2</b>	<b>Non-Institutions</b>									
<b>a)</b>	<b>Bodies Corp.</b>									
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-
<b>b)</b>	<b>Individuals</b>									
i)	holding shares upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
ii)	holding shares above Rs.1 lakh	-	-	-	-	-	-	-	-	-
<b>c)</b>	<b>NBFCs Registered with RBI</b>	-	-	-	-	-	-	-	-	-
<b>d)</b>	<b>Employees Trusts</b>	-	-	-	-	-	-	-	-	-
<b>c)</b>	<b>Any Others</b>	-	-	-	-	-	-	-	-	-

Sl. No.	Category of Shareholders	No. of Shares held on April 01, 2017				No. of Shares held on March 31, 2018				% Change during the year
	Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding [(B)=(B)(1)+(B)(2)]</b>	-	-	-	-	-	-	-	-	-
C.	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	-	50,000	50,000	100	-	50,000	50,000	100	-

# shares held as nominees of Max Ventures and Industries Limited

## (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 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
	<b>Total</b>	<b>50,000</b>	<b>100.00</b>	<b>-</b>	<b>50,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

# 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
<b>1</b>	<b>Max Ventures and Industries Limited</b>				
	At the beginning of the year	49,994	100.00		
	Date wise increase / decrease	-	-	49,994	100.00
	At the end of year	49,994	100.00		
<b>2</b>	<b>Mr. Sahil Vachani#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>3</b>	<b>Mr. Arjunjit Singh #</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>4</b>	<b>Mr. Nitin Kumar Kansal#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	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	No. of Shares	% of total shares
<b>5</b>	<b>Mr. Amit Jain#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>6</b>	<b>Mr. Navneet Narayan Malhotra#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>7</b>	<b>Mr. Manohar Kumar#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	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):** N.A.

(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
<b>1.</b>	<b>Mr. Sahil Vachani#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	At the end of year	01	0.00		
<b>2.</b>	<b>Mr. Nitin Kumar Kansal#</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease	-	-	01	0.00
	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	Buyers credit - Capex	Cash Credit	Car Loan			
Indebtedness at the beginning of the financial year							
i) Principal Amount	-	-	-	-	5,155	-	5,155
ii) Interest due but not paid	-	-	-	-	-	-	-
iii) Interest accrued but not due	-	-	-	-	-	-	-
Total (i+ii+iii)	-	-	-	-	5,155	-	5,155
Change in Indebtedness during the financial year							
Addition	-	-	-	-	3,700	421	4,121
Reduction	-	-	-	-	1,755	104	1,859
Net Change	-	-	-	-	1,945	317	2,262

	Secured Loans excluding deposits				Unsecured Loans	Deposits	Total Indebtedness
	Term loan	Buyers credit - Capex	Cash Credit	Car Loan			
Indebtedness at the end of the financial year							
i) Principal Amount	-	-	-	-	7,100	317	7,417
ii) Interest due but not paid	-	-	-	-	-	6.01	6.01
iii) Interest accrued but not due	-	-	-	-	-	-	-
<b>Total (i + ii + iii)</b>	-	-	-	-	<b>7,100</b>	<b>323.01</b>	<b>7,423.01</b>

#### 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: **Nil**.

#### VII. Penalties / Punishment / Compounding of offences: Nil

## ANNEXURE – 3

**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: NIL**
- C. **Other employees:**

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	Ashish Ramesh Singla	Vice President - Investments	37	58,24,369*	Master of Business Administration, M.Com., BBA	12	11-Apr-17	Mandala Capital Ltd.
2.	Sahil Kukreja	Investment Analyst	27	53,139	Post Graduate Programme in Management; CFA Level 1 and Level 2; Bachelor of Technology	3	22-Mar-18	EXL Services

\*Does not include an amount of Rs. 9.90 lakhs (1% of profits made out of the investment of the Company due during the year).

**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.

# INDEPENDENT AUDITORS' REPORT

**TO THE MEMBERS OF MAX I. LIMITED**

## **REPORT ON THE IND AS FINANCIAL STATEMENTS**

We have audited the accompanying Ind AS financial statements of M/s MAX I. Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as 'Ind AS financial statements').

### **Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, its cash flows and changes in equity 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 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, Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;
  - e. On the basis of the written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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.

### DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on Behalf of

**K. K. MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Dated : 15<sup>th</sup> May, 2018

**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 Ind AS financial statements for the period ended March 31, 2018, we report that:

1.
  - (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) As the Company does not held 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. 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, 2018 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 2018 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 to 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 Ind AS 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. During the financial year 2017-18, the financial assets (netted off by intangible assets) of the company constitute more than 50% of the total assets of the company and the financial income of the company constitute more than 50% of the gross income of the company based on the audited balance sheet as at March 31, 2018, accordingly the company has become NBFC from financial year 2018-19 and it is liable to obtain NBFC certificate of registration u/s 45-IC of the RBI Act, 1934.

**DINESH KUMAR BACHCHAS***Partner*

Membership No. 097820

For and on Behalf of

**K. K. MANKESHWAR & CO.***Chartered Accountants*

FRN: 106009W

Place : Noida

Dated : 15<sup>th</sup> May, 2018

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS 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, 2018 in conjunction with our audit of the Ind AS 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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, 2018, 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

Dated : 15<sup>th</sup> May, 2018

# BALANCE SHEET

as at March 31, 2018

₹ in '000			
	Notes	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	85	-
Financial assets			
(i) Investments	4	902,766	510,472
Non-current tax assets	5	-	54
		<b>902,851</b>	<b>510,526</b>
<b>Current assets</b>			
Financial assets	6		
(i) Trade receivables		-	450
(ii) Cash and cash equivalents		1,535	1,587
(iii) Other financial assets		74	-
		<b>1,609</b>	<b>2,037</b>
<b>TOTAL ASSETS</b>		<b>904,460</b>	<b>512,563</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7.1	500	500
Other equity	7.2	297,059	121,813
<b>Total equity</b>		<b>297,559</b>	<b>122,313</b>
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	8	479,418	325,069
Provisions	9	263	-
Deferred tax liabilities	10	91,303	64,518
		<b>570,984</b>	<b>389,587</b>
<b>Current liabilities</b>			
Financial liabilities	11		
(i) Borrowings		32,301	-
(ii) Trade payables		1,612	620
Provisions	12	1,650	-
Other current liabilities	13	354	43
		<b>35,917</b>	<b>663</b>
<b>TOTAL LIABILITIES</b>		<b>606,901</b>	<b>390,250</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>904,460</b>	<b>512,563</b>
Summary of significant accounting policies	2		
Other notes on accounts	3-33		

The accompanying notes are integral part of the IND AS financial statements

**DINESH KUMAR BACHCHAS**  
Partner  
Membership No 097820

For and on behalf of  
**K. K. MANKESHWAR & CO.**  
Chartered Accountants  
FRN: 106009W

Place : Noida  
Date : 15<sup>th</sup> May, 2018

**For and on behalf of board of directors of  
Max I. Limited**

**Nitin Kumar Kansal**  
(Director)  
(DIN: 03048794)

**Sahil Vachani**  
(Director)  
(DIN: 00761695)

Place : Noida  
Date : 15<sup>th</sup> May, 2018

# STATEMENT OF PROFIT AND LOSS

## for the year ended March 31, 2018

₹ in '000			
Particulars	Notes	for the year ended March 31, 2018	for the period June 23, 2016 to March 31, 2017
<b>INCOME</b>			
Revenue from operations	14	206,675	500
Other income	15	3	36
<b>Total income</b>		<b>206,678</b>	<b>536</b>
<b>EXPENSES</b>			
Employee benefits expense	16	6,579	-
Finance costs	17	51,473	19,145
Depreciation and amortization expense	18	20	-
Other expenses	19	7,593	4,636
<b>Total expenses</b>		<b>65,665</b>	<b>23,781</b>
<b>Profit/(Loss) before tax</b>		<b>141,013</b>	<b>(23,245)</b>
<b>Tax expenses</b>			
- Current tax		29,721	-
Less: MAT credit entitlement		-	-
- Deferred tax	20	11,875	(8,012)
<b>Total tax expense</b>		<b>41,596</b>	<b>(8,012)</b>
<b>Profit/(Loss) after tax</b>		<b>99,417</b>	<b>(15,233)</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent year/periods:			
Re-measurement losses on defined benefit plans		-	-
Income tax effect		-	-
Other comprehensive income for the year/period, net of tax		-	-
<b>Total comprehensive income for the year/period, net of tax</b>		<b>99,417</b>	<b>(15,233)</b>
<b>Earnings per equity share (Nominal Value of share Rs.10/-)</b>	21		
Basic (Rs.)		1,988	(305)
Diluted (Rs.)		1,988	(305)
Summary of significant accounting policies	2		
Other notes on accounts	3-33		

The accompanying notes are integral part of the IND AS financial statements

**For and on behalf of board of directors of  
Max I. Limited**

**DINESH KUMAR BACHCHAS**

Partner

Membership No 097820

**Nitin Kumar Kansal**

(Director)

(DIN: 03048794)

**Sahil Vachani**

(Director)

(DIN: 00761695)

For and on behalf of

**K .K. MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Date : 15<sup>th</sup> May, 2018

**504 / Max I. Limited**

Place : Noida

Date : 15<sup>th</sup> May, 2018

# STATEMENT OF CASH FLOWS

for the year ended March 31, 2018

		₹ in '000
	for the year ended March 31, 2018	for the period June 23, 2016 to March 31, 2017
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax	141,013	(23,245)
<b>Adjustments to reconcile profit/(loss) before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	20	-
Net Gain on fair value of investments	(107,736)	-
Net Gain on stake sale	(98,939)	-
Interest income	(3)	(36)
Finance costs (including fair value change in financial instruments)	51,473	19,145
<b>Operating profit before working capital changes</b>	<b>(14,172)</b>	<b>(4,136)</b>
<b>Working capital adjustments:</b>		
Movements in long term provision	263	-
Movements in short term provision	240	-
(Increase)/decrease in trade and other receivables and prepayments	376	(450)
Increase/(decrease) in trade and other payables	1,304	663
<b>Cash generated from operations</b>	<b>(11,989)</b>	<b>(3,923)</b>
Income tax paid	(28,256)	(54)
<b>Net cash flows used in operating activities</b>	<b>(40,245)</b>	<b>(3,977)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(105)	-
Interest received	-	36
Proceeds from sale of stake in company	186,674	-
Acquisition of a company/investment in company	(372,293)	(510,472)
<b>Net cash flows used in investing activities</b>	<b>(185,724)</b>	<b>(510,436)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital including security premium	-	500
Interest paid	(284)	-
Proceeds from debentures	370,000	515,500
Repayment of debentures	(175,500)	-
Proceeds from short term borrowings	42,100	-
Repayment of short-term borrowings	(10,400)	-
<b>Net cash flows from financing activities</b>	<b>225,916</b>	<b>516,000</b>

₹ in '000			
		for the year ended March 31, 2018	for the period June 23, 2016 to March 31, 2017
Net increase/(decrease) in cash and cash equivalents		(52)	1,587
Cash and cash equivalents at the beginning of the period		1,587	-
<b>Cash and cash equivalents at year/period end</b>		<b>1,535</b>	<b>1,587</b>
<b>Components of cash and cash equivalents :-</b>			

₹ in '000			
Particulars		As at March 31, 2017	As at March 31, 2016
<b>Balances with banks:</b>			
On current accounts		1,535	1,587
		<b>1,535</b>	<b>1,587</b>
Summary of significant accounting policies	2		
Other notes on accounts	3-33		

The accompanying notes are integral part of the IND AS financial statements

**DINESH KUMAR BACHCHAS**

Partner

Membership No 097820

For and on behalf of

**K .K. MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Date : 15<sup>th</sup> May, 2018

**For and on behalf of board of directors of  
Max I. Limited**

**Nitin Kumar Kansal**

(Director)

(DIN: 03048794)

**Sahil Vachani**

(Director)

(DIN: 00761695)

Place : Noida

Date : 15<sup>th</sup> May, 2018

# STATEMENT OF CHANGES IN EQUITY

## year ended March 31, 2018

### a) Equity share capital

Particulars	Nos.	₹ in '000
<b>As at June 23, 2016</b>		
Add: Equity share issued at incorporation of the Company	50,000	500.00
Add: Equity share issued during the year/period	-	-
<b>As at March 31, 2017</b>	<b>50,000</b>	<b>500.00</b>
Add: Equity share issued during the year/period	-	-
<b>As at March 31, 2018</b>	<b>50,000</b>	<b>500.00</b>

### b) Other equity

Particulars	Reserves and surplus		Total equity
	Equity component (Deemed equity)	Retained earnings	
<b>As at June 23, 2016</b>	-	-	-
Profit/(Loss) for the year/period	-	(15,234)	(15,234)
Equity component of non-convertible debentures (refer note 28(2))	137,046	-	137,046
<b>As at March 31, 2017</b>	<b>137,046</b>	<b>(15,234)</b>	<b>121,812</b>
Profit/(Loss) for the year/period	-	99,417	99,417
Equity component of non-convertible debentures (refer note 28(2))	75,829	-	75,829
<b>As at March 31, 2018</b>	<b>212,875</b>	<b>84,183</b>	<b>297,058</b>
Summary of significant accounting policies	2		
notes on accounts	3-33		

The accompanying notes are integral part of the IND AS financial statements

#### DINESH KUMAR BACHCHAS

Partner

Membership No 097820

For and on behalf of

#### K.K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

Place : Noida

Date : 15<sup>th</sup> May, 2018

For and on behalf of board of directors of  
Max I. Limited

#### Nitin Kumar Kansal

(Director)

(DIN: 03048794)

#### Sahil Vachani

(Director)

(DIN: 00761695)

Place : Noida

Date : 15<sup>th</sup> May, 2018



## 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 having investments in various companies and primarily engaged in growing and nurturing these business investments and providing shared services to group companies. Registered office of the Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab - 144533

The financial statements were authorised for issue in accordance with a resolution of the directors on May 15, 2018.

## 2 Significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rule, 2015. For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statements which has been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standards Rules, 2015. Refer note 27 for information on how the company has adopted Ind AS.

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

(i) Certain financial assets and liabilities

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

### 2.2 Summary of significant accounting policies

#### a. Current versus non-current classification

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

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

#### **b. Property, Plant and Equipment**

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

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

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

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

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

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

<b>Assets</b>	<b>Useful lives estimated by the management (years)</b>
Computers	3- 6 Years

#### **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 intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the

amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 3-6 years.

#### **d. Impairment of non financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net 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 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 the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

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

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

**e. Financial Instruments**

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

**(i) Financial assets**

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

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

**Initial recognition and measurement**

All financial assets (other than equity in subsidiaries) are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Equity investment in subsidiaries are recognised at cost. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset. The difference between the transaction amount and amortised cost in case of interest free loan to subsidiaries based on expected repayment period is considered as deemed investment.

**Subsequent measurement**

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

- (i) Debt instruments at amortized cost
- (ii) Equity instruments at fair value through profit or loss (FVTPL)

**Debt instruments at amortized cost**

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

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

**Equity investments of other entities**

All equity investments in scope of IND AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which IND AS103 applies are classified as at FVTPL. For all other

equity instruments, the Company may make an irrevocable election to present in other comprehensive income all subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Profit and loss.

### **Derecognition**

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

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
  - (a) the Company has transferred the rights to receive cash flows from the financial assets or
  - (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

### **Impairment of financial assets**

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

- Financial assets measured at amortised cost; eg Loans, Security deposits, trade receivable, bank balance , other financial assets etc.

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

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

**Reclassification of financial assets**

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

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

**(ii) Financial liabilities****Initial recognition and measurement**

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

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

**Trade Payables**

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

**Financial liabilities at fair value through profit or loss**

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

**Loans and borrowings**

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

**Derecognition**

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

**Offsetting of financial instruments**

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

**f. 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. Sales tax/ Value added tax (VAT)/ GST (Goods and Service Tax) is not received by the Company on its own account. Rather, it is collected on value added to the commodity by the seller on behalf of the government. The following specific recognition criteria must also be met before revenue is recognized:

**Gain on sale of Investments**

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

**Interest Income**

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost

of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

**g. Taxes: Taxes comprises current income tax and deferred tax**

**Current income tax**

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

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

**Deferred tax**

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

- ▶ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ▶ In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

- ▶ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- ▶ In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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



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

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

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

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.

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

Expenses and assets are recognised net of the amount of sales/ value added taxes/ GST (Goods and Service Tax) paid, except:

- ▶ When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ▶ When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

#### **h. Borrowing costs**

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

#### **i. Provision and Contingent liabilities**

##### **Provisions**

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

**Contingent liabilities**

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

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

**j. 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**

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

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

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

**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 Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

**Short-term obligations**

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

**k. Cash and cash equivalents**

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

**l. Earning per share**

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

**m. Foreign currencies**

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

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

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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

**n. Fair value measurement**

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

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

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

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

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

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. The management decided, after discussions with the Company's external valuers which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies.

The management in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

- Disclosures for valuation methods, significant estimates and assumptions ( note 30)
- Quantitative disclosures of fair value measurement hierarchy ( note 30)
- Investment in unquoted equity shares of subsidiary (note no 5)
- Financial instruments ( including those carried at amortised cost) (note 30)

## 2.3 Significant accounting judgements, estimates and assumptions

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

### Judgements

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

- (a) Operating lease commitments - Company as lessee

The Company has taken various commercial properties on leases. the Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

### Estimates and assumptions

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

- (a) Taxes

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

- (b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the

underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 21

(c) Fair value measurement of financial instrument

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

(d) Impairment of Financial assets

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

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

₹ in '000		
Particulars	Computers and data processing units	Total
<b>At cost</b>		
<b>As at June 23, 2016</b>	-	-
Additions	-	-
Disposals	-	-
<b>As at March 31, 2017</b>	-	-
Additions	105	105
Disposals	-	-
<b>As at March 31, 2018</b>	<b>105</b>	<b>105</b>
<b>Depreciation</b>		
<b>As at June 23, 2016</b>	-	-
Additions	-	-
Disposals	-	-
<b>As at March 31, 2017</b>	-	-
Additions	20	20
Disposals	-	-
<b>As at March 31, 2018</b>	<b>20</b>	<b>20</b>
<b>Net carrying amount</b>		
<b>As at March 31, 2018</b>	<b>85</b>	<b>85</b>
<b>As at March 31, 2017</b>	-	-

**4. Investments**

₹ in '000		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Investment in equity instrument</b>		
<b>a) Investment in Equity Shares</b>		
<b>FSN E-Commerce Ventures Private Limited ( valued at fair value through profit and loss)</b>	186,614	175,471
1,34,977 ( March 31, 2017 - 2,69,955) Equity Shares of Nominal Value Rs. 10 each fully paid up		
<b>Azure Hospitality Private Limited</b>		
Unquoted equity instruments		
100 (March 31, 2017 - 100) Equity Shares of Face Value Rs.10 each fully paid up	4	4
<b>b) Investment in Debentures (valued at fair value through profit and loss)</b>		
<b>Azure Hospitality Private Limited</b>	-	334,997
Nil (March 31, 2017 - 76,15,947)		
Series-B Compulsary Convertible Debentures*		
<b>c) Investment in Preference Shares</b>		
Azure Hospitality Private Limited	714,494	-
16,234,829 (March 31, 2017 - Nil) Series-C Preference Shares of Nominal Value Rs. 20 (Fair Value -Rs. 44.01) each fully paid up #		
<b>d) IAN Fund - I</b>		
IAN Fund I	1,654	-
22,950 (March 31, 2017 - Nil) units of Nominal Value Rs. 100 each fully paid up		
	<b>902,766</b>	<b>510,472</b>
<b>Non-Current</b>	<b>902,766</b>	<b>510,472</b>
<b>Aggregate value of unquoted investments</b>	<b>902,766</b>	<b>510,472</b>

\* Series-B Compulsary Convertible Debentures will be convertible into one equity share per debenture maximum upto fifteen years

# Series-C Preference shares of Nominal will be convertible into one equity share per preference shares maximum upto fifteen years

**5. Non- Current tax assets**

₹ in '000		
Particulars	As at March 31, 2018	As at March 31, 2017
Tax deducted at source recoverable	-	54
	-	<b>54</b>

**6. Current financial assets**

<b>(i) Trade receivables</b>		
<b>Unsecured :-</b>		
Trade receivables from related parties - considered good (refer note 25)	-	450
	-	<b>450</b>
<b>(ii) Cash and cash equivalents</b>		
<b>Balances with banks:</b>		
On current accounts	1,535	1,587
	<b>1,535</b>	<b>1,587</b>
<b>(iii) Other financial assets</b>		
Prepaid expenses	33	-
Unsecured, considered good	41	-
	<b>74</b>	-

**7. Share capital and other equity****(i) Equity share capital**

₹ in '000		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>a) Authorized</b>		
50,000 (March 31, 2017 - 50,000) equity shares of Rs.10/- each	500.00	500.00
	<b>500.00</b>	<b>500.00</b>
<b>Issued, subscribed and fully paid-up</b>		
50,000 (March 31, 2017 - 50,000) equity shares of Rs.10/- each	500.00	500.00
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>500.00</b>	<b>500.00</b>

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

Equity shares	March 31, 2018		March 31, 2017	
	No. of shares	₹ in '000	No. of shares	₹ in '000
At the beginning of the period	50,000	500.00	-	-
Add: Shares issued at incorporation of the Company	-	-	50,000	500
<b>Outstanding at the end of the period/ year</b>	<b>50,000</b>	<b>500.00</b>	<b>50,000</b>	<b>500.00</b>

**c) Terms and rights attached to equity shares**

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

**d) Shares held by Holding Company**

Name of the Company & Relationship	March 31, 2018		March 31, 2017	
	No. of shares	% held	No. of shares	% held
<b>Equity shares of Rs. 10 each fully paid-up</b>				
Max Ventures and Industries Limited & its nominees - Holding Company	50,000	100.00%	50,000	100.00%



**7. (ii) Other equity**

₹ in '000		
Particulars	As at March 31, 2018	As at March 31, 2017
Equity Component of Non-Convertible Debentures ( note a below)	212,875	137,046
Retained earnings (note b below)	84,184	(15,233)
	<b>297,059</b>	<b>121,813</b>
Notes:		
<b>a) Equity Component of Non-Convertible Debentures*</b>		
Opening at the beginning of the year/period	137,046	-
Additions during the year/period	90,739	209,576
Less: Deferred tax liability on equity portion	(14,910)	(72,530)
<b>Closing at the end of the year/period</b>	<b>212,875</b>	<b>137,046</b>
<b>b) Retained earnings</b>		
At the beginning of the year/period	(15,233)	-
Profit/(Loss) for the year/period	99,417	(15,233)
	<b>84,184</b>	<b>(15,233)</b>
* It denotes the difference between fair value and the carrying value of zero coupon non-convertible debentures		

**8. Borrowings**

₹ in '000		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current borrowings :-</b>		
<b>Unsecured Debentures</b>		
3,400 ( March 31, 2017 - 3,400)-0% Non-Convertible Debentures of Rs. 100,000 each (unsecured)	2,41,246	2,17,340
Nil - (March 31, 2017- 1,755) 0% Non-Convertible Debentures of Rs. 100,000 each (unsecured)	-	1,07,729
3,700 - ( March 31, 2017 - Nil) 0% Non-Convertible Debentures of Rs. 100,000 each (unsecured)	2,38,172	-
	<b>4,79,418</b>	<b>3,25,069</b>
Aggregate Secured loans	-	-
Aggregate Unsecured loans	4,79,418	3,25,069

- (i) The Company has issued 3,400 Redeemable, transferable and non-interest bearing unsecured Non-convertible debenture ('NCD's) of face value Rs.1,00,000/- each to Max Ventures & Industries Limited. The debentures have a maximum tenor of 60 months from closing date.
- (ii) The Company has issued 1,750 Redeemable, transferable and non-interest bearing unsecured Non-convertible debenture ('NCD's) of face value Rs.1,00,000/- each to Max Ventures & Industries Limited. The debentures have a maximum tenor of 60 months from closing date.
- (iii) The Company has issued 3700 Redeemable, transferable and non-interest bearing unsecured Non-convertible debenture ('NCD's) of face value Rs.1,00,000/- each to Max Ventures & Industries Limited. The debentures have a maximum tenor of 60 months from closing date.

**9. Provision**

		₹ in '000
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits</b>		
Provision for gratuity (refer note 22)	263	-
	<b>263</b>	<b>-</b>
<b>10. Deferred tax liabilities</b>		
<b>(i) Deferred tax liability</b>		
Impact on equity portion of non-convertible debentures	67,145	65,904
Impact on fair valuation of investments	31,589	-
Others	9	-
<b>Gross deferred tax liability</b>	<b>98,743</b>	<b>65,904</b>
<b>(ii) Deferred tax assets</b>		
Impact of expenditure charged to the statement of profit and loss in the year/ period but allowed for tax purposes on payment basis	1,533	1,386
<b>Gross deferred tax assets</b>	<b>1,533</b>	<b>1,386</b>
<b>Net Deferred tax liability/(assets)</b>	<b>97,210</b>	<b>64,518</b>
<b>MAT Credit</b>	<b>(5,907)</b>	
<b>Net Deferred tax liability/(assets)</b>	<b>91,303</b>	<b>64,518</b>

**11. Current financial liabilities**

<b>(i) Borrowings</b>		
Loans from related party*	31,700	-
Interest accrued and due on unsecured loan	601	-
	<b>32,301</b>	<b>-</b>

\*Interest bearing @ 9.25% ( March 31, 2017 - NIL) loan which is repayable on demand

<b>(ii) Trade payables</b>		
Total outstanding dues of micro enterprises and small enterprises**		
Total outstanding dues of creditors other than micro enterprises and small enterprises #	1,612	620
	<b>1,612</b>	<b>620</b>

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

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

# includes amount payable to related party ( refer note 25)

**12. Provision**

Provision for leave encashment	234	-
Provision for gratuity (refer note 22)	6	-
Provision for taxation (net of advance tax amounting to Rs. 28,310,711 (March 31, 2017 - Nil)	1,410	-
	<b>1,650</b>	<b>-</b>

**13. Other current liabilities**

Statutory dues	354	43
	<b>354</b>	<b>43</b>

**14. Revenue from operations**

		₹ in '000
Particulars	for the year ended March 31, 2018	for the period June 23, 2016 to March 31, 2017
Income from shared services	-	500
Net Gain on fair value of investments	107,736	
Net Gain on stake sale	98,939	
<b>Total</b>	<b>206,675</b>	<b>500</b>
<b>15. Other income</b>		
Interest income on fixed deposits	-	36
Interest on income tax refund	3	-
	<b>3</b>	<b>36</b>
<b>16. Employee benefits expense</b>		
Salaries, wages and bonus	5,414	-
Contribution to provident and other funds	452	-
Gratuity expense (refer note 22)	269	-
Staff welfare expenses	444	-
	<b>6,579</b>	<b>-</b>
<b>17. Finance costs</b>		
Interest on debts and borrowings	51,473	19,145
	<b>51,473</b>	<b>19,145</b>
<b>18. Depreciation and amortization expense</b>		
Depreciation of property, plant and equipment (refer note 3)	20	-
	<b>20</b>	<b>-</b>
<b>19. Other expense</b>		
Rates and taxes	39	15
Insurance	140	-
Repairs and maintenance:		
-Others	8	-
Preliminary expenses	-	41
Printing and stationery	4	2
Travelling and conveyance	216	16
Communication	26	-
Legal and professional	6,133	4,533
Recruitment expenses	-	12
Shared service charges	910	-
Miscellaneous expenses	117	17
	<b>7,593</b>	<b>4,636</b>
<b>Payment to auditor (included in legal and professional fee)</b>		
<b>As auditor:</b>		
Audit fee	50	50
Other services including certification fees	128	-
Reimbursement of expenses	-	-
	<b>178</b>	<b>50</b>

**20 Tax expenses**

The major components of income tax expense for the year ended March 31, 2018 and March 31, 2017 are :

**Statement of profit and loss :****Profit and loss section**

₹ in '000		
Particulars	for the year ended March 31, 2018	for the period June 23, 2016 to March 31, 2017
<b>Particulars</b>		
<b>Current income tax :</b>		
Current tax	29,721	-
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	11,875	(8,012)
<b>Income tax expense reported in the statement of profit and loss</b>	<b>41,596</b>	<b>(8,012)</b>

**OCI section :**

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

Particulars	for the year ended March 31, 2018	for the period June 23, 2016 to March 31, 2017
Income tax charge/(credit) on remeasurements of defined benefit plans	-	-
<b>Income tax charged to OCI</b>	<b>-</b>	<b>-</b>

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2017 and March 31, 2018:

Particulars	for the year ended March 31, 2018	for the period June 23, 2016 to March 31, 2017
Accounting profit/(loss) before tax	141,013	(23,245)
<b>Accounting profit/(loss) before income tax</b>	<b>141,013</b>	<b>(23,245)</b>
At India's statutory income tax rate of 28.84 % (March 31, 2017: 34.608 % )	40,675	(8,045)
<b>Non-Taxable Income for tax purposes:</b>		
Dividend income	-	-
Unwinding of interest on zero coupon non-convertible debentures	-	-
Impact of indexation on capital gain	-	-
Deduction u/s 80 IC	-	-
Others	-	-
Disallowances on account of exempt income u/s 14A	-	-
Other non-deductible expenses	-	-
<b>Other non-deductible expenses</b>		
Difference on account of difference in tax rate	-	-
Business loss	-	-
Others	921	33
Difference in Tax Base and Book Base of Investments	-	-
<b>At the effective income tax rate</b>	<b>41,596</b>	<b>(8,012)</b>
Income tax expense reported in the statement of profit and loss	41,596	(8,012)
<b>Total tax expense</b>	<b>41,596</b>	<b>(8,012)</b>

**Deferred tax relates to the following:**

Particulars	March 31, 2018	March 31, 2017
<b>Deferred tax liabilities</b>		
Impact of equity portion on non-convertible debentures	67,145	65,904
Impact on fair valuation of investments	31,589	-
Others	9	-
<b>Gross deferred tax liabilities (a)</b>	<b>98,743</b>	<b>65,904</b>
<b>Deferred tax assets</b>		
Effect of expenditure debited to the statement of Profit and Loss in the current year/earlier years but allowed for tax purposes in following years	1,533	1,386
<b>Gross deferred tax assets (b)</b>	<b>1,533</b>	<b>1,386</b>
	<b>97,210</b>	<b>64,518</b>
<b>MAT Credit</b>	<b>(5,907)</b>	<b>-</b>
<b>Deferred tax liabilities (net)</b>	<b>91,303</b>	<b>64,518</b>
<b>Reflected in the balance sheet as follows:</b>		
<b>Reconciliation of deferred tax liabilities (net):</b>		

Particulars	March 31, 2018	March 31, 2017
<b>Opening balance as of April 1</b>	(64,518)	-
Tax expense/( income) during the period recognised in profit or loss	(11,875)	8,012
Tax expense/( income) during the period recognised in OCI	-	-
Adjusted from Investment in Non convertible debentures and fair valuation	(20,817)	(72,530)
<b>Closing balance as at March 31 (before adjustment of MAT credit)</b>	<b>(97,210)</b>	<b>(64,518)</b>
<b>MAT credit</b>	<b>(5,907)</b>	<b>-</b>
<b>Closing balance as at March 31</b>	<b>(91,303)</b>	<b>(64,518)</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

**21 Earning Per Share**

₹ in '000

Particulars	March 31, 2018	March 31, 2017
<b>Basic/Diluted EPS</b>		
Profit after tax (Rs. in thousands)	99,417	(15,233)
Less: dividends on convertible preference shares & tax thereon	-	-
Net profit/(loss) for calculation of basic/diluted EPS	99,417	(15,233)
Weighted average number of equity shares outstanding during the year/period (Nos.)	50,000	50,000
Basic/Diluted earnings per share (Rs.)	<b>1,988</b>	<b>(305)</b>

## 22 Gratuity

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

		₹ in '000	
		As at March 31, 2018	As at March 31, 2017
a)	<b>Reconciliation of opening and closing balances of defined benefit obligation</b>		
	Defined benefit obligation at the beginning of the period	-	-
	Interest expense	-	-
	Current service cost	122	-
	Past Service Cost including curtailment Gains/Losses	147	-
	Benefit paid	-	-
	Acquisition adjustment	-	-
	Remeasurement of (Gain)/loss in other comprehensive income		
	Actuarial changes arising from changes in demographic assumptions	-	-
	Actuarial changes arising from changes in financial assumptions	-	-
	Actuarial changes arising from changes in experience adjustments	-	-
	<b>Defined benefit obligation at period end</b>	<b>269</b>	<b>-</b>
b)	<b>Reconciliation of opening and closing balances of fair value of plan assets</b>		
	Fair value of plan assets at beginning of the period	-	-
	Expected return on plan assets	-	-
	Employer contribution	-	-
	Remeasurement of (Gain)/loss in other comprehensive income	-	-
	<b>Fair value of plan assets at period end</b>	<b>-</b>	<b>-</b>
c)	<b>Net defined benefit asset/ (liability) recognized in the balance sheet</b>		
	Fair value of plan assets	-	-
	Present value of defined benefit obligation	269	-
	<b>Amount recognized in balance sheet- asset / (liability)</b>	<b>(269)</b>	<b>-</b>
d)	<b>Net defined benefit expense (recognized in the statement of profit and loss for the period )</b>		
	Current service cost	122	-
	Past service cost	147	-
	Interest cost on benefit obligation	-	-
	Expected return on plan assets	-	-
	<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>269</b>	<b>-</b>

e)	<b>Broad categories of plan assets as a percentage of total assets</b>		
	Insurer managed funds	0%	0%
f)	<b>Principal assumptions used in determining defined benefit obligation</b>		
		<b>for the period ended March 31, 2018</b>	<b>for the period ended March 31, 2017</b>
	Discount rate	7.80%	0.00%
	Salary escalation rate	10.00%	0.00%
	Mortality Rate (% of IALM 06-08)	100.00%	0.00%

		₹ in '000	
		<b>for the period ended March 31, 2018</b>	<b>for the period ended March 31, 2017</b>
g)	<b>Quantitative sensitivity analysis for significant assumptions is as below:</b>		
	Increase / (decrease) on present value of defined benefits obligations at the end of the period		
	Discount rate		
	Increase by 0.50%	(23)	-
	Decrease by 0.50%	25	-
	Salary growth rate		
	Increase by 0.50%	6	-
	Decrease by 0.50%	(21)	-
h)	<b>Maturity profile of defined benefit obligation (valued on undiscounted basis)</b>	<b>for the period ended March 31, 2018</b>	<b>for the period ended March 31, 2017</b>
	Within the next 12 months (next annual reporting period)	6	-
	Between 2 and 5 periods	32	-
	Beyond 5 periods	231	-
	<b>Total expected payments</b>	<b>269</b>	<b>-</b>

- i) The average duration of the defined benefit plan obligation at the end of the reporting period is 18.75 periods (March 31, 2017 : Nil)
- j) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
- k) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- l) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**b) Leave Encashment (unfunded)**

The Company recognises the leave encashment expenses in the Statement of Profit and loss based on actuarial valuation. The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year/period:

₹ in '000		
Particulars	As at March 31, 2018	As at March 31, 2017
Liability at the beginning of the period/year	-	-
Benefit paid during the period/year	-	-
Provided during the period/year	234	-
Liability at the end of the period/year	234	-

**23 A. Financial instruments**

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

₹ in '000				
Category	Carrying value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>1) Financial asset at amortized cost</b>				
Loans	-	-	-	-
Other financial assets	74.00	-	74.00	-
Trade receivables	-	450	-	450
Cash and cash equivalents	1,535	1,587	1,535	1,587
Derivative instruments	-	-	-	-
<b>1) Financial liabilities at amortized cost</b>				
Borrowings - Non Current (Refer Note 8)	479,418	325,069	479,418	325,069
Trade payables	1,612	620	1,612	620
<b>2) Financial Assets</b>				
Investments (refer note 4)	902,766	510,472	902,766	510,472

**3) Financial asset carried at fair value through statement of profit & loss**

Other investments	902,766	510,472	902,766	510,472
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The Company assessed that trade receivables, cash and cash equivalents and trade payables are considered to be the same as their fair values, due to their short term nature.

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

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



Reconciliation of fair value measurement of investment in unquoted equity shares/debentures/preference shares/ venture capital fund measured at FVTPL: (Level III)

Particulars	₹ in '000
<b>As at 23rd June 2016</b>	<b>Amount</b>
Purchase	510,472
Impact of fair value movement sales	-
<b>As at March 31, 2017</b>	<b>510,472</b>
Purchase	795,030
Impact of fair value movement sales	107,736
<b>As at March 31, 2018</b>	<b>902,766</b>

#### B. Fair value hierarchy

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

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

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

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

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2018

₹ in '000				
Particulars	Carrying value March 31, 2018	Fair value		
		Level 1	Level 2	Level 3
Loans	-	-	-	-
Other financial assets	74.00	-	74	-
Trade receivables	-	-	-	-
Cash and cash equivalents	1,535	-	1,535	-
Other investments	9,02,766	-	-	9,02,766

(ii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2017

₹ in '000				
Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level3
Loans	-	-	-	-
Other financial assets	-	-	-	-
Trade receivables	450	-	450	-
Cash and cash equivalents	1,587	-	1,587	-
Other investments	5,10,472	-	-	5,10,472

## (i) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2018

₹ in '000				
Particulars	Carrying value March 31, 2018	Fair value		
		Level 1	Level 1	Level 3
Borrowings - Non Current (Refer Note 8)	479,418	-	479,418	-

## (ii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2017

₹ in '000				
Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Borrowings - Non Current (Refer Note 8)	325,069	-	325,069	-

## (iii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2018

₹ in '000				
Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Financial Assets - Investments (refer note 4)	902,766	-	902,766	-

## (iv) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2017

₹ in '000				
Particulars	Carrying value March 31, 2017	Fair value		
		Level 1	Level 2	Level 3
Financial Assets - Investments (refer note 4)	510,472	-	510,472	-

**24 Financial risk management objectives and policies**

The Company's has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The Company uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by a Corporate Finance department under policies approved by the audit committee from time to time. The Corporate Finance department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The audit committee approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

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

**a) Capital risk**

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in note 8, cash and cash equivalents disclosed in note 6 and equity as disclosed in the statement of financial position.

**b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Investment and Performance Review Committee of the Board.

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2017 and March 31, 2018 based on contractual undiscounted payments :-

₹ in '000				
March 31, 2017	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	325,069			325,069
Trade payable	620	-	-	620
Other financial liabilities	43	-	-	43
<b>% to Total</b>	<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>

March 31, 2018	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	479,418			479,418
Trade payable	1,612	-	-	1,612
Other financial liabilities	-	-	-	-
<b>% to Total</b>	<b>100.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>100.00%</b>

**c) Credit risk**

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

**(i) Trade receivables**

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

**(ii) Financial instruments and cash deposit**

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

financial institutions is subject to low credit risk due to good credit ratings assigned to the Company. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 and March 31, 2017 is the carrying amounts as illustrated in the liquidity table above.

**d) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2018 and March 31, 2017. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2018.

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

			₹ in '000
Particulars	March 31, 2018	March 31, 2017	March 31, 2016
Payables in USD		-	-

**(ii) Interest rate risk**

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at fixed interest rates.

Interest rate Sensitivity of Borrowings

With all other variables held constant, the following table demonstrates the sensitivity to a reasonably possible change in interest rates on fixed rate portion of loans and borrowings.

			₹ in '000
Period	Increase/decrease in interest rate	Effect on profit before tax	
March 31, 2018	0.50%	12	
March 31, 2017	0.50%	-	

**25 Related party 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 Learning Limited
	Wise Zone Builders Private Limited
Entities controlled or jointly controlled by person or entities where person has significantly influence	Azure Hospitality Private Limited

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

				₹ in '000
S.No	Nature of transaction	Particulars	for the year ended	for the period
			March 31, 2018	June 23, 2016 to March 31, 2017
1	Shared Services given (rendered to)	Max Ventures and Industries Limited	-	500
		<b>Total</b>	<b>-</b>	<b>500</b>
2	Reimbursement of expenses (Paid to)	Max Ventures and Industries Limited	856	197
		<b>Total</b>	<b>856</b>	<b>197</b>
3	Shared Services received from	Max Ventures and Industries Limited	751	-
		<b>Total</b>	<b>751</b>	<b>-</b>
4	Interest paid (to)	Max Ventures and Industries Limited	885	-
		<b>Total</b>	<b>885</b>	<b>-</b>
5	Loan taken	Max Ventures and Industries Limited	42,100	-
		<b>Total</b>	<b>42,100</b>	<b>-</b>
6	Loan repaid	Max Ventures and Industries Limited	10,400	-
		<b>Total</b>	<b>10,400</b>	<b>-</b>
7	Debentures issue (Refer note 8 )	Max Ventures and Industries Limited	154,349	325,069
		<b>Total</b>	<b>154,349</b>	<b>325,069</b>
8	Equity portion on non convertible debentures (Refer note 7)	Max Ventures and Industries Limited	75,829	137,046
		<b>Total</b>	<b>75,829</b>	<b>137,046</b>
9	Accrued interest under Ind AS	Max Ventures and Industries Limited	50,588	19,145
		<b>Total</b>	<b>50,588</b>	<b>19,145</b>
10	Investment made	Azure Hospitality Private Limited	379,497	335,000
		<b>Total</b>	<b>379,497</b>	<b>335,000</b>

## 25 (b) Balances outstanding at period/year end

				₹ in '000
S.No	Nature of transaction	Particulars	As at March 31, 2018	As at March 31, 2017
1	Interest Accrued on ICD's	Max Ventures and Industries Limited	601	-
		<b>Total</b>	<b>601</b>	<b>-</b>
2	Trade Receivables	Max Ventures and Industries Limited	-	450
		<b>Total</b>	<b>-</b>	<b>450</b>
3	Loan outstanding	Max Ventures and Industries Limited	31,700	-
		<b>Total</b>	<b>31,700</b>	<b>-</b>
4	Debentures issue (Refer note 8 )	Max Ventures and Industries Limited	479,418	325,069
		<b>Total</b>	<b>479,418</b>	<b>325,069</b>
5	Equity portion on non convertible debentures (Refer note 7)	Max Ventures and Industries Limited	300,315	209,576
		<b>Total</b>	<b>300,315</b>	<b>209,576</b>
6	Trade payables	Max Ventures and Industries Limited	575	197
		<b>Total</b>	<b>575</b>	<b>197</b>

**Terms and conditions of transactions with related parties**

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions
- There have been no guarantees provided or received for any related party receivables or payables

**26 Reconciliation statement of equity as previously reported under IGAAP to Ind AS**

₹ in '000				
Particulars	Footnotes	Balance sheet as at March 31, 2017		
		IGAAP	Adjustment	Ind AS
<b>ASSESTS</b>				
<b>Non-current assets</b>				
Investments	3	514,478	(4,006)	510,472
Other non current assets	2	-	54	54
		<b>514,478</b>	<b>(3,952)</b>	<b>510,526</b>
<b>Current assets</b>				
Financial assets				
Trade receivables		450	-	450
Cash and cash equivalents		1,587	-	1,587
Other current assets		54	(54)	-
		<b>2,091</b>	<b>(54)</b>	<b>2,037</b>
<b>TOTAL ASSETS</b>				
		<b>516,569</b>	<b>(4,006)</b>	<b>512,563</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital		500	-	500
Other equity	1	(95)	121,908	121,813
<b>Total Equity</b>		<b>405</b>	<b>121,908</b>	<b>122,313</b>
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings	2	515,500	(190,431)	325,069
Deferred tax liabilities		-	64,518	64,518
		<b>515,500</b>	<b>(125,913)</b>	<b>389,587</b>
<b>Current liabilities</b>				
Financial Liabilities				
Trade payables		620	-	620
Other current financial liabilities		43	-	43
		<b>663</b>	<b>-</b>	<b>663</b>
<b>TOTAL LIABILITIES</b>				
		<b>516,163</b>	<b>(125,913)</b>	<b>390,250</b>
<b>TOTAL EQUITY AND LIABILITIES</b>				
		<b>516,569</b>	<b>(4,006)</b>	<b>512,563</b>

**27 Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS**

		₹ in '000		
Particulars	Footnotes	Year ended March 31, 2017		
		IGAAP	Adjustment	Ind AS
<b>INCOME</b>				
Revenue from operations		500	-	500
Other income		36	-	36
<b>Total income</b>		<b>536</b>	<b>-</b>	<b>536</b>
<b>Expenses</b>				
Finance costs	2	-	19,145	19,145
Other expenses	3	630	4,006	4,636
<b>Total expense</b>		<b>630</b>	<b>23,151</b>	<b>23,781</b>
Loss before tax		(94)	(23,151)	(23,245)
Tax expenses			(8,012)	(8,012)
Loss for the year		<b>(94)</b>	<b>(15,139)</b>	<b>(15,233)</b>
<b>Other comprehensive income</b>				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods/year:				
Re-measurement losses on defined benefit plans		-	-	-
Income tax effect		-	-	-
Other comprehensive income for the year, net of tax		-	-	-
<b>Total comprehensive income for the year, net of tax attributable to Equity shareholder</b>		<b>(94)</b>	<b>(15,139)</b>	<b>(15,233)</b>

**28 Footnotes to the reconciliation of equity as at March 31, 2017 and profit or loss for the year ended March 31, 2017****remarks for adjustments****1) Retained earnings**

Retained earnings as at March 31, 2017 has been adjusted consequent to the Ind AS transition adjustments mentioned herewith

**2) Zero Coupon non-convertible debentures**

In the financial statements prepared under previous GAAP, the carrying value of zero coupon non convertible debentures was recognised at the principal amount receivable from borrower . Under IND AS, interest free non convertible debentures being a financial liability is required to be recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The difference between such fair value and the carrying value is recognised as "Equity Component of Non- Convertible Debentures" under other equity. the company recognizes interest expense on non convertible debentures using Effective interest rate.

**3) Legal and Professional expense**

Legal and professional expenses were added to the investment value under Indian GAAP has been charged off in retained earnings under Ind AS.



**29 First-time adoption of Ind AS (Exception and exemption availed)**

These financial statements, for the year ended March 31, 2018, are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements as at and for the year ended March 31, 2017.

**Ind AS mandatory exceptions****Estimates**

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at March 31, 2017 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**Derecognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

**Classification of financial assets and liabilities**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

**Impairment of financial assets**

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

**Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)**

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

- 29A** During the financial year 2017-18, the financial assets (netted off by intangible assets) of the company constitute more than 50% of the total assets of the company and the financial income of the company constitute more than 50% of the gross income of the company based on the balance sheet as at March 31, 2018, accordingly the company has become NBFC from financial year 2018-19 and it is liable to obtain NBFC Certificate of Registration u/s 45-IC of the RBI Act, 1934.

**30** As the Company's business activity primarily falls within a single business and geographical segment, thus there are no additional disclosures to be provided under Ind AS 108 - "Operating Segment". The management considers that having investments in companies and providing shared services to group companies constitutes single business segment, since the risk and reward from these services are not different from one another.

### 31 Capital Management

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

	₹ in '000	
	As at March 31, 2018	As at March 31, 2017
Borrowings	479,418	325,069
Trade payables	1,612	620
Less: Cash and Cash equivalents	1,535	1,587
Net Debt	479,495	324,102
Equity	297,559	122,313
Total Equity	<b>297,559</b>	<b>122,313</b>
Total Capital and net debt	<b>777,054</b>	<b>446,415</b>
Gearing ratio	161%	265%

**32** During the year, The Company has divested 1,34,978 equity shares of Rs. 10 each (represents 0.995% equity share capital of FSN E- Commerce Ventures Private Limited).

**33** Note No.1 to 33 form integral part of the Balance sheet and Statement of profit and loss.

The accompanying notes are integral part of the IND AS financial statements

#### DINESH KUMAR BACHCHAS

Partner

Membership No 097820

For and on behalf of

#### K.K. MANKESHWAR & CO.

Chartered Accountants

FRN: 106009W

Place : Noida

Date : 15<sup>th</sup> May, 2018

#### For and on behalf of board of directors of Max I. Limited

#### Nitin Kumar Kansal

(Director)

(DIN: 03048794)

#### Sahil Vachani

(Director)

(DIN: 00761695)

Place : Noida

Date : 15<sup>th</sup> May, 2018



**WISE ZONE  
BUILDERS PVT. LTD.**

# DIRECTORS' REPORT

## Dear Shareholders,

Your Directors have great pleasure in presenting the Second Annual Report together with the Audited Financial Statements for the financial year ended March 31, 2018.

## FINANCIAL REVIEW

Pursuant to Section 133 of the Companies Act, 2013 ('Act') read with Rule 4(1)(iii) of Companies (Indian Accounting Standards) Rules, 2015, Indian Accounting Standards ('IND AS') become applicable to the Company effective from FY 2017-18 and accordingly the financials for the year ended March 31, 2018 have been prepared as per IND AS.

## Financial Performance

(Rs. in Lakhs)

Particulars	From April 01, 2017 to March 31, 2018	From October 27, 2016 to March 31, 2017
<b>Income</b>		
Revenue from Operations	0.00	0.00
Other Income	0.00	0.00
<b>Total Revenues</b>	<b>0.00</b>	<b>0.00</b>
<b>Expenses</b>		
Cost of construction materials, labour & other project cost	5,283.68	0.00
Change in inventories of finished goods and work-in-progress	(5,283.68)	0.00
Employee benefits expense	0.00	0.00
Finance costs	0.00	0.00
Depreciation and amortization expense	0.32	0.00
Other Expenses	3.73	0.34
<b>Total Expenses</b>	<b>4.05</b>	<b>0.34</b>
<b>Net Profit/ (Loss) Before Tax</b>	<b>(4.05)</b>	<b>(0.34)</b>
<b>Tax expenses</b>		
Current tax	0.00	0.00
Less: MAT credit entitlement	0.00	0.00
Deferred tax	0.00	0.00
<b>Total tax expense</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Profit/ (Loss) After Tax</b>	<b>(4.05)</b>	<b>(0.34)</b>
Other Comprehensive Income	0.00	0.00
Total comprehensive income/(loss) for the period, net of tax	<b>(4.05)</b>	<b>(0.34)</b>
<b>EPS</b>	<b>(40.48)</b>	<b>(7.99)</b>

## Dividend

The Company has not earned profit during the year and hence the Board of Directors of the Company does not recommend any dividend for the year ended March 31, 2018 on the Equity Share Capital of the Company.

## Transfer to Reserves

Since there were no profits during the year under review, the Company did not transfer any amount to the General Reserve.

## OPERATIONS REVIEW

### Operational Performance

During the year under review, 100% shareholding of the Company was acquired by Max Estates Limited on April 29, 2017 from Boulevard Projects Private Limited with an exclusive right on Max Tower housed within the Company, located in the Delhi One Complex, Noida. Noida Authority also recognized the change in shareholding pattern of the Company vide their letter dated October 26, 2017.

Max Towers is a 0.6 mn sqft luxury commercial structure which is built in the most prime region of Noida and is expected to launch in FY 2019. It is a luxury commercial tower along with four amenity floors and three levels of basement car parking located in the Delhi One Complex, Noida. It commands direct access and a large frontage on the DND Flyway. The Delhi One Complex is spread across 12.50 acres and comprises five commercial towers, including Max Towers, three residential towers and a hotel. The Max Towers is designed by architecture firms from United Kingdom and Spain. LEED Platinum certification for Max Tower is currently in progress and will be awarded post completion of the construction. Max Tower comprises of 6.15 lakhs square feet of Saleable/Leasable Area.

### SHARE CAPITAL

The Authorized and Paid-up Share Capital of the Company as on March 31, 2018 was Rs. 1,00,000/- (Rupees One Lakh only) comprising of 10,000 (Ten Thousand) equity shares of Rs. 10/- each.

**Further, following changes took place in the authorised and paid up share capital of the Company after the financial year ended on March 31, 2018 and before the date of this report are as under:**

The Company has increased its Authorized Share Capital from Rs. 1,00,000/- (Rupees One Lakh only) comprising of 10,000 (Ten Thousand) equity shares of Rs. 10/- (Rupees Ten only) each to Rs. 65,06,00,000 (Rupees Sixty Five Crores and Six Lakhs only) comprising of 6,50,60,000 (Six Crores Fifty Lakhs and Sixty Thousand) equity shares of Rs. 10/- (Rupees Ten only) each.

5,00,00,000 (Five Crores) equity shares of Rs. 10/- (Rupees Ten only) each of the Company were allotted on August 10, 2018 for cash at par on private placement basis to Max Estates Limited, holding company.

Consequently, the Paid- up Equity Share Capital of the Company as on the date of this report is Rs. 50,01,00,000 (Rupees Fifty Crores and One Lakh only) comprising of 5,00,10,000 (Five Crores Ten Thousand) equity shares of Rs. 10/- (Rupees Ten only) each.

The Company has also issued 26,020 Zero Coupon Compulsory Convertible Debentures of Rs. 1,00,000/- (Rupees One Lakh only) each aggregating upto Rs. 2,60,20,00,000/- (Rupees Two Hundred and Sixty Crores and Twenty Lakhs Only) to Max Estates Limited, the holding company on August 02, 2018 for cash at par on private placement basis, convertible into equity shares of the Company within 60 months from the date of allotment. Out of the above, the Company has also allotted 21,430 Zero Coupon Compulsory Convertible Debentures of Rs. 1,00,000/- (Rupees One Lac only) each to Max Estates Limited, the holding company till the date of this Report.

### 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, 2018 and the date of this Board's Report.

### HOLDING COMPANY/ SUBSIDIARY COMPANY(S) / ASSOCIATES / JOINT VENTURES

During the year under review, on April 29, 2017, 100% equity share capital of the Company has been acquired by Max Estates Limited from Boulevard Projects Private Limited. Accordingly, the Company became wholly owned subsidiary of Max Estates Limited.

The Company did not have any subsidiary, associate or joint venture during the year under review.

## BOARD OF DIRECTORS

The Board of your Company consists of three (3) Directors as on March 31, 2018 viz. Mr. Kishansingh Ramsinghaney, Mr. Nitin Kumar Kansal and Mr. Rohit Rajput.

During the year under review, following changes took place:

- Mr. Ravi Bhargav and Mr. Sanjeev Kumar Patiyal resigned from the position of Director on April 29, 2017.
- Mr. Kishansingh Ramsinghaney, Mr. Alok Goel and Mr. Nitin Kumar Kansal were co-opted as the Additional Directors of the Company w.e.f. April 29, 2017. Their term of office expires on the date of ensuing Annual General Meeting ('AGM') and are eligible to be appointed as the Directors of the Company.
- Mr. Alok Goel resigned from the position of Additional Director of the Company on September 20, 2017 and Mr. Rohit Rajput was appointed as an Additional Director of the Company w.e.f. September 20, 2017. The term of office of Mr. Rohit Rajput expires on the date of ensuing AGM and is eligible to be appointed as the Director of the Company.

The Company has received notice under Section 160 of the Act from Max Estates Limited, holding company proposing the candidature of Mr. Kishansingh Ramsinghaney, Mr. Nitin Kumar Kansal and Mr. Rohit Rajput, Additional Directors for being appointed as Directors of the Company. The Board of Directors recommends to the shareholders their appointment as Directors of the Company in the ensuing AGM.

The Board met 17 times during the year under review which is as follows:

S. No.	Date of Meeting	Board Strength	No. of Directors present
1.	April 04, 2017	2	2
2.	April 06, 2017	2	2
3.	April 24, 2017	2	2
4.	April 27, 2017	2	2
5.	April 28, 2017	2	2
6.	April 29, 2017	2*	2*
7.	May 16, 2017	3	3
8.	July 01, 2017	3	3
9.	August 01, 2017	3	3
10.	August 22, 2017	3	3
11.	September 20, 2017	3^	3^
12.	October 30, 2017	3	3
13.	November 08, 2017	3	3
14.	January 19, 2018	3	3
15.	January 30, 2018	3	3
16.	February 12, 2018	3	3
17.	February 14, 2018	3	3

\*Mr. Kishansingh Ramsinghaney, Mr. Alok Goel and Mr. Nitin Kumar Kansal were appointed as additional directors of the Company and Mr. Ravi Bhargav and Mr. Sanjeev Kumar Patiyal resigned from the Directorship on April 29, 2017.

^Mr. Rohit Rajput was appointed and Mr. Alok Goel resigned from the Directorship on September 20, 2017.

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

Name of Directors	Designation	Board Meetings	
		Held during tenure	Attended
Mr. Ravi Bhargav*	Director	6	6
Mr. Sanjeev Kumar Patiyal*	Director	6	6
Mr. Kishansingh Ramsinghaney#	Director	12	12
Mr. Nitin Kumar Kansal#	Director	12	12
Mr. Alok Goel# ^	Director	6	6
Mr. Rohit Rajput@	Director	7	7

\*Resigned from the position of Director on April 29, 2017.

#Appointed as an Additional Director w.e.f. April 29, 2017.

^Resigned from the position of Additional Director on September 20, 2017.

@ Appointed as an Additional Director w.e.f. September 20, 2017.

### STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

During the year under review, the Company was not required to appoint Independent Directors under section 149(4) of the Act and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and hence no such declaration is required.

### COMMITTEE OF BOARD OF DIRECTORS

During the year under review, the Company was not required to constitute any committee of Board of Directors in terms of provisions of the Act and the rules made there under.

### 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 loan, guarantees or made any investment under the provisions of 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 provisions of Section 139 and other applicable provisions, if any, of the Act, M/s. K.K Mankeshwar & Co., Chartered Accountants, (FRN – 106009W) were appointed as the Statutory Auditors of the Company at the AGM held on April 28, 2017 and their term of office shall expire at the conclusion of the ensuing AGM.

In accordance with the Companies Act 2013, M/s. K.K Mankeshwar & Co., Chartered Accountants, are eligible for re-appointment and the Board has recommended their appointment for a term of five consecutive years i.e. from the conclusion of 2<sup>nd</sup> AGM of the Company to be held on September 25, 2018 till the conclusion of 7<sup>th</sup> AGM of the Company to be held in the year 2023, for the approval of the shareholders of the Company.



The Company has received letter from M/s. K.K Mankeshwar & Co., Chartered Accountants, to the effect that their re-appointment as Statutory Auditors of the Company, if made, would be within the prescribed limits under Section 139 of the Act and they are not disqualified for re-appointment.

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 FY 2017-18 as annexed to this Annual Report.

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

### **COST RECORDS**

During the year under review, the provisions of section 148(1) of the Act relating to maintenance of cost records do not apply to 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 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**

During the year under review, 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 Companies (Accounts) Rules, 2014 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 Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return as at March 31, 2018 forms part of this report as '**Annexure –2**'.

### **PARTICULARS OF EMPLOYEES**

The information required under Section 197 (12) of Act and Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, 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 year under review impacting the going concern status and your Company's operations in future.

**SECRETARIAL STANDARDS**

The Company complies with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

**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 employees for their performance during the year.

For and on behalf of the Board of Directors  
For **WISE ZONE BUILDERS PRIVATE LIMITED**

Place : Noida, U.P.  
Date : August 28, 2018

**Nitin Kumar Kansal**  
**Director**  
**DIN: 03048794**

**Rohit Rajput**  
**Director**  
**DIN:07944150**

**Annexure- 1****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	:	171.67 Lakhs

## ANNEXURE - 2

## FORM MGT-9

**Extract of Annual Return as on the financial year ended on March 31, 2018**

[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 : U70109UP2016PTC087374
- ii) Registration Date : October 27, 2016
- iii) Name of the Company : Wise Zone Builders Private Limited
- iv) Category / Sub-Category of the Company : Private Company Limited by Shares (subsidiary of a public limited company) / Indian Non-Government Company
- v) Address of the Registered office and contact details : Max House, A- 81, Sector- 2 Noida, Gautam Buddha Nagar, UP -201301  
Phone No. : 0120 - 4743222  
Fax No. : 0120 - 4743250
- 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:

S. 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.	<b>Max Estates Limited*</b> 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab – 144 533	U70200PB2016PLC040200	Holding Company	100	2(46)

\*holds 100% shares of the Company with 6 (six) individual nominee shareholders.

#### 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 01, 2017				No. of Shares held on March 31, 2018				% Change during the year
	Particulars	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
a)	Individual/HUF*	-	1	1	0.00	-	6	6	0.00	-
b)	Central Govt	-	-	-	-	-	-	-	-	-
c)	State Govt(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	-	9,999	9,999	100.00	-	9,994	9,994	100.00	-
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (1)</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100.00</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100.00</b>	-
<b>2</b>	<b>Foreign</b>									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	<b>Sub-total (A) (2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total shareholding of Promoter &amp; Promoter Group [(A) = (A)(1)+(A)(2)]</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100.00</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100.00</b>	-
<b>B.</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
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)	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(1)</b>	-	-	-	-	-	-	-	-	-
<b>2</b>	<b>Non-Institutions</b>									
<b>a)</b>	<b>Bodies Corp.</b>									
i)	Indian	-	-	-	-	-	-	-	-	-
ii)	Overseas	-	-	-	-	-	-	-	-	-

Sl. No.	Category of Shareholders Particulars	No. of Shares held on April 01, 2017				No. of Shares held on March 31, 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>b)</b>	<b>Individuals</b>									-
	i) holding shares upto Rs.1 lakh	-	-	-	-	-	-	-	-	-
	ii) holding shares above Rs.1 lakh	-	-	-	-	-	-	-	-	-
<b>c)</b>	<b>NBFCs Registered with RBI</b>	-	-	-	-	-	-	-	-	-
<b>d)</b>	<b>Employees Trusts</b>	-	-	-	-	-	-	-	-	-
<b>c)</b>	<b>Any Others</b>	-	-	-	-	-	-	-	-	-
	<b>Sub-total (B)(2)</b>	-	-	-	-	-	-	-	-	-
	<b>Total Public Shareholding [(B)=(B)(1)+(B)(2)]</b>	-	-	-	-	-	-	-	-	-
<b>C.</b>	<b>Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
	<b>Grand Total (A+B+C)</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100</b>	-	<b>10,000</b>	<b>10,000</b>	<b>100</b>	-

\*Shares held as nominee(s) of Holding Company.

## (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 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	Boulevard Projects Private Limited ("BPPL")	9,999	100.00	-	-	-	-	(100)
2	Mr. Ravi Bhargav*	01	0.00	-	-	-	-	-
3	Max Estates Limited	-	-	-	9,994	100	30%	100
4	Mr. Sahil Vachani#	-	-	-	01	0.00	-	-
5	Mr. Kishansingh Ramsinghaney#	-	-	-	01	0.00	-	-
6	Mr. Arjunjit Singh#	-	-	-	01	0.00	-	-
7	Mr. Nitin Kumar Kansal#	-	-	-	01	0.00	-	-
8	Mr. Alok Goel# ^	-	-	-	0	0.00	-	-
9	Ms. Shruti Batish #	-	-	-	01	0.00	-	-
10	Mr. Rohit Rajput# ^	-	-	-	01	0.00	-	-
	<b>Total</b>	<b>10,000</b>	<b>100.00</b>	<b>-</b>	<b>10,000</b>	<b>100.00</b>	<b>-</b>	<b>-</b>

Note: On April 29, 2017, Max Estates Limited acquired 100% control over Wise Zone Builders Pvt. Ltd. ("Wise") by purchase of its entire shareholding of 10,000 equity shares from BPPL.

\* Shares held as nominees of Boulevard Projects Private Limited.

# Shares held as nominees of Max Estates Limited.

^Transfer of 1 equity share from Mr. Alok Goel to Mr. Rohit Rajput on September 20, 2017.

**(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
<b>1</b>	<b>Boulevard Projects Private Limited</b>				
	At the beginning of the year	9,999	100		
	Date wise increase / decrease				
	- Transfer of shares on April 29, 2017*	(9,999)	(100)	0	0.00
	At the end of year	0	0		
<b>2</b>	<b>Mr. Ravi Bhargav **</b>				
	At the beginning of the year	01	0.00		
	Date wise increase / decrease				
	- Transfer of shares on April 29, 2017*	(01)	(0.00)	(01)	(0.00)
	At the end of year	0	0.00		
<b>3</b>	<b>Max Estates Limited</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Transfer of shares on April 29, 2017*	9,994	100.00	9,994	100.00
	At the end of year	9,994	100.00		
<b>4</b>	<b>Mr. Sahil Vachani #</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Transfer of shares on April 29, 2017*	01	0.00	01	0.00
	At the end of year	01	0.00		
<b>5</b>	<b>Mr. Kishansingh Ramsinghaney #</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Transfer of shares on April 29, 2017*	01	0.00	01	0.00
	At the end of year	01	0.00		
<b>6</b>	<b>Mr. Arjunjit Singh #</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Transfer of shares on April 29, 2017*	01	0.00	01	0.00
	At the end of year	01	0.00		
<b>7</b>	<b>Mr. Nitin Kumar Kansal #</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Transfer of shares on April 29, 2017*	01	0.00	01	0.00
	At the end of year	01	0.00		
<b>8</b>	<b>Mr. Alok Goel # ^</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Transfer of shares on April 29, 2017*	01	0.00		
	- Transfer of shares on September 20, 2017	(01)	(0.00)	0	0.00
	At the end of year	0	0.00		

S. No.	Name of the Promoter	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
<b>9</b>	<b>Ms. Shruti Batish#</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Transfer of shares on April 29, 2017*	01	0.00	01	0.00
	At the end of year	01	0.00		
<b>10</b>	<b>Mr. Rohit Rajput # ^</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Transfer of shares on September 20, 2017	01	0.00	01	0.00
	At the end of year	01	0.00		

\*On April 29, 2017, Max Estates Limited acquired 100% control over Wise Zone Builders Pvt. Ltd. ("Wise") through purchase of 10,000 equity shares of Wise from Boulevard Projects Private Limited.

\*\*Shares held as nominees of Boulevard Projects Private Limited.

# Shares held as nominees of Max Estates Limited.

^ Transfer of 01 equity share from Mr. Alok Goel to Mr. Rohit Rajput on September 20, 2017.

**(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
<b>1.</b>	<b>Mr. Kishansingh Ramsinghaney#</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Transfer of shares on April 29, 2017*	01	0.00	01	0.00
	At the end of year	01	0.00		
<b>2.</b>	<b>Mr. Nitin Kumar Kansal#</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Transfer of shares on April 29, 2017*	01	0.00	01	0.00
	At the end of year	01	0.00		
<b>3.</b>	<b>Mr. Alok Goel# ^</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Transfer of shares on April 29, 2017*	01	0.00		
	- Transfer of shares on September 20, 2017	(01)	0.00		
	At the end of year	0	0.00	0	0.00
<b>4.</b>	<b>Mr. Rohit Rajput# ^</b>				
	At the beginning of the year	0	0.00		
	Date wise increase / decrease				
	- Transfer of shares on September 20, 2017	01	0.00	01	0.00
	At the end of year	01	0.00		

# Shares held as nominees of Max Estates Limited

\*On April 29, 2017, Max Estates Limited acquired 100% control over Wise Zone Builders Pvt. Ltd. ("Wise") through purchase of 10,000 equity shares of Wise from Boulevard Projects Private Limited.

^ Consequent upon resignation of Mr. Alok Goel as Director and co-option of Mr. Rohit Rajput as the Additional Director of the Company on September 20, 2017, Mr. Alok Goel transferred 01 equity share of the Company to Mr. Rohit Rajput, which he held as the nominee of Max Estates 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	Compulsory Convertible Debentures	Total Indebtedness
	Term loan	Buyers credit - Capex	Cash Credit	Car Loan			
Indebtedness at the beginning of the financial year							
i) Principal Amount				0	0	0	0
ii) Interest due but not paid				0	0	0	0
iii) Interest accrued but not due				0	0	0	0
Total (i+ii+iii)				0	0	0	0
Change in Indebtedness during the financial year							
Addition	26,546.69			0	9,766.01	0	9,766.01
Reduction	0			0	0	0	0
Net Change	26,546.69			0	9,766.01	0	9,766.01
i) Principal Amount	26,546.69			0	9,766.01	0	9,766.01
ii) Interest due but not paid	0			0	0	0	0
iii) Interest accrued but not due	8.26			0	0	0	0
Total (i + ii + iii)	26,554.95			0	9,766.01	0	9,766.01

**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: **Nil**.

**VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: Nil**

## ANNEXURE – 3

**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: Nil**

**C. Other employees:**

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (Rs.)	Qualification	Exp. (Years)	Date of employment	Last Employment
1	Anil Kumar Misra*	General Manager	46	24,02,148	B.Tech	22	01-Jul-17	Max Estates Limited
2	Yamin Ali Chaudhary*	General Manager	49	19,35,129	Diploma in Civil Engineering	25	01-Jul-17	Max Estates Limited
3	Shekhar Chauhan*	Assistant Manager-MEP	33	9,69,798	B. Tech (Mechanical)	12	01-Jul-17	Max Estates Limited
4	Nitesh Shrivastav	Manager - Façade	35	9,04,856	Diploma in Mechanical Engineering	13	03-Jul-17	Larsen & Toubro Limited
5	Amod Kumar Jha*	Assistant Manager	36	7,26,244	Civil Engineering	13	01-Jul-17	Max Estates Limited
6	Kumar Nilay Pathak*	Assistant Manager	31	5,24,681	B.Tech (Electrical & Electronic )	9	01-Jul-17	Max Estates Limited
7	Ratnesh Yadav	Safety Engineer	36	5,24,605	BE (Fire Technology & Safety Engineering)	12	20-Jul-17	CB Richards Ellis South Asia India Pvt. Ltd.
8	Rakesh Kumar*	Assistant Engineer	32	4,21,147	Diploma in Civil Engineering	7	01-Jul-17	Max Estates Limited
9	Amit Sharma	Manager - Quantity Surveyor & Billing	35	1,25,894	Diploma Civil	14	27-Feb-18	M3M India Limited
10	Om Prakash	Assistant Manager - Civil	41	1,14,852	B.Tech (Civil)	16	05-Feb-18	OHN Infrastructure 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.
3. All appointments are contractual on rolls of the Company and in accordance with the terms and conditions as per Company Rules / Policies.
4. \*During the year, the employees transferred to the Company from Max Estates Limited, the holding Company effective from July 01, 2017.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF WISE ZONE BUILDERS PVT LTD

### REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of M/s Wise Zone Builders Pvt Ltd ('the Company'), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and Statement of changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as 'Ind AS financial statements').

#### Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and change in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 Ind AS 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 Ind AS financial statements based on our audit.

In conducting 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS, of the state of affairs of the Company as at 31st March, 2018, and its financial performance including other comprehensive loss, its cash flows and changes in equity 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 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, Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued thereunder;
  - e. On the basis of the written representations received from the directors as on 31st March, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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.

### DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on Behalf of

**K. K. MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Dated : May 15<sup>th</sup> 2018

**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 Ind AS financial statements for the period ended March 31, 2018, we report that:

1. (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) As the Company does not held 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. 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, 2018 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 2018 which have not been deposited on account of disputes.
8. According to the information and explanations give to us and based on our examination of the records of the Company has not defaulted in repayment of dues to any to 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 Ind AS 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

Dated : May 15<sup>th</sup> 2018

**"ANNEXURE B" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF WISE ZONE BUILDERS PVT LTD****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 Wise Zone Builders Pvt Ltd ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company;

and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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, 2018, 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

Dated : May 15<sup>th</sup> 2018



**BALANCE SHEET****as at March 31, 2018**

		₹ in Lakhs	
Particulars	Notes	As at March 31, 2018	As at March 31, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1.90	-
		<b>1.90</b>	<b>-</b>
<b>Current assets</b>			
Inventories	4	55,925.30	-
Financial assets	5		
(i) Cash and cash equivalents		62.60	0.88
(ii) Other financial assets		13.18	-
Other current assets	6	1,145.57	-
		<b>57,146.65</b>	<b>0.88</b>
<b>TOTAL ASSETS</b>		<b>57,148.55</b>	<b>0.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	1.00	1.00
Other equity	7	91.06	(0.34)
<b>Total equity</b>		<b>92.06</b>	<b>0.66</b>
<b>Non-current liabilities</b>			
Financial liabilities	8		
(i) Borrowings		1,576.23	-
(ii) Trade payables		1,391.32	-
Long term provisions	9	1.85	-
		<b>2,969.40</b>	<b>-</b>
<b>Current liabilities</b>			
Financial liabilities	10		
(i) Borrowings		34,744.74	-
(ii) Trade payables		5,257.24	0.22
(iii) Other financial liabilities		1.71	-
Short term provisions	11	7.63	-
Other current liabilities	12	14,075.77	-
		<b>54,087.09</b>	<b>0.22</b>
<b>TOTAL LIABILITIES</b>		<b>57,056.49</b>	<b>0.22</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>57,148.55</b>	<b>0.88</b>
Summary of significant accounting policies	2		
Other notes on accounts	3-32		

The accompanying notes are integral part of the financial statements

**DINESH KUMAR BACHCHAS**

Partner

Membership No. 097820

For and on behalf of

**K.K.MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Date : May 15, 2018

**For and on behalf of the Board of Directors of  
Wise Zone Builders Pvt. Ltd.**

**Nitin Kumar Kansal**

(Director)

(DIN 03048794)

**Kishansingh Ramsinghaney**

(Director)

(DIN 00329411)

Place : Noida

Date : May 15, 2018

# STATEMENT OF PROFIT AND LOSS

## for the year ended March 31, 2018

		₹ in Lakhs	
Particulars	Notes	for the year ended March 31, 2018	for the period October 27, 2016 to March 31, 2017
<b>INCOME</b>			
Revenue from operations		-	-
Other income		-	-
<b>Total income</b>		-	-
<b>EXPENSES</b>			
Cost of material consumed, construction & other related project cost	13	5,283.68	-
(Increase)/decrease in inventories of finished goods and work-in-progress	14	(5,283.68)	-
Depreciation and amortization expense	15	0.32	-
Other expenses	16	3.73	0.34
<b>Total expenses</b>		4.05	0.34
<b>Profit/(Loss) before tax</b>		<b>(4.05)</b>	<b>(0.34)</b>
<b>Tax expenses</b>			
<b>Total tax expense</b>		-	-
<b>Profit/(Loss) after tax</b>		<b>(4.05)</b>	<b>(0.34)</b>
<b>Other comprehensive income</b>			
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Re-measurement losses on defined benefit plans		-	-
		-	-
Other comprehensive income for the period/year, net of tax		-	-
Total comprehensive income/(loss) for the period, net of tax		(4.05)	(0.34)
<b>Earnings per equity share (Nominal Value of share Rs.10/-) (refer note 17)</b>			
Basic (Rs.)		(40.48)	(7.99)
Diluted (Rs.)		(40.48)	(7.99)
Summary of significant accounting policies	2		
Other notes on accounts	3-32		

The accompanying notes are integral part of the financial statements

**For and on behalf of the Board of Directors of  
Wise Zone Builders Pvt. Ltd.**

**DINESH KUMAR BACHCHAS**

Partner

Membership No. 097820

**Nitin Kumar Kansal**

(Director)

(DIN 03048794)

**Kishansingh Ramsinghaney**

(Director)

(DIN 00329411)

For and on behalf of

**K.K.MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Date : May 15, 2018

Place : Noida

Date : May 15, 2018

# STATEMENT OF CASH FLOWS

## for the year ended March 31, 2018

₹ in Lakhs

Particulars	for the year ended March 31, 2018	for the period October 27, 2016 to March 31, 2017
<b>Cash flow from operating activities</b>		
Profit/(Loss) before tax	(4.05)	(0.34)
<b>Adjustments to reconcile profit before tax to net cash flows:</b>		
Depreciation of property, plant and equipment	0.32	-
<b>Operating profit before working capital changes</b>	<b>(3.73)</b>	<b>(0.34)</b>
<b>Working capital adjustments:</b>		
Movements in provisions, gratuity and leave encashment	9.48	-
Increase in other current financial liabilities	1.71	-
Increase in other non current financial liabilities	1,391.32	0.22
Increase in inventories	(55,904.23)	-
Decrease / (increase) in other current assets	(1,084.36)	-
Increase in trade and other payables	19,332.78	-
<b>Cash generated from operations</b>	<b>(36,257.03)</b>	<b>(0.12)</b>
Income tax paid	-	-
<b>Net cash flows used in operating activities</b>	<b>(36,257.03)</b>	<b>(0.12)</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(2.22)	-
<b>Net cash flows used in investing activities</b>	<b>(2.22)</b>	<b>-</b>
<b>Cash flow from financing activities</b>		
Proceeds from issuance of equity share capital including security premium, net of expenses incurred for shares issued	-	1.00
Proceeds from Long term borrowings	1,576.23	-
Proceeds from short-term borrowings	34,744.74	-
<b>Net cash flows from financing activities</b>	<b>36,320.97</b>	<b>1.00</b>
Net increase/(decrease) in cash and cash equivalents	61.72	0.88
Cash and cash equivalents at the beginning of the period/year	0.88	-
<b>Cash and cash equivalents at period/year end</b>	<b>62.60</b>	<b>0.88</b>

**Components of cash and cash equivalents :-**

₹ in Lakhs			
	Notes	As at March 31, 2018	As at March 31, 2017
<b>Balances with banks:</b>			
On current accounts		62.20	-
Cash on hand		0.40	0.88
		<b>62.60</b>	<b>0.88</b>
Summary of significant accounting policies	2		
Other notes on accounts	3-32		

The accompanying notes are integral part of the financial statements

**DINESH KUMAR BACHCHAS**

Partner

Membership No. 097820

For and on behalf of

**K.K.MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Date : May 15, 2018

**For and on behalf of the Board of Directors of  
Wise Zone Builders Pvt. Ltd.****Nitin Kumar Kansal**

(Director)

(DIN 03048794)

**Kishansingh Ramsinghaney**

(Director)

(DIN 00329411)

Place : Noida

Date : May 15, 2018

# STATEMENT OF CHANGES IN EQUITY

## for the year ended March 31, 2018

### a) Equity share capital

Particulars	Nos.	₹ in Lakhs
<b>As at October 27, 2016</b>	-	-
Add: Equity share issued during the period/year (refer note 7)	10,000	1.00
<b>As at March 31, 2017</b>	<b>10,000</b>	<b>1.00</b>
Add: Equity share issued during the period/year (refer note 7)	-	-
<b>As at March 31, 2018</b>	<b>10,000</b>	<b>1.00</b>

### b) Other equity

Particulars	₹ in Lakhs	
	Reserves and surplus Retained earnings	Total equity
<b>As at October 27, 2016</b>	-	-
Loss for the period/year	(0.34)	(0.34)
<b>As at March 31, 2017</b>	<b>(0.34)</b>	<b>(0.34)</b>
Loss for the period/year	(4.05)	(4.05)
Addition on account of equity created on guarantee fee	95.45	95.45
<b>As at March 31, 2018</b>	<b>91.06</b>	<b>91.06</b>
Summary of significant accounting policies	2	
Other notes on accounts	3-32	

The accompanying notes are integral part of the financial statements

#### DINESH KUMAR BACHCHAS

Partner

Membership No. 097820

For and on behalf of

**K.K.MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Date : May 15, 2018

**For and on behalf of the Board of Directors of  
Wise Zone Builders Pvt. Ltd.**

#### Nitin Kumar Kansal

(Director)

(DIN 03048794)

#### Kishansingh Ramsinghaney

(Director)

(DIN 00329411)

Place : Noida

Date : May 15, 2018

## 1 Corporate Information

Wise Zone Builders Pvt. Ltd, (the Company) is a company registered under Companies Act, 2013 and incorporated on 27th October 2016. The Company engaged in the business of Real Estates development. Registered office of the Company is located at Max House, A-81, Sector 2, Noida, UP-201301

The financial statements were authorised for issue in accordance with a resolution of the directors on 15th May 2018.

## 2 Significant accounting policies

### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Companies (Indian Accounting Standard) Rule, 2015 (as amended). For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first financial statements which has been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

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

- (i) Certain financial assets and liabilities  
Financial Statement are presented in INR and all values are rounded to nearest Lacs (INR 00,000) except when otherwise stated

### 2.2 Summary of significant accounting policies

#### a. Current versus non-current classification

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

- (i) Expected to be realized or intended to be sold or consumed in normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realized within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

#### **b. Property, Plant and Equipment**

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

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

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

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

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

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

<b>Assets</b>	<b>Useful lives estimated by the management</b>
Office equipment	5 Years
Computers	3 Years

#### **c. Intangible assets**

The Company has applied exemptions of Ind AS 101 to continue the carrying value of intangible assets at the date of transition as its deemed cost in accordance with Ind AS 101 First Time adoption. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and

the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from disposal of the intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the assets are disposed off.

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 3-6 years.

#### **d. Impairment of non financial assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's, recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net 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 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 the remaining economic life of the asset or cash-generating unit (CGU), a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses including impairment on inventories, are recognized in the statement of profit and loss.

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

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



statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

**e. Financial Instruments**

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

**(i) Financial assets**

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

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

**Initial recognition and measurement**

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

**Subsequent measurement**

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

- (i) Debt instruments at amortized cost
- (ii) Debt instruments and equity instruments at fair value through profit or loss (FVTPL)

**Debt instruments at amortized cost**

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

- (i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and
- (ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

**Debt instruments at FVTPL**

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

**Derecognition**

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

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;
  - (a) the Company has transferred the rights to receive cash flows from the financial assets or
  - (b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

**Inventories**

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

- (A) Completed Unsold inventory is valued at lower of cost and net realizable value. Cost is determined by including cost of land, materials, services and related overheads.
- (B) Work in progress is valued at cost. Cost comprises value of land (including development rights), materials, services and other overheads related to projects under construction.

**Impairment of financial assets**

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

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

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

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

**Reclassification of financial assets**

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

**(ii) Financial liabilities****Initial recognition and measurement**

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

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

**Trade Payables**

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

**Financial liabilities at fair value through profit or loss**

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

**Loans and borrowings**

Borrowings are initially recognised at fair value, net of transaction cost incurred. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit

or loss when the liabilities are derecognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### **Financial guarantee contracts**

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

#### **Derecognition**

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

#### **Offsetting of financial instruments**

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

### **f. Revenue Recognition**

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

#### **(i) Revenue from 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 are accounted for on accrual basis.

**g. Taxes****Current income tax**

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

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

**Deferred tax**

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

Deferred tax liabilities are recognised for all taxable temporary differences

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

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

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

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

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

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

#### **h. Borrowing costs**

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

#### **i. Leases**

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

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

##### **Company as a lessee**

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

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

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

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

#### **j. Provision and Contingent liabilities**

##### **Provisions**

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

##### **Contingent liabilities**

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

control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases, where there is a liability that cannot be recognized because it cannot be measured reliably. the Company does not recognize a contingent liability but discloses its existence in the financial statements unless the probability of outflow of resources is remote.

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

#### **k. 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**

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. The Company has also made contribution to Life Insurance Corporation (LIC) towards a policy to cover the gratuity liability of the employees to an extent. The difference between the actuarial valuation of the gratuity of employees at the year-end and the balance of funds with LIC is provided for as liability in the books.

Net interest is calculated by applying the discount rate to the net defined benefit (liabilities/assets). The Company recognized the following changes in the net defined benefit obligation under employee benefit expenses in statement of profit and loss

- (i) Service cost comprising current service cost, past service cost, gain & loss on curtailments and non routine settlements.
- (ii) Net interest expenses or income

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

##### **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 Company has the unconditional legal and contractual right to defer the settlement for a period 12 months, the same is presented as non-current liability.

### **Short-term obligations**

Liabilities for wages and salaries, including non monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employee service upto the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. the liabilities are presented as current employee benefit obligations in the balance sheet.

#### **I. Cash and cash equivalents**

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

#### **m. Earning per share**

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

#### **n. Foreign currencies**

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

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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



**o. Fair value measurement**

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

- (i) In the principal market for the asset or liability, or
  - (ii) In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

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

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

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

- (i) Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

**2.3 Standards issued but not yet effective**

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

**Amendments to Ind AS 7, Statement of Cash Flow**

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

### **Amendments to Ind AS 102, Share-based payment**

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after 1 April 2017. The Company is assessing the potential effect of the amendments on its financial statements.

The Company will adopt these amendments, if applicable from their applicability date.

## **2.4 Significant accounting judgements, estimates and assumptions**

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

### **Estimates and assumptions**

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

#### **(a) Taxes**

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

#### **(b) Gratuity benefit**

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

**(c) Fair value measurement of financial instrument**

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

**(d) Impairment of non-Financial assets**

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

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

			₹ in Lakhs
Particulars	Office equipment	Computers and data processing units	Total
<b>At cost</b>			
<b>As at October 27, 2016</b>	-	-	-
Additions	-	-	-
Disposals	-	-	-
<b>As at March 31, 2017</b>	-	-	-
Additions	0.88	1.34	2.22
Disposals	-	-	-
<b>As at March 31, 2018</b>	<b>0.88</b>	<b>1.34</b>	<b>2.22</b>
<b>Depreciation</b>			
<b>As at October 27, 2016</b>	-	-	-
Additions	-	-	-
Disposals	-	-	-
<b>As at March 31, 2017</b>	-	-	-
Additions	0.04	0.28	0.32
Disposals	-	-	-
<b>As at March 31, 2018</b>	<b>0.04</b>	<b>0.28</b>	<b>0.32</b>
<b>Net carrying amount</b>			
<b>As at March 31, 2018</b>	<b>0.84</b>	<b>1.06</b>	<b>1.90</b>
<b>As at March 31, 2017</b>	-	-	-

## 4. Inventories

			₹ in Lakhs
Particulars	As at March 31, 2018	As at March 31, 2017	
Construction Materials	25.63	-	
Work in progress	55,899.67	-	
	<b>55,925.30</b>	-	

## 5. Current financial assets

			₹ in Lakhs
Particulars	As at March 31, 2018	As at March 31, 2017	
<b>(i) Cash and cash equivalents</b>			
<b>Balances with banks:</b>			
On current accounts	62.20	-	
Cash in hand	0.40	0.88	
	<b>62.60</b>	<b>0.88</b>	
<b>(ii) Other financial assets</b>			
Security Deposit	13.18	-	
	<b>13.18</b>	-	

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

₹ in Lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	333.57	-
Prepaid expenses	202.44	-
Balance with statutory authorities	535.17	-
Deferred guarantee fee *	74.39	-
	<b>1,145.57</b>	<b>-</b>

\* Guarantee of 100% provided by Max Ventures & Industries Limited for bank loan of the company to the maximum amount of Rs. 25,000 lakhs (March 31, 2017 - Nil, April 1, 2016 - Nil) from IDFC Bank Limited and Rs. 15,000 lakhs (March 31, 2017 - Nil, April 1, 2016 - Nil) from Axis Bank Limited. Carrying amount of the related corporate guarantee is Rs. 25,000 lakhs (March 31, 2017 - Nil, April 1, 2016 - Nil) from IDFC Bank Limited and Rs. 1600 lakhs (March 31, 2017 - Nil, April 1, 2016 - Nil) from Axis Bank Limited

**7. Share capital and other equity****(i) Equity share capital**

₹ in Lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>a) Authorized</b>		
10,000 equity shares of Rs.10/- each	1.00	1.00
	<b>1.00</b>	<b>1.00</b>
<b>Issued, subscribed and fully paid-up</b>		
10,000 equity shares of Rs.10/- each fully paid up	1.00	1.00
<b>Total issued, subscribed and fully paid-up share capital</b>	<b>1.00</b>	<b>1.00</b>

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

₹ in Lakhs				
Equity shares	March 31, 2018		March 31, 2017	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
At the beginning of the period/year	10,000	1.00	-	-
Add: Shares issued at incorporation of the Company	-	-	10,000	1.00
<b>Outstanding at the end of the period/year</b>	<b>10,000</b>	<b>1.00</b>	<b>10,000</b>	<b>1.00</b>

**c) Terms and rights attached to equity shares**

"The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders."

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

₹ in Lakhs				
Name of the Shareholder	March 31, 2018		March 31, 2017	
	No. of shares	% held	No. of shares	% held
<b>Equity shares of Rs. 10 each fully paid-up</b>				
Max Estates Limited	9,994	99.9999%	-	
Boulevard Projects Pvt Ltd	-	-	10,000	100.0000%

**e) Aggregate number of Shares issued for consideration other than cash during the period/year of five years immediately preceding the reporting date - NIL****(ii) Other equity**

₹ in Lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
Retained earnings (refer note a below)	(4.39)	(0.34)
Other equity (refer note b below)	95.45	
	<b>91.06</b>	<b>(0.34)</b>
Notes:		
<b>a) Retained earnings</b>		
At the beginning of the period/year	(0.34)	-
Profit/(Loss) for the period/year	(4.05)	(0.34)
<b>At the end of the period</b>	<b>(4.39)</b>	<b>(0.34)</b>
<b>b) Other equity</b>		
At the beginning of the period/year	-	-
Addition on account of equity created on guarantee fee	95.45	-
	-	-
<b>At the end of the period/year</b>	<b>95.45</b>	-

**8. (i) Borrowings**

₹ in Lakhs		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Non-current borrowings :-</b>		
<b>Axis Bank Term Loan</b>	1,576.23	-
	<b>1,576.23</b>	-
Aggregate Secured loans	<b>1,576.23</b>	-
Aggregate Unsecured loans	-	-

**Term loan from financial Institutions :-**

**Note:** The Company has taken secured term loan facility for 15,000 Lakhs loan from Axis Bank. Out of this facility the company has drawn 1,600 lakhs till March 31, 2018 The said loan is secured by way of followings:-

- (a) Pledge of Equity Shares of Max Financial Services (MFSL) and Max India Limited (MIL) aggregating to minimum of 1.00 times of amount drawn under the facility in the ratio of minimum 75:25 of MFSL:MIL Shares
- (b) First Pari Passu charge by way of EM/RM over area Land and Building corresponding to Max tower to be shared with Axis Bank facility of Rs. 45,000 Lakhs to Piveta Estates Private limited (PEPL)
- (c) Exclusive Hypothecation charge over all assets of the Company both present and future related to project.
- (d) Negative Lien of 100% Share Capital of Max Estates Limited (MEL) held by Max Ventures and Industries Limited (MVIL)
- (e) Pledge of 30% Equity shares of the Company and NDU for the balance 70% Shares.
- (f) Exclusive charge on the respective project Book debts, Operating cash flows, receivables, revenues of whatsoever nature and wherever arising, present and Future, intangibles, goodwill, uncalled capital present and future.
- (g) Exclusive charge on all project bank accounts

**Repayment terms:-**

The said loan is repayable at the end of 48th month from the date of first disbursement i.e. March 27, 2018

		₹ in Lakhs	
Particulars		As at March 31, 2018	As at March 31, 2017
8.	<b>(ii) Trade payables</b>		
	Total outstanding dues of micro enterprises and small enterprises*		
	Total outstanding dues of creditors other than micro enterprises and small enterprises	1,391.32	-
		<b>1,391.32</b>	-
9.	<b>Long term provision</b>		
	<b>Provision for employee benefits</b>		
	Provision for gratuity (refer note 20)	1.85	-
		<b>1.85</b>	-
10.	<b>Current financial liabilities</b>		
	<b>(i) Borrowings</b>		
	Loan from related party ( Unsecured) (Refer Note 1)	9,766.01	-
	Short term loan from bank (Refer Note 2)	24,978.73	-
		<b>34,744.74</b>	-

Note1 During the year, The Company has taken term loan from its holding Company i.e. Max Estates Limited ('MEL'). The said loan is interest free and repayable on demand.

Note2 During the year, the Company has taken term loan from IDFC Bank at ROI of 9.30% p.a.. The said loan is secured by way of First Pari Passu charge on Company's immovable and movable fixed assets on Delhi one project at Noida, Corporate guarantee of Max Ventures and Industries Limited (MVIL), Corporate guarantee of Max Estates Limited (MEL) and pledge on 30% share of the Company and NDU for another 21% stake. The said loan is repayable on August 14, 2018.

**(ii) Trade payables**

Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,257.24	0.22
	<b>5,257.24</b>	<b>0.22</b>

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

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

		₹ in Lakhs	
Particulars	As at March 31, 2018	As at March 31, 2017	
<b>(iii) Other current financial liabilities</b>			
Interest accrued & due on short term borrowings	1.71	-	
	<b>1.71</b>	-	
<b>11. Short term provision</b>			
<b>Provision for employee benefits</b>			
Provision for leave encashment	7.63	-	
	<b>7.63</b>	-	
<b>12. Other current liabilities</b>			
Statutory dues	45.77	-	
Advance from related party	14,030.00	-	
	<b>14,075.77</b>	-	

		₹ in Lakhs	
Particulars	for the year ended March 31, 2018	for the period October 27, 2016 to March 31, 2017	
<b>13 Cost of material consumed, construction &amp; other related project cost</b>			
Inventories at beginning of period/year	-	-	
Add: Purchases			
Construction & development Cost	5,309.31	-	
	5,309.31	-	
Less: inventory at the end of period/year	25.63	-	
<b>Cost of material consumed, construction &amp; other related project cost</b>	<b>5,283.68</b>	-	
<b>14 (Increase)/ decrease in work-in-progress and finished goods</b>			
<b>Inventories at end of period/year</b>			
Work-in-process	55,899.67	-	
	<b>55,899.67</b>	-	
<b>Inventories at beginning of the period/year</b>			
Work-in-process	50,615.99	-	
	50,615.99	-	
	<b>(5,283.68)</b>	-	
<b>15. Depreciation and amortization expense</b>			
Depreciation of property, plant and equipment (refer note 3)	0.32	-	
	<b>0.32</b>	-	



		₹ in Lakhs
Particulars	for the year ended March 31, 2018	for the period October 27, 2016 to March 31, 2017
<b>16. Other expense</b>		
Legal and professional	3.73	0.34
	<b>3.73</b>	<b>0.34</b>
<b>Payment to auditor (included in legal and professional fee)</b>		
<b>As auditor:</b>		
Audit fee	0.50	0.08
Other services (certification fees)	2.97	-
	<b>3.47</b>	<b>0.08</b>
<b>17 Earning Per Share</b>		
<b>Basic EPS</b>		
Profit after tax (Rs. in Lacs)	(4.048)	(0.34)
Less: dividends on convertible preference shares & tax thereon		
Net profit/(loss) for calculation of basic EPS	(4.048)	(0.34)
Weighted average number of equity shares outstanding during the period/year (Nos.)	10,000.00	4,274.00
Basic earnings per share (Rs.)	<b>(40.48)</b>	<b>(7.99)</b>
<b>Dilutive EPS</b>		
Profit after tax (Rs. in Lacs)	(4.048)	(0.34)
Weighted average number of equity shares outstanding during the period/year for dilutive earnings per share (Nos)*	10,000	4,274
Diluted earnings per share (Rs.)	<b>(40.48)</b>	<b>(7.99)</b>

**18 Income Tax**

The major components of income tax expense for the period/year ended March 31, 2018 and March 31, 2017 are :

**Statement of profit and loss :****Profit and loss section**

		₹ in Lakhs
Particulars	for the year ended March 31, 2018	for the period October 27, 2016 to March 31, 2017
Current tax	-	-
MAT credit entitlement	-	-
<b>Deferred tax :</b>		
Relating to origination and reversal of temporary differences	-	-
<b>Income tax expense reported in the statement of profit and loss</b>	<b>-</b>	<b>-</b>
<b>OCI section :</b>		
Deferred tax related to items recognised in OCI during in the year/ period :		
Income tax charge/(credit) on remeasurements of defined benefit plans	-	-
<b>Income tax charged to OCI</b>	<b>-</b>	<b>-</b>

**19 Commitments and contingencies****a) Other commitments**

		₹ in Lakhs	
Particulars	for the year ended March 31, 2018	for the period October 27, 2016 to March 31, 2017	
Estimated amount of contracts remaining to be executed and not accounted for	7,717.27		
Less Capital advances	(333.22)		-
Net commitments	7,384.05		-

**20 Gratuity**

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

		₹ in Lakhs	
	As at March 31, 2018	As at March 31, 2017	
<b>a) Reconciliation of opening and closing balances of defined benefit obligation</b>			
Defined benefit obligation at the beginning of the period/year	-		-
Current service cost	0.31		-
Interest expense	-		-
Benefit paid	-		-
Acquisition adjustment	1.54		-
Remeasurement of (Gain)/loss in other comprehensive income			
Actuarial changes arising from changes in demographic assumptions	-		-
Actuarial changes arising from changes in financial assumptions	-		-
Actuarial changes arising from changes in experience adjustments	-		-
<b>Defined benefit obligation at period/year end</b>	<b>1.85</b>		<b>-</b>
<b>b) Reconciliation of opening and closing balances of fair value of plan assets</b>			
Fair value of plan assets at beginning of the period/year	-		-
Expected return on plan assets	-		-
Employer contribution	-		-
Remeasurement of (Gain)/loss in other comprehensive income	-		-
<b>Fair value of plan assets at period/year end</b>	<b>-</b>		<b>-</b>
<b>c) Net defined benefit asset/ (liability) recognized in the balance sheet</b>			
Fair value of plan assets			
Present value of defined benefit obligation	1.85		-
<b>Amount recognized in balance sheet- asset /(liability)</b>	<b>(1.85)</b>		<b>-</b>

₹ in Lakhs		
	As at March 31, 2018	As at March 31, 2017
d) <b>Net defined benefit expense (recognized in the statement of profit and loss for the period/year )</b>		
Current service cost	0.31	-
Past service cost		
Interest cost on benefit obligation	-	-
Expected return on plan assets		
<b>Net defined benefit expense debited to statement of profit and loss</b>	<b>0.31</b>	<b>-</b>
e) <b>Broad categories of plan assets as a percentage of total assets</b>		
Insurer managed funds	0%	0%
f) <b>Principal assumptions used in determining defined benefit obligation</b>		
Assumption Particulars	for the year ended March 31, 2018	for the period October 27, 2016 to March 31, 2017
Discount rate	7.71%	0.00%
Salary escalation rate	10.00%	0.00%
Mortality Rate (%of IALM 06-08)	100.00%	0.00%
g) <b>Quantitative sensitivity analysis for significant assumptions is as below:</b>		
Increase / (decrease) on present value of defined benefits obligations at the end of the period/year		
<b>Discount rate</b>		
Increase by 0.50%	(0.14)	-
Decrease by 0.50%	0.15	-
<b>Salary growth rate</b>		
Increase by 0.50%	0.15	-
Decrease by 0.50%	(0.01)	-
i) The average duration of the defined benefit plan obligation at the end of the reporting period/year is 21 Years (March 31, 2017 : 20 years)		
j) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.		
k) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.		
l) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period/year.		

**20.01 Leave Encashment (unfunded)**

The Company recognises the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation.

The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year :

₹ in Lakhs		
Particulars	for the year ended March 31, 2018	for the period October 27, 2016 to March 31, 2017
Liability at the beginning of the period/year	-	-
Benefits paid during the period/year	-	-
Provided during the period/year	7.63	-
<b>Liability at the end of the period/year</b>	<b>7.63</b>	-

**21 Segment reporting**

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

**22 Financial instruments**

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

₹ in Lakhs				
Category	Carrying value		Fair Value	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
<b>1) Financial liabilities at amortized cost</b>				
<b>Non current &amp; current</b>				
Borrowings	36,320.97	-	36,320.97	-

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

**22.1 Fair value hierarchy**

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

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

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

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

(i) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2018

₹ in Lakhs			
Particulars	Carrying value	Fair value	
	March 31, 2018	Level 2	Level 3
<b>Non current &amp; current</b>			
Borrowings	36,320.97	36,320.97	-

## 23 Financial risk management objectives and policies

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

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

### a) Capital risk

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns to its shareholders and benefits for other stakeholders and to provide for sufficient capital expansion. The capital structure of the Company consists of debt, which includes the borrowings disclosed in notes 8, cash and cash equivalents disclosed in note 5 and equity as disclosed in the statement of financial position.

### b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company employees prudent liquidity risk management practices which inter alia means maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities. Given the nature of the underlying businesses, the corporate finance maintains flexibility in funding by maintaining availability under committed credit lines and this way liquidity risk is mitigated by the availability of funds to cover future commitments. Cash flow forecasts are prepared not only for the entities but the Group as a whole and the utilized borrowing facilities are monitored on a daily basis and there is adequate focus on good management practices whereby the collections are managed efficiently. The Company while borrowing funds for large capital project, negotiates the repayment schedule in such a manner that these match with the generation of cash on such investment. Longer term cash flow forecasts are updated from time to time and reviewed by the Investment and Performance Review Committee of the Board.

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2018 based on contractual undiscounted payments :-

<b>March 31, 2018</b>				
Borrowings	34,744.74	1,576.23	-	36,320.97
Trade payable	5,257.24	-	-	5,257.24
<b>% to Total</b>	<b>96.21%</b>	<b>3.79%</b>	<b>0.00%</b>	<b>100.00%</b>

### c) Credit risk

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

**(i) Trade receivables**

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

**(ii) Financial instruments and cash deposit**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made in bank deposits and other risk free securities. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counter party's potential failure to make payments. Credit limits of all authorities are reviewed by the management on regular basis. All balances with banks and financial institutions is subject to low credit risk due to good credit ratings assigned to the Company. The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2018 is the carrying amounts as illustrated in note 27.8 (A) and the liquidity table above.

**d) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at March 31, 2018. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of March 31, 2018.

**(i) Interest rate risk**

Interest rate is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligation at fixed interest rate.

₹ in Lakhs		
Year	Increase/decrease in interest rate	Effect on profit before tax
March 31, 2018	0.50%	173.72

**24 Related party disclosures****Names of related parties where control exists irrespective of whether transactions have occurred or not**

Ultimate Holding Company	Max Ventures & Industries Limited
Holding Company	Max Estates Limited

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

Key management personnel	Mr. Rohit Rajput (Director)
	Mr. Kishan Singh Ramsinghaney (Director)
	Mr. Nitin Kumar Kansal ( Director)
Entities controlled or jointly controlled by person or entities where person has significantly influence or entities where person having control is Key Management personnel	Max Ventures Private Limited
	Piveta Estates Pvt. Ltd.
	Max India Limited
	Max Life Insurance Co. Limited

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

			₹ in Lakhs
S. No	Nature of transaction	Particulars	for the year ended March 31, 2018
1	<b>Purchase of Tangible Assets</b>	Max Ventures Private Limited	0.98
		<b>Total</b>	<b>0.98</b>
2	<b>Reimbursement of Expenses (Paid)</b>	Max Ventures Private Limited	0.10
		Max Ventures & Industries Limited	1.20
		Max Estates Limited	115.61
		<b>Total</b>	<b>116.90</b>
3	<b>Refund of Advance from Customers on Area Cancellation</b>	Piveta Estaes Pvt. Ltd.	24,510.00
		<b>Total</b>	<b>24,510.00</b>
4	<b>Advance from customers on area cancellation</b>	Max India Limited	7,320.00
		Max Life Insurance Company Limited	6,710.00
		<b>Total</b>	<b>14,030.00</b>
5	<b>Guarantee Fee</b>	Max Ventures & Industries Limited	95.45
		<b>Total</b>	<b>95.45</b>
6	<b>Loan taken</b>	Max Estates Limited	9,766.01
		<b>Total</b>	<b>9,766.01</b>

**24 (b) Balances outstanding at period/year end**

			₹ in Lakhs
S. No	Nature of transaction	Particulars	As at March 31, 2018
1	<b>Trade payables</b>	Max Ventures Private Limited	1.07
		Max Ventures & Industries Limited	1.12
		Max Estates Limited	117.87
		<b>Total</b>	<b>120.06</b>
2	<b>Loan outstanding</b>	Max Estates Limited	9,766.01
		<b>Total</b>	<b>9,766.01</b>
3	<b>Deferred guarantee fees</b>	Max Ventures & Industries Limited	74.39
		<b>Total</b>	<b>74.39</b>
4	<b>Advance from customers on area cancellation</b>	Max India Limited	7,320.00
		Max Life Insurance Company Limited	6,710.00
		<b>Total</b>	<b>14,030.00</b>

**Terms and conditions of transactions with related parties**

- The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions
- There have been no guarantees provided or received for any related party receivables or payables

## **25 First-time adoption of Ind AS (Exception and exemption availed)**

These financial statements, for the year ended March 31, 2018, are the first financial statements which have been prepared in accordance with Ind AS notified under the Companies Indian Accounting Standard Rules, 2015. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2018, as described in the summary of significant accounting policies.

### **Ind-AS optional exemption**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

### **Ind AS mandatory exceptions**

#### **Estimates**

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

### **Derecognition of financial assets and financial liabilities**

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

### **Classification of financial assets and liabilities**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

### **Impairment of financial assets**

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

### **Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)**

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.



## 26 Capital Management

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

₹ in Lakhs		
	As at March 31, 2018	As at March 31, 2017
Borrowings	36,320.97	-
Trade payables	5,257.24	0.22
Less: Cash and Cash equivalents	(62.60)	(0.88)
Net Debt	41,515.61	(0.66)
Equity	92.06	0.66
Total Equity	<b>92.06</b>	<b>0.66</b>
Total Capital and net debt	<b>41,607.67</b>	<b>0.00</b>
Gearing ratio	45096%	-

## 27 Revenue related disclosures

Disclosure in respect of projects under the Guidance Note on "Accounting for Real Estate Transactions":

₹ in Lakhs		
	As at March 31, 2018	As at March 31, 2017
Amount of project revenue recognised as revenue during the period	-	-
Aggregate amount of costs incurred and profits recognised to date	-	-
Amount of advances received	14,030.00	-
Amount of work-in-progress and value of inventories	55,925.30	-
Excess of revenue recognised over actual bills raised (unbilled revenue)	-	-

- 28** The Board of the company has accorded approval for cancellation of the Area Purchase Agreement dated September 4, 2013, Addendum Agreement date July 27, 2016, Agreement 2 dated July 27, 2016 and all other related agreements for purchase of aggregate Super Built Up Area admeasuring 5,91,104 Sq.ft. in Delhi One Project situated at Plot no.C-001/A, Sector 16B, Noida 201301, executed between the Company and Piveta Estates Pvt. Ltd.(Piveta) an entity forming part of the Promoter Group on such terms and conditions as may be mutually agreed between the Company and Piveta under Area Cancellation Agreement entailing a refund of an amount aggregating to Rs.245.10 Crores to Piveta on account of cancellation of the aforesaid agreement(s).

Further, the members of Max Ventures & Industries Limited (MVIL) (the ultimate holding company) has also accorded approval through postal ballot on 19th December, 2017

Consequent to above approval, rights and obligations of Piveta towards sale of 1,15,000 Sq.Ft. area to Max Financial Services Limited and Max Life Insurance Company Limited aggregating to Rs.140.30 Crores will be assigned/novated in favour of Wise.

The necessary accounting effect of above transaction has been considered.

- 29** In compliance of Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by The Institute of Chartered Accountants of India. On "Percentage of Completion Method", the company has not recognised revenue during the period as the company has not yet sold 25% of saleable area.
- 30** The figures have been rounded off to the nearest Lacs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-.
- 31** Figures relating March 31, 2017 has been regrouped/reclassified wherever necessary to make them comparable with the current period figures.
- 32** Note No.1 to 32 form integral part of the Balance sheet and Statement of profit and loss.

As per our report of even date

**DINESH KUMAR BACHCHAS**

Partner

Membership No. 097820

For and on behalf of

**K.K.MANKESHWAR & CO.**

Chartered Accountants

FRN: 106009W

Place : Noida

Date : May 15, 2018

**For and on behalf of the Board of Directors of  
Wise Zone Builders Pvt. Ltd.**

**Nitin Kumar Kansal**

(Director)

(DIN 03048794)

**Kishansingh Ramsinghaney**

(Director)

(DIN 00329411)

Place : Noida

Date : May 15, 2018









