

Annual Report
2018-19



New Horizons New Hopes





Annual Report

2019

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Our Enterprise



Max Financial Services (MFS), a multi-business corporate, is part of the US \$3.2 billion Max Group. Focussed on Life Insurance, it owns and actively manages a 71.8% stake in Max Life Insurance, India's largest non-bank, private life insurance company. MFS earned a revenue of ₹ 17,538 crore in FY2019. The Company is listed on NSE and BSE. Besides a 28.3% holding by Analjit Singh sponsor family, some other shareholders include KKR, New York Life, Baron, Vanguard, Aberdeen, First Voyager, Jupiter and the Asset Management Companies of Reliance, HDFC, ICICI Prudential, Motilal Oswal, Aditya Birla Sun Life, Mirae, and Kotak.



Launched in 2000, Max Life is a joint venture with Mitsui Sumitomo Insurance, a Japan-headquartered global insurance leader. Max Life is India's largest non-bank private life insurer and the fourth largest private life insurance company, with revenues of ₹ 14,575 crore, a claims paid ratio of 98.74% and a customer base of 4 million, with more than 322 offices across India.



Max India Limited, a multi-business corporate, is part of the US \$3.2 billion Max Group. Focussed on Healthcare and Allied business, it 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. Max India earned revenue of ₹ 3,688 crore in FY2019, having a customer base of 7 million. The Company is listed on NSE and BSE. Besides a 40.9% holding by Analjit Singh sponsor family, some other shareholders include New York Life, Briarwood Capital, IFC, Nomura, Doric Capital, HDFC Standard Life and Asset Management Companies of L&T and UTI Mutual Fund.



Launched in 2008, Max Bupa, a subsidiary of Max India, is a 51:49 JV with Bupa Finance Plc., UK. It is one of India's leading standalone health insurance companies with Gross Written Premium (GWP) of ₹ 947 crore. It has a customer base of nearly 2.5 million people, offering individual and family-oriented health insurance policies across all age groups through its 31,000+ agents and 12 bank relationships.



Launched in 2000, Max Healthcare is India's leading provider of standardised, seamless and world-class healthcare services, focussed on tertiary and quaternary care. Max Healthcare has revenues of ₹ 2,921 crore. from over 2,500 beds across 14 hospitals. With a base of more than 3,000 doctors offering services in 30 specialities across a network of 14 hospitals, Max Healthcare remains completely committed to the highest standards of medical and service excellence, patient care, and scientific and medical education.



Launched in 2013, Antara Senior Living is a 100% subsidiary of Max India. It is pioneering the concept of 'Age in Place' for people over 55 years of age, by developing Senior Living communities in India. The first Antara community was launched in April 2017 near Dehradun, Uttarakhand with 190 apartments spread over 14 acres of land.



Incorporated in 2015, Max Ventures & Industries Limited (MaxVIL), is a part of US \$3.2 billion Max Group. The Company owns and operates real estate business through its 100% subsidiary, Max Estates, and a packaging films business through Max Speciality Films, a 51:49 strategic partnership with Toppan, Japan. MaxVIL also has an investment subsidiary, Max I. MaxVIL is listed on NSE and BSE. Besides a 47.1% holding by Analjit Singh sponsor family, some other shareholders include New York Life and First State Investments.



Established in 2016, Max Estates Limited is the real estate arm of the Max Group and a subsidiary of MaxVIL. Its vision is to bring the Group's values of Excellence, Credibility and Sevabhav to the Indian real estate sector. Its marquee projects include a one-of-its-kind commercial office space Max Towers, on the edge of South Delhi that opened its doors in 2019 and 222 Rajpur, a luxury residential villa community at Rajpur Road, Dehradun. It aims to create, build and operate Grade A+ office spaces in Delhi-NCR.



Launched in 1988, Max Speciality Films (MSF), a subsidiary of MaxVIL, is an innovation leader in the Specialty Packaging Films business. It has a strategic partnership with Japan's Toppan Printing Co. Ltd., a leading global printing company. Max Speciality Films is a top supplier of Specialty Packaging, Labels, Coating and Thermal Lamination Films for the Indian and Overseas Markets.



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



Launched in 2008, Max India Foundation (MIF) represents the Max Group's social responsibility efforts. The Foundation's work has been focussed on healthcare for the underprivileged and has benefitted more than 34 lakh people in over 800 locations since its inception.

Measures of Success

Consolidated revenues of

₹ 945.4 CR

Rights issue of

₹ 449.89 CR

~74 MN

new equity shares issued

New York Life maintained their shareholding at

23%

post the rights issue

Max Towers, a

Grade A+

office building spread over

6,00,000 SQ. FT.

on Delhi Noida Direct Flyway completed in 24 months

Secured lease commitments of

~1,00,000 SQ. FT.


of office and retail space in Max Towers



Office building Max House, Okhla started construction.
Pre-commitment of
~1,00,000 SQ. FT.
of office space by WeWork



LINE 5
led to
54%
volume expansion

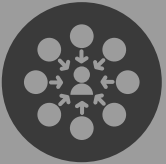


Max Asset Services Ltd. launched. Will provide facility management services to integrate work and life through its philosophy of

‘WORKWELL’



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



Analjit Singh

Chairman

Mr. Analjit Singh is the Founder & Chairman of the Max Group, a US \$3.2 billion multi-business enterprise, with interests in life insurance (Max Life), healthcare (Max Healthcare), health insurance (Max Bupa), real estate (Max Estates), senior living (Antara) and specialty packaging (Max Speciality Films). 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 privately held family businesses, Mr. Analjit Singh is the founder of Leeu Collection, a group of leisure boutique hotels in Franschhoek, South Africa (SA); The Lake District, UK; and soon to be opened in Florence, Italy. Leeu Collection also includes a significant presence in wine and viticulture through Mullineux Leeu Family Wines, an active F&B portfolio of restaurants in partnership with Azure Hospitality, Ritu Dalmia, The La Colombe Group in Cape Town, SA and the Alajmo Group in Italy. Art and landscaping are significant differentiators in the hospitality businesses aided by a strong relationship with Everard Read, SA and Franchesca Watson.

A self-made entrepreneur, Mr. Analjit Singh was awarded the 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 an honorary doctorate by Amity University.

Professionally, he is the Non-executive Chairman of multiple Max Group companies - Max Financial Services, Max India, Max Ventures & Industries, Max Life and Antara Senior Living. He is also a Director on the Board of Sofina NV/SA, Belgium. Till August 2018, he was the Non-executive Chairman of Vodafone India.

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 the Chairman of the Board of Governors of Indian Institute of Technology (IIT), Roorkee - India's oldest and most prestigious engineering college, and Doon School, a premier Indian boarding school.

Mr. Analjit Singh has also served on the Prime Minister's Indo US CEO Council. He 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 the 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 JVs 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 served as the Honorary Consul General of the Republic of San Marino in India.



Mohit Talwar

Vice Chairman

Mr. Mohit Talwar is the Vice Chairman of the Max Group. He is also the Managing Director of Max Financial Services Limited and Max India Limited, and Vice Chairman of Max Ventures & Industries Limited (MaxVIL). In addition, he 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 equalisation of its stake in the business, and completing the mega restructuring of the erstwhile Max India into three new listed companies, which received a significantly positive reaction from capital markets. Mr. Talwar was instrumental in executing a stake repurchase transaction with IDFC Limited, and a transaction with IFC to repurchase its stake in Max Healthcare. He has also overseen key transactions in Max Ventures & Industries Limited, including the induction of Toppan Group as a strategic partner in Max Speciality Films, and a 22.5% stake sale to New York Life's subsidiary.

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 organisations such as Standard Chartered, ANZ Grindlays and Bank of Nova Scotia, prior to joining the Max Group.



Sahil Vachani

CEO & Managing Director

Mr. Sahil Vachani is the CEO & Managing Director of Max Ventures and Industries Limited, one of the three listed companies of the US \$3.2 billion Indian conglomerate – the Max Group.

He also serves as a Director on the Boards of Max Financial Services Limited and its subsidiary Max Life Insurance as a representative of the Owner Sponsor Group led by Mr. Analjit 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. Since assuming his role at MaxVIL, he has successfully completed key transactions which will have an enduring impact on the Company's growth journey over the next few years.

Sahil has also facilitated intellectual and financial capital to promising and proven early-stage organisations across identified sunrise sectors led investments through, Max I.

Sahil started his career as an investment banker with Citigroup in London, where he worked on Mergers and Acquisitions across the Middle East and Africa region. In 2004, he joined Dixon Technologies, a consumer appliance manufacturing firm as Business Head and set up new verticals across multiple locations. He was also involved in the launch of new products, setting up of new manufacturing facilities and establishing relationships with leading brands as customers.

He then progressed as the Co-founder and Managing Director of Dixon Appliances Pvt. Ltd., where he was responsible for the business from inception including designing of products, building the team, setting up the manufacturing facility, operations and building relationships with leading brands in India such as Panasonic, Godrej, LG, among others. He holds a Bachelor's degree in Management Sciences from the University of Warwick, U.K. and an Executive Management Program on Disruptive Innovation from the Harvard Business School.



Arthur Seter

Director

Mr. Arthur H. Seter, CFA is Senior Vice President, Deputy Chief Investment Officer and Chief Derivatives Officer of New York Life Insurance Company. He 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 management of the Office of the Chief Investment Officer, which is responsible for the oversight of New York Life's \$250 billion General Account investment portfolio, the use of derivatives and the management of the surplus of the Company.

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

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

Mr. Seter has 38 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 MBA from Adelphi University. He holds the Chartered Financial Analyst designation.



Ashok Kacker

Independent Director

Mr. Ashok Kacker, M. Sc. (Physics), University of Allahabad (topper of the 1972 batch), has more than 3 decades of experience in the Government as an Indian Revenue Service (IRS) Officer. He has served as Chief Commissioner of Income Tax and held senior positions both in executive capacities and policy formulation roles.

He has also served as the Executive Director with the 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.



D.K. Mittal

Independent Director

Mr. D. K. Mittal is a former Indian Administrative Service (IAS) officer from the batch of 1977 and has served the Government of India in various capacities, including Secretary, Department of Financial Services, Secretary, Ministry of Corporate Affairs and Additional Secretary, Department of Commerce.

Mr. Mittal has hands-on experience in Infrastructure, International Trade, Urban Development, Renewable Energy, Agriculture Development and Micro-Credit, Corporate Governance, Banking, Insurance, Pension and Finance. He holds a master's degree in Physics with specialisation in Electronics from the University of Allahabad, India.



Gauri Padmanabhan

Independent Director

Ms. Gauri Padmanabhan is a Global Partner and leads the CEO & Board and Consumer Markets Practices for Heidrick & Struggles in India. She also oversees the Education Practice in South Asia. Before moving to her present position of leading the Consumer Markets Practice, Gauri set up and successfully built the Lifesciences Practice for Heidrick in India. A long-tenured partner, Gauri joined Heidrick & Struggles in 2000 and over the last 18 years has played a key role in building the business in India for Heidrick & Struggles.

Working closely at the top with the leadership teams in India and the region, Gauri has assisted them in building their business and functional leadership teams in South Asia. Digital Transformation being high on her clients' agenda since 2017, she has also supported a number of them in building their digital leadership teams. Her clients include large global and Indian corporations in the consumer, retail, luxury, hospitality and leisure, education, life sciences and OTC sectors.

Leading the CEO & Board Practice in India, Gauri works closely with Boards in addressing Board Room effectiveness and in fulfilling their D&I agenda. Through her extensive experience partnering with clients across the Consumer & Life Sciences Practice, she has built an extensive network that gives her access to leadership across these sectors in India and overseas.

Gauri has specialized in leadership searches at the Board and 'C' level. In meeting the leadership needs of her clients, she has been very successful not only in tapping Indian leadership talent both

in India and overseas but also in bringing in expatriate talent into the country. Partnering with her clients in driving their digital & diversity agendas is a focus area for Gauri.

Prior to joining Heidrick & Struggles, Gauri had a leadership role in a major direct-selling multinational with overall responsibility for customer services and delivery. As part of the senior management team, she was a key member on the Strategic Planning Group of Heidrick. Her career also includes general management, consulting and teaching stints.



K.N. Murthy

Independent Director

Mr. K. Narasimha Murthy entered the profession of Cost & Management Accountancy in 1983. He has been associated with the development of Cost & Management Information Systems for more than 150 companies across more than 45 industries. In addition, he has been closely involved in turning around multiple large corporates, focussing on systems improvement with a cost optimisation approach.

He has been associated with more than 28 High Level Committees as Chairman/Member both at the National and State levels, including Prasara Bharati Restructuring Committee, Expert Committee on Common Wealth Games, Restructuring Committee of State Level PSUs, Expert Committee on Co-op. Credit Institutions, Fiscal Reforms Implementation Committee, TTD Investment Committee – Tirupati, among others. He is also associated with the development of Cost Accounting Record Rules for many industries as a member of Informal Advisory Committee, Department of Corporate Affairs, Government of India. 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. K.N. Murthy, has previously held Board positions at Oil and Natural Gas Corporation Ltd., IDBI Bank Ltd., LIC Housing Finance Ltd., UTI Bank Ltd., Unit Trust of India, AP State Finance Corporation, NABARD Board of Supervision, among others.

Max Speciality Films Limited



Max Estates Limited



Mr. Sahil Vachani
Chairman

Mr. Kishansingh Ramsinghaney
Director

Mr. Chiharu Komachi
Director

Mr. Takao Ikeda
Director

Mr. Subash Khanchand Bijlani
Independent Director

Ms. Sonu Halan Bhasin
Independent Director

Mr. K. N. Murthy
Independent Director

Mr. Kishansingh Ramsinghaney
Director

Mr. Arjunjit Singh
Whole Time Director

Mr. Bishwajit Das
Director

Wise Zone Builders Private Limited

Mr. Kishansingh Ramsinghaney
Director

Mr. Arjunjit Singh
Whole Time Director

Mr. Akshay Bhardwaj
Director

Max Asset Services Limited



Max I. Limited



Mr. Kishansingh Ramsinghaney
Director

Mr. Arjunjit Singh
Director

Mr. Rohit Rajput
Director

Mr. Sahil Vachani
Director

Mr. Rohit Rajput
Director

Mr. Nitin Kumar Kansal
Director

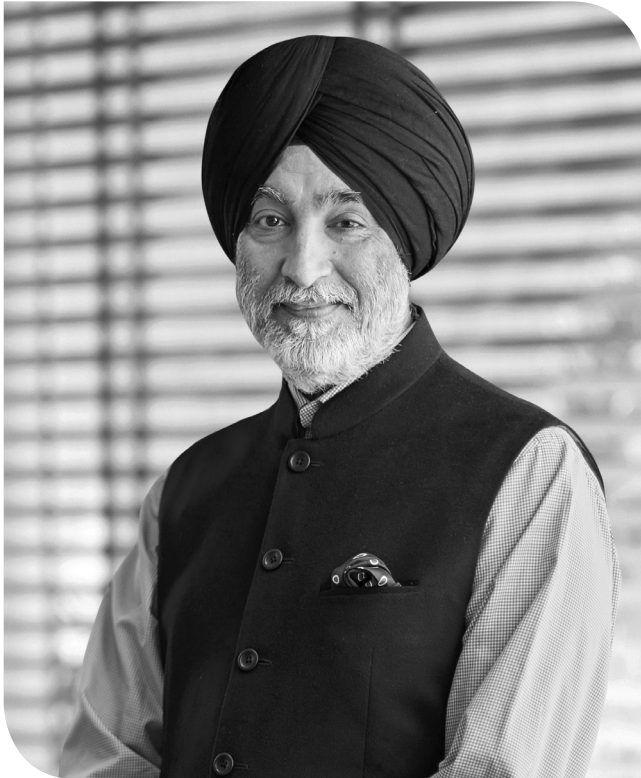
Strategic Review



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Chairman & MD's Letter **20**

Chairman & MD's Letter



Dear Shareholders,

Max Ventures & Industries Limited (MaxVIL) is a relatively young member of the Max Group of companies. It was formed in FY2016 as a part of the demerger of erstwhile Max India. It was conceived with meagre means but lofty ambitions. It had a treasury corpus of mere ₹ 10 crore and a legacy, albeit well-run business of Biaxially Oriented PolyPropylene (BOPP) films in the commoditised packaging films industry. Yet it had tall aspirations of exploring, what we christened as the 'Wide World of Business'. MaxVIL was committed to rekindle the entrepreneurial spirit that defined the first two decades of erstwhile Max India. It would take considered risks, make bold bets and, most importantly, progress nimbly.

Within a short period, MaxVIL identified real estate as a sector of choice. It was a potentially high-growth, high-margins sector direly in need of reputed players with proven governance skills. It also happened to be a craft of which Max had gained experience and expertise, during the course of creating its hospitals and senior living community.

Simultaneously, it embarked on rejuvenating its specialty films business. It commissioned a modern manufacturing line, which

would nearly double the production capacity. It brought in a global printing giant Toppan of Japan as a strategic partner. Our company Max Speciality Films (MSF) gained from their technology and practices and their international business relationships. Toppan would also be a captive customer for MaxVIL specialty films.

The swift pace that MaxVIL had set for itself required the fuel of equity capital. Besides inducting Toppan as strategic partner in MSF, MaxVIL addressed its funding needs through multiple

MaxVIL is currently a place throbbing with activity, with a motivated, talented team of go-getters who are living their dream of creating an institution which will be envied for its path-breaking thinking backed by impeccable delivery.

strategic transactions such as bringing the reputed life insurance giant New York Life on board as a long-term investor and successfully concluding a rights issue. MaxVIL raised roughly ₹ 59,787.22 lakh through these transactions.

Having sowed the seeds of success, 2019 was the season of the first crop. MaxVIL's real estate subsidiary Max Estates Limited (MEL) opened the door of its flagship office project Max Towers – a Grade A+ office building located just minutes away from South Delhi. Max Towers epitomises our vision of creating modern & efficient, artistically endowed green office buildings with an underpinning of technology to create workplaces where employees can do their business, have versatile recreation options and also get some household chores done. Essentially, we endeavour to change the paradigm for Indian office spaces. We believe that the market is ripe for this progression.

Max Towers was a baptism by fire for us. It was a distressed asset, a part of a larger multi-use residential cum business complex; mortgaged; stuck due to funds shortage. Our journey of disentangling the building, getting regulatory sign-offs and approvals, resolving lender issues and completing the project and other essential facilities of the building complex in a record time of two years has given us immense confidence and has created an attractive proof of concept for the market. We have therefore started the construction of the next office project Max House, Okhla situated in the heart of New Delhi in earnest and are actively looking for well-located and optimally priced options for a couple of more such buildings in the Delhi-NCR region.

Our model will be to lease these buildings and thus create consistent revenue generating assets, which can be monetized if needed, to fund the growth of Max Estates. We have also seeded a subsidiary, Max Asset Services, which will manage the upkeep of the buildings and be responsible for adding vibrancy to the workplaces. This is a low-capital, cash-positive business that

has a lot of potential and complements our real estate business. We will keep updating you on its progress.

The year was a mixed bag for our specialty films business. We had the pride of commissioning a modern production line, which is one of the few in the world that can create recyclable environment-friendly films. The line almost doubled our production capacity and got us rave reviews from our customers, some of whom are already researching recyclable packaging products with us. On the other hand, however, we were also in midst of an oversupply situation in the BOPP films market, accompanied by wildly fluctuating raw material prices.

Thankfully, we seem to be reaching a demand-supply equilibrium. The capability and capacity of our new line will allow us to benefit from the ensuing market revival. The strong performance in the first quarter of FY2020 has shown us that the coming year bodes well.

MaxVIL's investment arm, Max I. Ltd., continued to gain from its investments in the exponentially growing beauty business Nykaa as well as Azure Hospitality Pvt. Ltd., which operates a chain of restaurants.

We are conscious of the conglomerate structure being created in MaxVIL. We believe that the mature, cash-positive specialty films business is a perfect foil for the set of new businesses we are building. At the same time, we are committed to agility and will keep our minds open to potential monetisation or restructuring avenues that can benefit MaxVIL and its shareholders.

MaxVIL is operating with the energy, speed and may we say the occasional chaos of a start-up. But this hunger to evaluate fresh ideas, new opportunities and succeed or fail fast will be instrumental for the rapid growth of MaxVIL over the coming years.

MaxVIL is currently a place throbbing with activity, with a motivated, talented team of go-getters who are living their dream of creating an institution that will be envied for its path-breaking thinking backed by impeccable delivery. They need your support and good wishes to progress on this eventful journey, which promises to create immense value for all of us.

With Best Wishes & Kind Regards,

Analjit Singh
Founder & Chairman

Sahil Vachani
Managing Director & CEO

Management Discussion and Analysis



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Management Discussion and Analysis
Max Ventures and Industries Limited



Sahil Vachani
Managing Director & CEO



Arjunjit Singh
Chief Operating Officer,
Max Estates Limited



Kishansingh Ramsinghane
Senior Advisor, Projects,
Max Estates Limited



Nitin Kumar Kansal
Chief Financial Officer



Rishi Raj
Chief Business Development Officer



Rohit Rajput
Chief Executive Officer,
Max Asset Services Limited



Saket Gupta
Company Secretary

Management Discussion and Analysis

Max Ventures and Industries Limited



South African architect Angus Taylor enlightens MaxVIL employees on the importance of art in modern office workspaces.

Economic Overview

Global Economy

After a strong growth in 2017 and early 2018, global economic activity slowed down notably in the second half of the last year, owing to a confluence of factors that affected major economies. The US economy fell shy of its targeted growth of 3%. China's dip in growth was a result of a combination of much-needed regulatory tightening in shadow banking and increasing tensions with the US. The Euro economy lost momentum as consumer and business confidence began to erode. As a result, global growth is now projected to slow down from 3.6% in 2018 to 3.3% in 2019, before bouncing back to 3.6% in 2020.

Indian Economy

On the back of global headwinds as well as local issues such as Non-Banking Financial Company (NBFC) crisis, the Indian economy also took a hit with a growth of 6.8% in FY2019, representing a 5-year low and Q4 FY2019 growth fell below 6%. Having said that, India's per-capita income increased 10% to more than ₹ 10,500 per month from ₹ 9,580 per month in the previous year, pointing to a continued improvement in affordability. Further,

India was also touted as the sixth largest economy. It sustained higher growth rate than China, thereby earning the recognition of being the fastest growing major economy in the world.

About Max Ventures and Industries Limited

Max Ventures and Industries Limited ('MaxVIL' or 'the Company') is part of the \$3.2 billion Max Group and is one of the three listed entities in the Group. MaxVIL operates primarily in the areas of real estate and manufacturing. It also serves as the Group's entrepreneurial arm to explore the 'Wider World of Business.'

MaxVIL manages operations in three key subsidiaries:

1. **Max Speciality Films Limited (MSFL)**, a 51:49 a strategic partnership with one of Japan's leading printing company – Toppan – is an innovation leader in the Specialty Packaging Films business.
2. **Max Estates Limited (MEL)** is a wholly owned subsidiary that focusses on Grade A commercial real estate. It 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** is a wholly-owned subsidiary that facilitates intellectual and financial capital to promising and proven early-stage organisations across select sectors.

In FY2019, MaxVIL reported consolidated revenues of ₹ 945.4 crore, an increase of 26% as compared to the last year. Its consolidated profit before tax stood at ₹ 38.9 crore. Detailed commentary on MSFL and MEL's business performance is available in their respective Management Discussion & Analysis sections in this Annual Report.

Industry Overview

Notwithstanding near-term issues resulting from the NBFC crisis, increasing incomes, urbanisation, and on the whole, an upbeat economy have spelled good news for the real estate sector, driving commercial and residential realty demand in India. During the years 2009-18, the Indian real estate sector attracted institutional investments worth US \$30 billion. Sectors such as Information Technology (IT) and IT-enabled Services (ITeS), retail, consulting and e-commerce have clocked in high demand for office space in recent times. Office space leasing in the Top 8 cities is expected to cross 100 million sq. ft. during 2018-20. In addition, 2018 saw a positive growth in the sale of residential units for the first time since the start of the decade.

As a result of these changes as well as demographic shifts such as from family-owned businesses to professionally managed ones and an increased transparency due to the inflow of Foreign Direct Investment (FDI), the Indian real estate sector is expected to reach a market size of US \$1 trillion by 2030 from US \$120 billion in 2017 and contribute 13% of the country's GDP by 2025.

Max Ventures and Industries Limited, a part of the US \$3.2 billion Max Group, is the Group's entrepreneurial arm which operates primarily in the areas of real estate and manufacturing.

Max Towers is an example of the successful turnaround of a distressed project into a premier office building in record time, establishing the new real estate entrant Max Estates' credibility and expertise.

Besides real estate, the rising incomes, changes in consumption patterns and a drastic increase in e-commerce products have also given a facelift to the packaging industry. With robust growth in demand, the excess capacity situation is going to ease driving higher utilisation in the coming years. India's packaging sector is expected to reach a level of US \$72.6 billion by FY2020, growing at 18% per annum during 2016-21 according to an ASSOCHAM study. Further, with trends towards sustainability and recyclability aided by proactive steps on part of big brands and regulatory actions, Biaxially Oriented PolyPropylene (BOPP) films are expected to benefit within the plastics packaging family.

Operational Highlights

In April 2019, MEL opened the doors to its flagship office project – Max Towers. Located on the Delhi-Noida Direct Flyway (DND), Max Towers is a Grade A+ office building, spread over 0.6 million sq. ft. Constructed in a short span of 24 months, the building is a blend of thoughtful design and superior hospitality, which helps integrate work and life through its philosophy of 'WorkWell'.

At a time when developers in the Indian real estate market are grappling with unfinished construction projects and consequently 'trust deficit' is at its peak, Max Towers is an example of the successful turnaround of a distressed project into a premier office building in record time, establishing MEL's credibility and expertise as a new entrant.

MaxVIL also successfully completed a Rights Issue worth ₹ 449.89 crore in the financial year and repaid a significant proportion (₹ 250 crore) of its total debt in MEL to ready itself for growth, in an environment where real estate debt funding has tightened. ₹ 105.29 crore of the Rights Issue proceeds are currently deployed in bank fixed deposits leading to an improvement in the current ratio to 1.90, a 67% change from the previous fiscal.



Max Ventures & Industries strives for the progress of its employees through extensive training and development programmes.

In Q3 FY2019, MEL started its third project – Max House, Okhla – located in the heart of New Delhi. With a potential of 0.3 million sq. ft. over two phases, the project is currently in phase 1 of its development, which is expected to be operational by early FY2021.

MSFL, on the other hand, witnessed a challenging year marked by excess capacity in the plastics packaging business and volatility in crude oil prices. These headwinds had an adverse impact on MaxVIL's profitability with Operating Profit Margin dropping to 2.2% from 6.2% and the Net Profit Margin to -3.3% from 1.5% in the previous fiscal. However, early signs of recovery were visible in Q4 FY2019 with stabilisation in market prices, visible outcome of cost improvement initiatives and efforts to optimise product mix driving uptick in the operating margins for the business. Line 5, which was launched last year, is on track in helping MSFL achieve successful volume expansion, aid improvement in the share of specialty films mix and enhance the Company's equity in the BOPP films industry.

For MaxVIL's investment subsidiary Max I. Ltd., our current investments in FSN E-Commerce Pvt. Ltd. (which runs the beauty portal Nykaa) and Azure Hospitality Pvt. Ltd. (which operates a chain of restaurants) have shown significant promise. FSN has grown steadily in the last few years and has raised funds from reputed private equity players. We also made a partial exit from FSN to realise some gains in the portfolio. Azure's hospitality business is expanding its multiple formats and continues to gain strength. We will evaluate various opportunities to unlock value in these investments over the next 12-24 months. Our focus in

the coming year would be to evaluate opportunities in real estate enabled businesses, which have a strong investment rationale and can add significant value to improving our revenue and customer experience, and reducing operational costs. We will also be evaluating a few sector-agnostic co-investment opportunities with a strong investment case.

After careful evaluation, we also decided to shift our focus from our education vertical Max Learning Ltd., owing to regulatory overhang and the heavy nature of investments. Max Learning Ltd. has now been renamed Max Asset Services Ltd. – a new vertical that will focus on providing facility management services to the real estate business and bringing the workplace to life through various initiatives under the umbrella of the WorkWell philosophy.

Human Resources

We have aligned our organisation structure with our increasing focus on two verticals of real estate and packaging. To focus on superior customer experience and to drive revenue from real estate as a service, we started building capabilities in Max Asset Services. On the compensation front, we transitioned most of the organisation into a performance-linked variable pay plan to further align our employees' compensation to organisational performance. We continued the emphasis on training and development, albeit with a focus on managing costs and driving new product development in our packaging vertical and on driving leasing and customer experience in our real estate vertical. We continued our internship programmes with premier institutes

MaxVIL, through its subsidiary Max I., will evaluate investment opportunities in real estate enabled businesses, which have a strong investment rationale and can add significant value to improving revenue and customer experience and reducing operational costs.

While ensuring the successful operation and addition of new lessees to Max Estates' flagship project Max Towers, MaxVIL will focus on completing and opening Max House, Okhla for leasing by early FY2021.

to build our future pipeline of leaders. One of these internships transformed into a full-time employment during the year.

With these changes, our human resource capability is well configured to leverage opportunities across real estate, packaging, real estate services and investment spectrum.

As on March 31, 2019, the Company had nine employees on its payroll.

Outlook

We expect MaxVIL's financials to improve significantly in FY2020. MSFL is expected to reap the twin benefits of revival in the BOPP margins as excess supply normalises as well as of higher utilization of the recently opened Line 5, with a better product mix.

The increase in demand will be aided by global converters such as Avery, Huhtamaki and Mondi who have expressed keen interest in sourcing from India as well as from brands such as HUL, Nestle and others who, in light of making their products recyclable, will drive the demand for BOPP over Polyethylene Terephthalate (PET) films. In addition, backing from Toppan's expansive global sales network and cutting-edge technological capabilities is also expected to provide impetus. Further, a series of product, cost and capital-related initiatives are underway within MSFL to enhance the underlying profitability potential of the business.

The delivery of MEL's flagship office asset Max Towers is proof of its capabilities and a clear articulation of vision and strategy for the Company. It is now well set to accelerate its real estate business. In addition to the successful operation and addition of new lessees to Max Towers, MEL will focus on completing and opening Max House, Okhla for leasing by early FY2021. The Company is aggressively working towards strengthening its footprint in Delhi NCR by exploring new and innovative commercial real estate opportunities to create a portfolio of commercial real estate earning annuity income.

Over the next 12-24 months, MaxVIL will also evaluate various opportunities to unlock the potential of Max Asset Services in meeting the requirements of Max Tower's occupants and eventually developing it as a unique proposition that can be introduced to other offices.

With this strategy, backed by strong execution and a highly capable leadership team, we are confident of unlocking significant value for MaxVIL's shareholders in FY2020 and beyond.

Management Discussion and Analysis
Max Estates Limited



Sahil Vachani

Managing Director & CEO, Max Ventures & Industries Limited



Arjunjit Singh
Chief Operating Officer



Anshul Gaurav
General Manager, Business Development &
Strategy



Kishansingh Ramsinghane
Senior Advisor, Projects



Rishi Raj
Chief Business Development Officer



Shruti Varma
Head, Leasing

Management Discussion and Analysis

Max Estates Limited



The centrepiece called Holderstebolder located in the Max Towers atrium, designed by South African artist Angus Vanzyl Taylor, is one of the many unique art pieces in the building complex.

Company Overview

Max Estates Limited (MEL) was formed with the vision to bring the Max Group's values of Sevabhav, Excellence and Credibility to the Indian real estate sector, which continues to face a huge trust deficit owing to unscrupulous practices and inadequate regulatory oversight. In addition, there is lack of innovation in products and solutions offered to customers. MEL intends to capitalise on these opportunities, owing to the widespread acceptance and recognition of the Max brand, as well as the innovation and execution quality.

In FY2018, MEL successfully delivered its first residential project – a 5-acre, luxury development in Dehradun, comprising 22 villas. In 2019, MEL delivered its flagship commercial development, Max Towers, a ~0.6 million sq. ft., state-of-the-art commercial tower located in the most prime region of Noida. Situated at the edge of South Delhi, Max Towers enjoys great connectivity to the capital city through the Delhi Noida Direct (DND) Flyway. With features such as Food and Beverage (F&B) facilities, a 130-seater auditorium, wellness and entertainment zones as well as a

holistic 'WorkWell' philosophy, we are confident of occupation by progressive corporates. It is a LEED Platinum Green building, setting the bar for sustainable development in the office space sector. Our current focus is to make the workplace engaging for its occupants by hosting specially curated engagement activities throughout the year.

Max Towers has been a testimony to MEL's capabilities. Max Estates was able to bring the project out of distress, demonstrating a sound understanding and capability of the real estate licensing and regulatory apparatus. Further, MEL was also able to complete the project within tight timelines and budget. MEL's leasing capabilities have ensured that Max Towers commands a higher than prevalent rental within its micro-market.

In Q3 FY2019, MEL also started its third development – the complete re-development of Max House in Okhla, New Delhi. Max House has excellent connectivity to the Central Business District and Southern Business District of NCR. The total development potential of Max House is ~0.3 million sq. ft. and currently, Phase 1 of the two planned phases is in progress. The first phase is expected to be completed and the building open for leasing by early FY2021.

MEL will continue to focus on the office space segment in FY2020, while adopting an asset-light approach. The intent is to develop a diversified portfolio of annuity income-generating assets, while being efficient on capital. We are in active discussions about several growth opportunities across NCR with a positive bias for Gurugram.

The Real Estate Sector in India

The growth of the Indian real estate sector is attributed to India's growing population, rising income levels and rapid urbanisation. While the sector continues to face challenges, the commercial office market pan-India is seeing an upside with all-time high space absorption of ~46.8 million sq. ft. of gross leasing in 2018, which is a 12% increase from last year. The interest of institutional investors in commercial office space was also at its highest, with a 12% increase in investment since last year to ₹ 23,000 crore.

Commercial Segment

The Indian workspace market has been plagued by a lack of viable space since 2013, while demand has been increasing steadily. The overall office stock in the country has more than doubled in the last eight years against the backdrop of increased investor confidence in this sector. Private equity investors have also been more inclined to acquire stabilised office assets. As a result, an overwhelming majority of their investments have been routed towards the acquisition of mature assets. Consistently falling since 2012, the vacancy levels are at a decadal low. With the exception of Mumbai and Chennai, five out of the seven major markets experienced double-digit rental growth underscoring the underlying strength of the Indian office space market. Transaction levels that were limited largely due to the dearth of office space,

Max Towers, a 0.6 million sq. ft. premiere office building located on the Delhi Noida Direct (DND) Flyway, aims to make the workplace engaging for its occupants by hosting specially curated engagement activities throughout the year.

responded in kind and clocked a historical high of 46.8 million sq. ft. for space transacted in CY2018. Average rental values across the seven cities grew at 10% y-o-y during 2018. The Information Technology (IT) and IT enabled Services (ITeS) sectors' shares in transactions have been showing signs of weakening in recent periods due to macro headwinds.

Performance Highlights

The total revenue earned by the Company during the year was ₹ 38.09 crore, with loss before tax being ₹ 19.35 crore. The Company has secured lease commitments of ~100,000 sq. ft. of office and retail space in Max Towers. Additionally, the Company signed a letter of intent with 'WeWork' for leasing of entire built-up space of 1.05 lakh sq. ft. in Max House, Okhla. The Company has been able to sell ~50% of the inventory in its Dehradun project (222 Rajpur). Owing to the poor overall sentiment in the luxury residential market, the off-take of the project has been slower than expected.

We believe that the real estate business, particularly commercial real estate, is cyclical and heavily dependent on the economic progress of the country. Hence, MEL has chosen to remain nimble footed, keeping the debt levels at a comfortable ₹ 118.5 crore as of March 31, 2019. It repaid ₹ 250 crore debt in FY2019 using the rights issue proceeds.

On the project execution front, we are ahead of our planned timelines for Max House, Okhla, while Max Towers became the first distressed asset in Noida to be revived and completed. Max Towers welcomed its first occupants in April 2019.

Business Strategy

MEL aspires to be the most preferred brand in providing real estate solutions at scale in India over the next decade. In its first growth horizon, MEL will continue to focus on expanding its commercial office footprint in Delhi NCR, building a portfolio of annuity

yielding assets. In order to do so successfully, MEL is focussing on the following priorities:

- **Product Quality:** As a strategy for commanding premium on rentals, MEL will differentiate itself on the quality of its product. We believe that while micro markets are very different – with diverse price points and tenant profiles – there is still a dearth of quality products to meet demand. Hence, we will strive to deliver a superior quality product catered to each of the micro-markets we enter. This will entail intelligent product specifications and material choices, and superior design built around the micro market tenant requirements backed by time-bound execution. Further, while product specifications and associated costing will be customised to the micro-market economics, elements such as compliances, safety, finishing and sustainability will never be compromised.



The fins on Max Towers' fascia make it aesthetically distinct and help in energy conservation at the LEED Platinum Green building.

Management Discussion and Analysis

Max Estates Limited

- **Tenant Experience:** Our office assets will not only be developer owned, but also developer managed. We have an operating vertical, Max Asset Services, which will not only provide facility management services, but also curate conveniences for a superior tenant experience and develop a strong relationship with them through collaborating on events across personal and professional development, wellness, performing arts and sports to enhance their overall experience in keeping with our 'WorkWell' philosophy.
- **Design and Technology:** MEL has proven its capability on design differentiation with Max Towers and will continue to do so at Max House Okhla. We will continue to leverage our design capabilities, customising them to each micro-market we operate in. Our focus will be on creating flexibility around tenant space requirements (floor plates that can cater to both initial and subsequent expansion needs of tenants), longevity and future-proofing the products for future technology innovation and work culture, sustainability and tenant experience. Further, MEL will continue to employ best-in-class technologies to ease execution and design development and to minimise execution risk and duration.

Max Estates is now focussing on getting its third development, Max House Okhla, an office space in the heart of New Delhi, ready for leasing by early FY2021.

- **New Business Vertical:** We plan to develop 'Max Asset Services' into a full-fledged business vertical, generating additional income stream from consumption requirements of building occupants and eventually developing it as a unique proposition to take to other office buildings. We will look to



L'Opéra, the French patisserie and boulangerie, epitomizes the discerning food and beverage options planned at Max Towers.

develop a full spectrum of services desired by our tenants, from design to office management services, through key partners.

- **Capability Building to Expand to New Micro-Markets:** We will continue to strengthen leasing, liaising and construction capabilities to effectively serve across a range of micro-markets within Delhi NCR with a wide spectrum of rentals, demand mix and regulatory landscape.
- **Efficient Capital Management:** We ensure secure funding partnership to help the Company expand and capitalise on the vast opportunities available in NCR, especially in Delhi, Noida and Gurugram. With the added advantage of being backed by the Max Group's strong value system and performance track record, MEL will be able to make significant progress on this front.
- **Leadership Bandwidth:** We will continue to invest in building organisational capacity, including leadership bandwidth, to tap into growth potential.

While pursuing the longer term aspiration of becoming a preferred brand that provides real estate solutions, MEL will continue to scan the market and prioritise potential opportunities to diversify into new asset classes in the second growth horizon of its journey.

Market Outlook and Future Trends

A clear game-changer, the Real Estate Regulatory Authority (RERA) has played a key role in inducting best practices into the sector; evolving higher transparency and trust, along with compliances and more importantly, creating a platform for grievance resolution. RERA, coupled with the Goods and Services Tax (GST), has improved the regulatory environment, in turn

Max Estates aspires to be the most preferred brand in providing real estate solutions at scale in India over the next decade. In its first growth horizon, it will continue to focus on expanding its commercial office footprint in Delhi NCR, building a portfolio of annuity yielding assets.



An evening view of the state-of-the-art Max Towers office building located on the edge of South Delhi.

rationalising prices and ensuring a setting in which only the compliant players with strong brand equity will thrive. The positive momentum in commercial office space in NCR and pan-India is expected to continue in 2019. Further, with an enormous push from the government, affordable housing for the mid-income level group will be a key driving force for residential markets in the near future.

Time is also ripe for REITs to gain acceptance in India, with an estimated 314 million sq. ft. of REIT-able stock readily available. Bullish on the success of the first REIT filing in March 2019, several developers are thinking along similar lines.

Emerging alternative asset classes such as senior living, student housing / co-living and data centres will provide developers, service providers and operators newer prospects to create solutions specific to India, while leveraging the best of breed learnings from across the world.

Management Discussion and Analysis
Max Speciality Films Limited



Ramneek Jain
Chief Executive Officer



Amit Jain
Chief Financial Officer



Amit Kaushik
Head, Human Resources



Anil Kant Yadav
Head, National Sales



Anil Kumar Bamby
Head, Quality



Avinash Kumar Singh
General Manager, Logistics,
Customer Service & Line 5 P&L



K Manohar
Chief Technology Officer



Navneet Narayan Malhotra
Head, Operations



Rishi Pathak
Head, Materials



Ritesh Trikha
Head, International Sales (BOPP Films)

Management Discussion and Analysis

Max Speciality Films Limited



Max Speciality Films' ultramodern and uniquely designed factory facility in Railmajra, Punjab.

Economic Overview

According to the International Monetary Fund (IMF), the global GDP growth has slowed down to 3.9% in H2 of FY2019. Meanwhile, the Indian economy also witnessed a slight decline from 7.1% in FY2018 to 6.8% in FY2019. Despite this slowdown, India is the fastest growing developing economy in the world. At the same time, India witnessed a holistic growth in exports with a promising 8.9% y-o-y increase.

In addition to the rising affordability of the Indian population, rapid urbanisation as well as e-commerce boom have contributed to an uptick in the packaging industry, resulting in healthy demand. By 2030, ~41% of India's population is expected to reside in urban areas compared to 30% as per the 2011 census. Urbanisation-led lifestyle changes will drive higher demand for packaged foods, smaller pack sizes and more ready-to-eat food, leading to higher demand for flexible plastic packaging. It is also aiding e-commerce growth (CAGR of 22% till FY2021), which in turn has a multiplier impact on demand for flexible plastics packaging.

Latest Trends

The global market for Bi-axially Oriented PolyPropylene (BOPP) films is 8 Metric Tonnes Per Annum (MTPA), of which India contributes just 380 Kilo Tonnes Per Annum (KTPA). While the

global BOPP industry continues to expand at 4%, the industry in India is scaling to a healthy 10% growth. Considering BOPP films' current penetration of merely 0.3 kg per capita in India against a 1.3 kg global per capita, the scope for continued growth in the BOPP films market is immense in India.

Another noteworthy trend is the rapidly increasing awareness about climate change, due to which governments and organisations are slowly yet steadily leaning towards a circular economy with a focus on recyclability. This is also trickling down to the packaging industry as multiple brands aspiring to implement recyclable packaging by 2025 are seriously evaluating BOPP-based laminates to meet this objective.

About Max Speciality Films Limited

Max Speciality Films Limited (MSFL), a leading supplier of specialty packaging, labels, coating and thermal lamination films, is a 51:49 strategic partnership between Max Ventures and Industries Ltd. (MaxVIL) and Toppan, a US \$13 billion Japan-based global leader in printing.

MSFL is renowned, globally, as a producer of quality specialty packaging films, including graphic lamination films for print finishing, luxury packaging and labelling films. The Company exports approximately 25% of its total output. Its largest overseas

market is Europe. Its presence in demanding markets such as Japan and the Americas is also on the rise.

MSFL has established a reputation over time for partnering with convertors and brands to develop cutting-edge packaging, labelling and graphic lamination solutions. The Company works closely with convertors and brands to develop new packaging solutions, covering a range of attributes, namely, barrier, sealing reliability, special surfaces, haptics and optics, sustainability and much more.

MSFL's ultramodern facility in Railmajra, near Chandigarh, has four BOPP lines (one commissioned in Q1 of FY2019), three extrusion-coated lines, three chemical coating lines and four metallizer lines.

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

- ISO 9001-2008
- ISO 14001-2004
- OHSAS 18001-2007
- BRC/IOP (Food Safety)
- Hazard Analysis Critical Control Point (HACCP)

In addition, MSFL's quality lab has been awarded the coveted NABL accreditation. The Company also has a DSIR-certified R&D lab, which is the first in the industry and in India.

With its state-of-the-art technology, today, MSFL can offer multiple advanced solutions for high-barrier requirements with sustainability at its core by focussing on thick monolayer films to support recyclability. For example, in an effort to reduce aluminium foil litter, MSFL has developed a range of metallised BOPP films – M18SL6. These films combine the flexibility of BOPP with the high oxygen and water vapour barrier characteristics of aluminium as a superior replacement of aluminium foil.

The fast-growing food industry accounts for 66% of sales and output in India. Though the Company constitutes 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 customer requirements through innovative customised solutions and through customer engagement initiatives such as Technology Day Celebration with customer groups.

Performance Highlights

FY2019 began with a fall in sales due to factors such as change in crude oil price, oversupply, fluctuation in HP (Homo-polymer) prices, forex rates and a dip in market prices, particularly in the third quarter.

The Company's net profit margin reduced from -0.10% to -1.50%, owing to an unnaturally high dip in market prices in Q3 of FY2019, and fluctuating raw material prices and foreign exchange (forex) rates. Its interest coverage ratio dipped from 0.96 to 0.55, mainly due to the addition of Line 5, which increased interest cost.



Max Speciality Films, with its state-of-the-art technology, offers cutting-edge packaging, labelling and graphic lamination solutions.

However, the business showed immediate signs of recovery with top line increase of about 36% in the year's last quarter, driven by market price correction, a balanced product mix as well as cost improvement initiatives, including recipe cost improvement, deckle optimisation and other operational cost improvements. Its latest addition – the advanced Line 5 – stabilised and helped achieve better efficiencies and a successful volume ramp up.

Line 5 Highlights

In FY2018, MSFL commissioned a state-of-the-art BOPP line with the world's first inline BOPP coater. It's a five-layer line with inbuilt capability to produce thicker films. Apart from capacity augmentation, the intent was to enter the technology labelling and packaging space and improve recyclability of the films.

The new production line opened a plethora of opportunities such as better quality with online inspection, better line efficiency and seamless speed.

The strong foundation of R&D, coupled with the management drive, has aided MSFL to develop solutions, which include Biaxially-oriented Polyethylene (BOPE) foil replacement, high barrier label films, Biaxially-oriented Polyethylene Terephthalate (BOPET) replacement, and metallised BOPET replacement films for various packaging requirements in line with the recyclability trends.

People and Customer Centricity

MSFL's differentiator is its ability to sense the pulse of the industry when it comes to technological requirements and recognise the need for a holistic packaging solution. MSFL is able to do this with

With factors such as an increased focus on recyclability, stabilising supply, rising international demand as well as optimum utilisation of its advanced Line 5, MSFL is geared for a revival in the upcoming financial year.

the help of its strong connect with end user brands as well as converters.

Existing customers such as Hindustan Unilever Limited (HUL) and ITC Limited testify that the MSFL team inspires confidence. Backed by the Company's traditional strengths in customer service, each solution is derived from an interactive process that involves understanding, collaboration, responsiveness, reliability, trust and world-class quality. Customer satisfaction is paramount and is deeply embedded in the Company's culture and is celebrated in the value system. The mantra of 'Customer

Comes First' is followed by everyone without any exception. MSFL conducts various customer-centric initiatives throughout the year, some of which are:

- Stage gate innovation process and a well-equipped innovation centre
- 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
- Customer satisfaction survey

MSFL also believes that the people are its biggest asset. The Company is continuously striving to improve its work environment by practising an inclusive, transparent and ethical approach, with strong feedback systems such as safety satisfaction survey and employee satisfaction survey as a part of its work ethics.

MSFL has institutionalised robust internal controls as well as management systems and processes through Enterprise Resource Planning (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, y-o-y



Max Speciality Films' latest production line (Line 5) is a five-layer line with inbuilt capability to produce thicker films with seamless speed.



Max Speciality Films is globally renowned as a producer of quality specialty packaging films.

variances and competition. The statutory and internal auditors also review the internal controls every year and the reports are shared with the Audit Committee for further evaluation.

Responsibility towards the Environment

MSFL is deeply committed towards its responsibilities in the ecosystem as a producer of polymer films, an employer and a corporate citizen.

In collaboration with the Max India Foundation (MIF), MSFL 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. It also 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 its employees and visitors is also of paramount importance and MSFL continues to systematically identify and eliminate risks and hazards.

Outlook

MSFL is geared for a revival in the next fiscal with the recyclability trend driving PET replacement, stabilising supply, rising international demand as well as optimum utilisation of the advanced Line 5. As a result, the demand for BOPP films is

expected to grow faster than the growth in capacity, leading to improvement in utilisation and, hence, lower pressure on prices and margins in FY2020 and beyond. The favourable impact of market improvement can be already gauged through improvement in EBITDA margin from 1.8% in Q3 of FY2019 to 4.7% in Q4 of FY2019.

Additionally, the MSFL management undertook a series of product, cost and capital-related initiatives to enhance the underlying profitability potential of the business, which is expected to have a visible impact in the FY2020 financials.

Powered by these factors, MSFL will continue to focus on innovation, backed by Toppan's state-of-the-art technology and wide sales network, building long-term customer relationships, ensuring excellence in operations and service delivery, and developing talent. MSFL is well on its course to maximise profits, contribute to the society and save the environment.

Business Responsibility Review



Mohini Daljeet Singh, Chief Executive, Max India Foundation.

For India to count itself as a progressive nation, access to quality healthcare for all sections of the society is a vital requirement. The government has sharpened its focus on public healthcare, which is evident from the increase in the healthcare allocations in the last union budget as well as from the launch of its flagship healthcare scheme, Pradhan Mantri Jan Arogya Yojana (PMJAY), also known as Ayushman Bharat. However, India's health needs are so enormous that they need support from other institutions such as NGOs, charities, corporates and so on. To aid this cause, Max India Foundation (MIF), the Corporate Social Responsibility (CSR) arm of the Max Group, has undertaken a series of successful healthcare and immunisation initiatives over the last 11 years. MIF's healthcare activities, in collaboration with 457 NGOs across 837 locations, have touched 34,41,689 individual beneficiaries until March 31, 2019.

MIF's journey has been characterised by the ethos of Sevabhav and Giving with Dignity to make a difference to the lives of the underprivileged. The Foundation has adopted a holistic solution model that hinges on four key pillars.

In FY2019, 45,282 individuals including women and children, benefitted from MIF's awareness programmes on issues such as menstrual hygiene, hand washing, healthy eating, health and hygiene, dengue, vector-borne diseases, cancer and tobacco-related diseases.

Awards & Accolades

- The 'Child Health Brand Award for the year 2018' at the India Health and Wellness Summit for FY2019
- The 'Swachh Bharat Award for Sustainable Sanitation and Waste Management' during the National Swachhata Summit and Awards 2019 on February 19, 2019
- MIF's CEO Mohini Daljeet Singh was awarded the 'CSR Leadership Award' at the 8th Edition of World CSR Day
- 'Asia's Greatest CSR Brand Award' at the Indo-Singapore Business & Social Forum 2018; Awards & Business Summit at Marina Bay Sands, Singapore
- The Award of 'Responsible Corporate for valuable contribution towards the environment' at the Global Environmental Conclave organised by Sunday Guardian in June 2018

PILLAR 1 PROVIDING QUALITY HEALTHCARE

Health needs are often immediate, yet there is a huge gap in accessibility and affordability for the underprivileged. Over the years, MIF has perfected various health interventions, which have been strategically designed with a blend of curative, preventive and promotive aspects to support the underprivileged sections of the society.

Immunisation Camps

This programme is meant for children in the age group 0-12 years who are 'Not Immunised' or are 'Partially Immunised'. Children are vaccinated against Measles, Mumps and Rubella (MMR), Diphtheria, Pertussis and Tetanus (DPT), Hepatitis-B and Typhoid as per the guidelines of the World Health Organisation (WHO).

Through its pan-India immunisation programme, MIF has administered 17,265 immunisation shots against nine diseases through 130 camps in five states across India.

Health Camps

Often, underprivileged people ignore niggling symptoms of ill health due to reasons such as losing a day's wage, travelling long distances or lack of funds for even a basic consultation. Women and the elderly are the worst affected.

MIF organises general 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 these camps where free consultations and medicines are provided.

So far, 1,58,700 patients have been treated through 743 such camps across India.

Surgeries and Treatment

Escalating expenses make it impossible for the underprivileged to undergo expensive surgeries. MIF helps them get a new lease of life by supporting 1,300 high-end surgeries, such as pediatric,



Kids learn the importance of dental hygiene with MIF's awareness programmes and health check-up camps.

Business Responsibility Review

cardiac, brain tumour, reconstructive, neuro, orthopedic and cataract surgeries, besides oncology care and renal transplants. This has helped beneficiaries lead comfortable and healthier lives with quality medical support, thus preventing further poverty.

Six months after Alka was born, her father, a low-income farmer from Bihar, detected a lump in her hand. Alarmed, he rushed her to a local doctor who prescribed a homeopathic treatment. When this didn't work, Alka's family tried allopathic medicines but to no avail. Finally, when Alka was rushed to a health camp in Nalanda, a tumor was confirmed. The infant was taken to AIIMS Patna where she underwent surgery on December 17, 2018. Because of her tender age, chemotherapy and radiation were ruled out and post-surgery, the lump returned. Determined to get rid of the tumor, the father cobbled all his resources and approached MIF through Cankids, a non-profit organisation dedicated to the treatment and care for children with cancer in India. MIF facilitated the surgery and today, Alka is tumour free.



Little Alka gets a renewed lease on life through a surgery facilitated by MIF.

Health Centres

In pursuance of providing quality healthcare to the underprivileged, MIF has set up health centres in Uttarakhand and Punjab in partnership with like-minded NGOs. Approximately 11,138 patients have been treated so far at these health centres this year.

Provision of Free Artificial Limbs and Polio Callipers to the Needy

The Artificial Limbs & Polio Callipers (ALC) camps aim to improve the mobility of physically challenged individuals. This enhances their self-confidence and has a positive impact on their economic well-being, thereby enabling them to live their lives with dignity.

Through this year's ALC camp organised by MIF at Ropar in Punjab, 162 underprivileged patients received prosthetic limbs and free treatment. This camp was organised in collaboration with the NGO Manav Seva Sannidhi. So far, MIF has provided 5,588 deprived patients with artificial limbs and polio callipers, thus transforming their lives.

For Para Commando Havaldar Hans Raj of Samba, Jammu, the journey to Ropar was one of hope and healing. This brave soldier lost his leg during an army operation in Sri Lanka 22 years ago. Though the Army had provided an artificial limb, it had been giving Hans Raj trouble. When he heard about MIF's Camp in Ropar, he decided to undertake this life-transforming journey. Recalling the landmine blast incident that rendered him physically challenged, Havaldar Hans Raj said, "I'm proud to have served the nation as a soldier. The Army took care of all my financial and physical needs, but over time, I realised that I needed to replace my artificial limb. Today, I'm glad I decided to make this journey because I am now pain free and as independent as before. It is the efforts of camps like these that make you proud to be a part of this country."



MIF's Artificial Limbs & Polio Callipers camp in Ropar, Punjab helped 162 patients receive prosthetic limbs.

PILLAR 2 CREATING AWARENESS ON HEALTH AND HYGIENE

General Health Awareness

MIF believes that awareness is the first step towards achieving wellness and good health, which yields better outcomes while saving huge expenses on treatment. Hence, health awareness has formed an integral part of MIF's work on Preventive Healthcare. MIF has been proactively running awareness programmes in different areas. In the last financial year, 45,282 beneficiaries, including women and children, benefitted from awareness on issues such as menstrual hygiene, hand washing, healthy eating, health and hygiene, dengue, vector-borne diseases, cancer and tobacco-related diseases. These are effectively addressed through multiple infotainment approaches such as films, flip books, talks, demonstrations, puppet shows, etc.

Conducting Breast Cancer Awareness Campaigns

Aimed at fostering a spirit of courage, grit and determination, MIF and Diva restaurants, Delhi, partnered for a month-long 'Celebrate Me' campaign. This campaign highlighted the courage of women who fought the dreaded disease of cancer and emerged victorious. It stressed the importance of timely treatment and preventive measures against the disease.

Walking/Running for Good Health

MIF collaborated with CanSupport to bat for cancer survivors and spread awareness via 'Walk for Life' in February 2019 at Janpath, New Delhi. In the same month, MIF also sponsored Ropar Half Marathon in Punjab. Centenarian marathon runner Mr. Fauja Singh graced the occasion with his presence and encouraged the participants to exercise for good health.

MIF Scores High with Anti-tobacco Campaign

MIF, together with Sambandh Health Foundation and Delhi Police, worked towards building awareness on the perils of tobacco and strived to end the tobacco menace. MIF's anti-tobacco display boards were put up at New Delhi Railway Station last December to alert the masses.

The Impact so far in Delhi NCR

- A total of 42,415 challans have been issued
- 394 police officers have been trained
- 397 principals have been sensitised to the Cigarettes and Other Tobacco Products Act (COTPA)
- Anti-tobacco puppet shows were organised in schools for 1,113 underprivileged children

PILLAR 3 PROMOTING A SUSTAINABLE AND ECO-FRIENDLY ENVIRONMENT

Environment Tips

Good environment is a prerequisite for good health. MIF has been spearheading structured monthly awareness campaigns, which serve the dual purpose of sensitising people about the issue as well as suggesting various practical action points to improve the environment. Environment tips are shared with key stakeholders, including NGO partners as well as employees of the Max Group. The objective is to increase awareness on improving green cover, enhancing oxygen supply as well as arresting soil erosion, thereby leaving a greener planet for future generations.

Drug De-addiction Initiative

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 menace. MIF has been supporting a drug de-addiction counselling centre for the youth of Baramulla in Jammu & Kashmir since April 2016. Started and anchored by the Indian Army, MIF organises seminars,

recreational activities, individual and group counselling sessions, motivational talks and occupational rehabilitation. In FY2019, the drug de-addiction programme benefitted 938 youth.

Nutrition

India is home to over one-third of the world's stunted children. Some of the partners MIF works 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 MIF's support may be the only wholesome meal of the day for them. The Foundation made over 283 meals possible in FY2019.

Sanitisation Drive in Noida

As part of our initiative to usher good health and sanitisation, a sanitisation drive was initiated across a slum in Sector 16 Noida.

Business Responsibility Review

The following actions were undertaken:

- 2,000 dustbins were distributed, and garbage collection was facilitated in the area, benefitting 10,000 people
- 300 children were given anti-Typhoid vaccine
- Five health camps were conducted, including general, dental and gynecological check-ups, benefitting 395 people

Tree Plantation Drive in Delhi-NCR

Approximately 2,256 saplings were planted by MIF in the Delhi-NCR region to create a more pollution-free and sustainable environment.

PILLAR 4 ADOPTING VILLAGES

MIF has adopted three villages – Rail Majra in Punjab, and Dhakrani and Purukul in Dehradun district, Uttarakhand. The Village Adoption Programme aims at creating model villages to enhance the quality of life of the underprivileged in the area.

Health Facilities

Due to inadequate health facilities in these villages, appropriate interventions in the form of health camps, health centres, eye check-ups and immunisation camps were provided at regular intervals. The range of health services helps villagers avail quality services from specialists, otherwise beyond their reach. MIF's nine multi-speciality health camps impacted 2,394 beneficiaries. MIF also donated 350 blankets to underprivileged beneficiaries in the presence of local Panchayat members, giving them warmth during the severe winter months.

Environment Conservation and Preservation

MIF has been sensitising villagers about environment conservation and preservation. Tree plantation drives are almost an annual affair across all three villages. In particular, MIF has planted 2,500 fruit saplings of Mango, Lychee, Guava, Banana, etc. in Dhakrani village with the help of the NGO Sustainable Green Initiative. The fruit trees planted will further be nurtured and maintained by the residents themselves.

Hygiene Improvement through Solid Waste Management

Waste management continues to be an issue of serious concern. MIF initiated activities for the solid waste management system by implementing clean-up drives, awareness programmes and a solid waste collection and disposal system. The villagers were regularly sensitised on the importance of cleanliness and segregation of waste. As part of this project, a composting unit

was set up in Dhakrani with 8,000 kg of compost produced this year. Segregation of waste was done to ensure that the organic waste does not end up in landfills but can be composted and used by farmers in the village.

Additionally, 97 bi-weekly health camps for women and children with the NGO Bella Healthcare were conducted, which helped 5,478 beneficiaries in total.

Financial Education and Volunteer Activity

Under the village adoption project, Max Life Insurance employees and agent advisors visited a total of 900 households at Dhakrani village, re-iterating the benefits of health, hygiene, waste management and sanitation, while simultaneously introducing the residents to financial literacy. Further, the importance of 'Swacch Raho, Swasth Raho' was highlighted during these visits.

Sanitary Pad Production Unit for Local women

With the objective of promoting menstrual health and hygiene among women from poor/marginal economic backgrounds, MIF set up a sanitary napkin manufacturing unit for the local women in Dhakrani by donating relevant machinery and materials required. The unit made it easy and convenient for women to access hygienically produced pads. Manufactured by women and for women, these sanitary pads are low cost and easily available. So far, 45,000 sanitary napkins have been produced by the unit.

Sanitation and Sewage Project

Dhakrani village had no sewage system in place. Wastewater spilled onto the garbage spread on streets and polluted the sources of drinking water supply. To address the issue, a Sewage Treatment Project is underway. Around 1,30,000 ft of pipeline has been laid. Sand filters and septic tanks are being built from which wastewater will be treated to be fit for agricultural purpose. Four phases of this project have been completed. In phase 5 of this project, bio-digester technology tanks are being connected to 400 individual households.

Skill Development for the Youth

MIF has set up a Life Skills Training Centre at Dhakrani in partnership with the NGO Head Held High (HHH) Foundation.

The initiative provides life skills training to rural school dropouts through a six-month intensive programme. Besides basic English speaking, Math and Computer skills, the local youth are trained in social and soft skills. Their confidence is further boosted with a concurrent personality development course. With the third batch of 22 youth completing this course by June 2019, MIF has successfully trained 74 youngsters as a part of this initiative.

Purukul Village Adoption

Four multi-speciality health camps were held at Purukul Gram Sabha with Max Super Speciality Hospital, Dehradun. Max Hospital doctors, marketing and nursing staff helped 265 patients at the camps.

A cleaning vehicle continues to be operational in Purukul Gramsabha, along with cleaning staff who work daily to keep the streets and area clean.

MIF also provides food and nutrition support to the children of Purukul Youth Development Society (PYDS), an English-medium day school for underprivileged children. This has helped students get a balanced diet and stay healthy and active.

Railmajra Village Adoption

As part of its healthcare initiatives, MIF founded the Health Centre at village Railmajra near the MSFL factory in Punjab in 2008. This is the oldest and the first health centre that caters to the medical needs of the villagers of Railmajra and surrounding villages. Through this initiative, MIF has been able to provide access to quality healthcare to 5,280 beneficiaries. In addition, MIF also organised multi-speciality health camps, which impacted 1,048 beneficiaries.

The bane of drug abuse in Punjab, with over 2.3 lakh drug users, has acquired the proportion of a pestilence that has shaken the entire society in the state. To address this critical issue, MIF, in collaboration with United Nations Office on Drugs and Crime (UNODC), organised a drug de-addiction awareness drive in Railmajra in August 2018. Dr. Rekha Gupta and Dr. SMS Sidhu conducted the session on drug abuse for school children, factory workers, antenatal mothers and general population to sensitise them to this issue and its preventive measures.

An interactive science lab was set up for students of the Railmajra Government School. The first batch of 12th class students passed with flying colours, with girls topping the class. As a token of encouragement, the Top 4 girl students were rewarded by MIF.

THE MIF 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 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 inculcating behavioural change in the beneficiaries, who are now adopting healthy practices to

safeguard their health. Today, MIF has been able to win the trust and confidence of the community and bring smiles on their faces. In its own small way, MIF has been able to make a humble contribution towards nation building through a healthier population.

Corporate Governance Report



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Corporate Governance Report

Our Corporate Governance Philosophy

Max Ventures and Industries Limited ('MaxVIL' or 'the Company') 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 has implemented a comprehensive governance framework for itself and its subsidiaries. The framework entails implementation of various transformational initiatives across three key facets of governance:

■ Board Architecture

The 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 the 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 the 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 at March 31, 2019, your Board of Directors comprised of eight members comprising one Executive Director and seven Non-Executive Directors of which four are independent. Mr. Analjit Singh, Chairman of the Company is a Promoter, Non- Executive Director.

In terms of Companies Act, 2013 ("the Act") and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("Listing Regulations") the Company has received declaration from independent directors confirming their independence from the management. Also, the Board has evaluated the independence of directors and opines that the independent directors fulfill the conditions specified in Listing Regulations and are independent of the management.

Mrs. Sujata Keshavan Guha, an independent director of the Company, resigned from her position effective July 24, 2018 due to her pre- occupation and other commitments.

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 of 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 the financial year ended March 31, 2019 ("FY2019") and at the last Annual General Meeting, including the details of their other Directorships and Committee Memberships as on March 31, 2019 are given below

Name of Director	Number of Board meetings during FY2019		Attendance at last AGM held on September 25, 2018	Number of Directorships in other Companies as at March 31, 2019*	Number of committee positions held in other public companies as at March 31, 2019@	
	Held during tenure	Attended			Chairman	Member
Mr. Analjit Singh [Promoter, Non-Executive Director & Chairman]	07	03	No	09	-	-
Mr. Mohit Talwar [Non-Executive Director & Vice Chairman]	07	06	Yes	07	-	04
Mr. Dinesh Kumar Mittal [Independent Director]	07	07	Yes	12	01	06
Mr. K. Narasimha Murthy [Independent Director]	07	06	Yes	09	05	06
Mr. Ashok Brijmohan Kacker [Independent Director]	07	06	Yes	07	01	02
Mrs. Gauri Padmanabhan# [Independent Director]	01	-	N.A.	01	-	-
Mr. Sahil Vachani [Managing Director and CEO]	07	05	No	18	-	01
Mr. Arthur Seter Harutyun [Non-Executive Director]	07	02	No	01	-	-
Mrs. Sujata Keshavan Guha ** [Independent Director]	04	01	N.A.	N.A.	N.A.	N.A.

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

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

Appointed as additional director (Independent) on November 26, 2018.

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

Further, names of the other listed entities where the directors of the Company are director as on March 31, 2019 and the category of directorship is as follows:

Name of Director	Name of other listed entity	Category of directorship
Mr. Analjit Singh	Max Financial Services Limited	Promoter, Non-Executive
Mr. Mohit Talwar	Max India Limited	Managing Director
	Max Financial Services Limited	Managing Director
Mr. Dinesh Kumar Mittal	Balrampur Chini Mills Limited	Independent Director
	Max Financial Services Limited	Independent Director
	Bharti Airtel Limited	Independent Director
	Max India Limited	Independent Director
	Trident Limited	Independent Director
Mr. K. Narasimha Murthy	Max India Limited	Independent Director
Mr. Ashok Brijmohan Kacker	KSS Limited	Independent Director
	Max India Limited	Independent Director
Mr. Sahil Vachani	Max Financial Services Limited	Non-Executive - Non Independent Director
Mrs. Gauri Padmanabhan	Nil	N.A.
Mr. Arthur Seter Harutyun	Nil	N.A.

Corporate Governance Report

Details of Board meetings held during FY2019 :

There were seven Board Meetings held during FY2019, details of which are as under:

S.No.	Date	Board Strength	No. of Directors present
1	May 17, 2018	08	06
2	June 11, 2018	08	05
3	June 29, 2018	08	04
4	July 24, 2018	08	07
5	August 10, 2018	07	04
6	November 13, 2018	07	06
7	February 08, 2019	08	04

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 (within 60 days for last quarter of financial year) 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 through resolutions passed by circulation as permissible under the provisions of the Act and Secretarial Standards on meetings of the Board of Directors (SS-1) and the same are also duly noted in the next meeting.

Generally, meetings of Committees of Board are held prior to the Board meeting. The Chairperson of the respective Committee briefs the Board about the proceedings of the Committee meeting 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 is generally published seven days in advance through e-mail and/or electronically in a secured dedicated portal. The Board is regularly updated on the key risks and the steps and process initiated for reducing and, if feasible eliminating various risks. Business risk evaluation and management is an ongoing process with the company.

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

Key Board qualifications, expertise and attributes

MaxVIL Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. The Board members are committed to ensuring that the Company is in compliance with the highest standards of corporate governance.

The table below summarizes the key qualifications, skills, expertise and attributes identified by the board of directors as required in the context of its business and sector for it to function effectively.

Corporate governance	Maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices
Leadership	Leadership experience in developing talent, planning succession, and driving change and long-term growth. Practical understanding of managing organizations, processes, strategic planning, and risk management
Strategic thinking	Forming strategies to analyze the marketplace and identify opportunities to stimulate growth, considering the impact of key decisions, offer contingency plans and risk mitigation, bearing in mind the stakeholders' best interest
Diversity	Representation of gender, ethnic, geographic, cultural, or other perspectives that expand the Board's understanding of the needs and viewpoints of our customers, partners, employees, governments, and other stakeholders worldwide
Financial acumen	Proficiency in financial management, financial reporting processes, or experience in actively supervising the finance function
Business Growth	Identifying market trends, developing strategies for growth of business. Building brand awareness and equity and enhancing enterprise reputation. Ability to assess investment or acquisition decisions, evaluation of operational integration plans
Mergers and Acquisitions	Experience in acquisitions and other business combinations, with the ability to assess 'build and buy' decision, accurately valuing the transactions and evaluating the operational integration plans

Code of Conduct

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'). Pursuant to the SEBI (LODR) (Amendment) Regulations, 2018 the aforesaid code was amended by the Board of Directors in their meeting held on February 08, 2019 w.e.f. April 01, 2019, 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 March 31, 2019 and declaration to this effect signed by the Managing Director and CEO forms 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. Pursuant to the SEBI (PIT) (Amendment) Regulations, 2018 the aforesaid code was amended by the Board of Directors in their meeting held on February 08, 2019 w.e.f. April 01, 2019, a copy of which is available on the Company's website <https://maxvil.com/shareholder-information/>.

Committees of the Board

Audit Committee:

As at March 31, 2019 this Committee comprised of Mr. Ashok Brijmohan Kacker (Chairman), Mr. K. Narasimha Murthy, Mr. D.K. Mittal and Mr. Mohit Talwar. 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. All the members of the Committee possess requisite accounting and financial knowledge. The Chairman of the Committee has accounting and financial management expertise. The Company Secretary of the Company acts as the Secretary to this Committee.

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

The representatives of Internal Auditors and Statutory Auditors are invited to the meetings of the Committee, as 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 FY2019:

Name of Director	Number of meetings held	Number of meetings attended
Mr. Ashok Brijmohan Kacker	04	03
Mr. D.K. Mittal	04	04
Mr. Mohit Talwar	04	03
Mr. K. Narasimha Murthy	04	04

Nomination and Remuneration Committee

As at March 31, 2019, the Committee comprised of Mr. K. Narasimha Murthy (Chairman), Mr. D. K. Mittal, Mr. Ashok Brijmohan Kacker and Mr. Mohit Talwar. All the members are Independent Directors, except Mr. Mohit Talwar who is a Non-executive non-independent Director. The Company Secretary of the Company acts as the Secretary to this Committee.

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. The details of annual evaluation of the performance of the Board, its Committees and of individual directors have been disclosed in the Board's 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. The Remuneration Policy of the Company is annexed to the Board's Report and is also available on the website of the Company www.maxvil.com.

Meetings & attendance during FY2019:

Name of Director	Number of meetings held	Number of meetings attended
Mr. K. Narasimha Murthy	03	03
Mr. D. K. Mittal	03	03
Mr. Ashok Kacker	03	02
Mr. Mohit Talwar	03	02

Corporate Governance Report

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 were subject to evaluation had not participated. The evaluation of Independent Directors was based on criteria such as current knowledge of the company's business sector & trends; understanding of the Company's business, its subsidiaries, operational structure and key risks; meaningful & constructive contribution in meetings, guidance to the management etc.

Remuneration paid to Directors during FY2019

The Company pays 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 during FY2019, except the sitting fees. Details of the sitting fees paid to Non-Executive/ Independent Directors of the Company during FY2019 are as under:

S. No.	Name of Director	Sitting Fee paid (in ₹)
1	Mr. Analjit Singh	3,00,000
2	Mr. Mohit Talwar	16,00,000
3	Mr. K. Narasimha Murthy	16,00,000
4	Mr. D. K. Mittal	18,00,000
5	Mr. Ashok Brijmohan Kacker	15,00,000
6	Mrs. Sujata Keshavan Guha	1,00,000
7	Mr. Arthur Seter	-
8	Mrs. Gauri Padmanabhan	-

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 Act read with Company's remuneration policy.

Details of the remuneration charged to profit and loss account in respect of Mr. Sahil Vachani as Managing Director and CEO for FY2019 is as under:

	(Amount in ₹)
Description	Mr. Sahil Vachani
Salary	12,107,146
Benefits (Perquisites)	85,209
Performance Incentive/special payments	12,192,355
Retirals	6,67,920
Service contract	5 years
Notice period	3 months
Stock options granted (in numbers)	NA

The severance fee, if any, shall be payable as per the provisions of the Act. The Variable Compensation / Performance Incentive shall be paid depending on the performance rating and Company's performance within the limits approved by shareholders of the Company.

The Company does not have any pecuniary relationship or transactions with the Non-Executive Directors of the Company other than payment of the sitting fees for attending meetings and certain ESOP granted to Mr. Mohit Talwar, Non-executive Director, as described in detail in subsequent paragraphs.

Details of stock options granted

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 December 14, 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/- (Rupees ten only) each of the Company for every five Stock Options 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 September 27, 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" ("ESOP Plan") 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/- (Rupees ten only) 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 Director(s) of the Company are 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 as on March 31, 2019
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	Nil
	December 12, 2014	88,600	₹ 25/-	Bullet vesting on March 31, 2020	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	1130 shares due on March 27, 2019*

*ESOPs exercised and shares allotted on April 19, 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 09, 2017	44,300
Vesting on December 1, 2018	22,150
Vesting on December 1, 2019	22,150

During FY2019, 2,880 options were exercised by Mr. Mohit Talwar in April, 2018 under 'Max Ventures and Industries Employee Stock Plan - 2016' of the Company which entitled him to 2,880 equity shares of ₹ 10/- at an exercise price of ₹ 10/- per equity share. Further, Mr. Talwar exercised 22,150 options in December, 2018 which entitled him to 22,150 equity shares of ₹ 10 at an exercise price of ₹ 25 per equity share.

None of the Director was granted any stock options during FY 2019.

Details of equity shares held by Directors of the Company as on March 31, 2019 are:

S. No.	Name of Director	No. of equity shares of ₹ 10/- each
1	Mr. Analjit Singh	27,91,542
2	Mr. Mohit Talwar	1,41,138
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	Mr. Sahil Vachani	Nil
8	Mrs. Gauri Padmanabhan	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 your 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 Plan 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.

Corporate Governance Report

The details of stock options granted to Employee(s) of the Company on April 01, 2018 are as follows:

Name of the Employee	No. of Options in the Company	Exercise price per option for per equity share of ₹ 10/- each	Original Vesting Schedule	Outstanding Grants as on March 31, 2019
Mr. Rohit Rajput	1,10,205	₹ 66.40/-	55,102 options on April 01, 2019 55,103 options on April 01, 2020	Nil Nil
Mr. Nitin Kumar Kansal	83,365	₹ 66.40/-	27,788 options on April 01, 2019 27,788 options on April 01, 2020 27,789 options on April 01, 2021	Nil Nil Nil

Stakeholders Relationship Committee

As at March 31, 2019, the Committee comprised of Mr. Mohit Talwar (Non Executive Director and Chairman), Mr. Ashok Kacker and Mr. Sahil Vachani. Key responsibilities of this Committee are formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time, redressal of shareholders and investor complaints/grievances. The scope of the Stakeholders Relationship Committee has been defined by the Board of Directors in accordance with the provisions of 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. The Company Secretary of the Company acts as the Secretary to this Committee.

Meetings & attendance during FY2019:

Director	Number of meetings held	Number of meetings attended
Mr. Mohit Talwar	03	03
Mr. Ashok Kacker	03	03
Mr. Sahil Vachani	03	02

The Committee has delegated the authority to effect transfer, transmission and transposition of shares up to 1000 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 March 31, 2019, 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 ceased to be Company Secretary and Compliance Officer of the Company effective February 25, 2019 and Mr. Saket Gupta has been appointed as the Company Secretary and designated as the Compliance Officer of the Company w.e.f. April 12, 2019.

Investment & Finance Committee

As at March 31, 2019, the 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 FY2019:

Director	Number of meetings held	Number of meetings attended
Mr. Mohit Talwar	02	01
Mr. K. Narasimha Murthy	02	02
Mr. D.K. Mittal	02	02
Mr. Sahil Vachani	02	02

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 of 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.

Meetings & attendance during FY2019:

Director	Number of meetings held	Number of meetings attended
Mr. Mohit Talwar	01	01
Mr. D.K. Mittal	01	01
Mr. Sahil Vachani	01	01

Separate Meeting of Independent Directors

The Independent directors had a separate meeting on July 24, 2018 during FY2019 where the following agenda items were considered 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 ("AGM") held in the last 3 (three) years and Special Resolutions passed by the shareholders at the said meetings are as under:

Particulars	Date, time and venue of General Meeting	Special Resolution passed by the shareholders at the General Meeting
3rd AGM	September 25, 2018 at 1200 hrs at the Registered Office of the Company at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab - 144533	None.
2nd AGM	September 26, 2017 at 1230 hrs at the Registered Office of the Company.	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.
1st AGM	September 27, 2016 at 1230 hrs at the Registered Office of the Company.	<ol style="list-style-type: none"> 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. Approval of Max Ventures and Industries Employee Stock Plan - 2016. Approval for authorisation to the Board of Directors for borrowing upto an amount not exceeding ₹3,00,00,00,000/- (Rupees Three Hundred Crores Only) under Section 180(1)(c) of the Companies Act, 2013. Approval for authorisation to the Board of Directors to create mortgage / charge over the assets of the Company under Section 180(1)(a) of the Companies Act, 2013 upto the limits approved under Section 180(1)(c) of the Companies Act, 2013.

Corporate Governance Report

Postal Ballot And Postal Ballot Process

During FY2019, no resolutions were passed by the Company through postal ballot.

Further, none of the business is proposed to be transacted through postal ballot as on the date of this Report.

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 on the Company's website www.maxvil.com. The official news releases and the presentations made to the investors /analysts (if any) are displayed on the Company's website and also sent to the BSE Ltd. and National Stock Exchange of India Limited for dissemination.

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 FY2019. Mr. K. Narasimha Murthy is the common Independent Director for the Company and MSFL as at March 31, 2019. 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. Accordingly, the disclosures required to be made in terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 pertaining to commodity price risks and commodity hedging activities are not applicable to the Company.

(f) Recommendation of Committees to the Board

During FY2019, there were no such recommendations of the Committees, which the board had not accepted.

(g) Fees paid to statutory auditors and all entities in the network firm/ entity – ₹ 30.71 Lakhs

(h) Disclosure in relation to Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013 : Nil complaints received during FY2019.

General Shareholder Information

A section on the 'Shareholder Information' 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, except for delay in appointment of a woman director, as stipulated in Schedule V of the Listing Regulations and the said certificate is annexed to the Report as **Annexure-III**.

A certificate from M/s. Sanjay Grover & Associates, Practicing Company Secretaries, certifying that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed as **Annexure-IV** to the Report.

Disclosure on Non-Mandatory Requirements

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

Shareholders' Rights:

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

Audit Qualification:

It has always been the Company's endeavor to present unqualified financial statements. There is no audit qualification in respect of financial statements of the Company for FY2019.

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 January 15, 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:

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

Your Directors wish to submit that following the resignation of Ms. Sujata Keshavan Guha, an Independent Woman Director on July 24, 2018, the Board thought it prudent to identify and appoint a woman independent director only in her place. The process was initiated by the Board in August 2018 and several rounds of discussions were conducted with prospective candidates. Considering the diverse business activities being pursued by the Company, there was continued emphasis to fill the position with a person possessing the right skill set.

The Nomination and Remuneration Committee and the Board of Directors in their meetings held on November 13, 2018 were intimated about the progress on finalizing a candidate for appointment of a woman independent director. Basis the discussions at the meetings on the prospective candidatures, Ms. Gauri Padmanabhan was appointed as an independent director w.e.f. November 26, 2018.

Further, there is no non-compliance of any requirement of corporate governance report of sub-para (2) to (10) of Part C to Schedule V of Listing Regulations.

Equity Shares in Unclaimed Suspense Account

Pursuant to the provisions of Regulation 39 of the Listing Regulations the Company has transferred the unclaimed equity shares on July 18, 2017 in the Demat Account titled as 'MAX VENTURES AND INDUSTRIES LIMITED- UNCLAIMED SUSPENSE ACCOUNT'. The Equity Shares transferred to said Unclaimed Suspense Account belong to the members who have not claimed their Share Certificates pertaining to the Equity Shares of the Face Value of ₹ 10/- each.

The details of Equity Shares held in the Unclaimed Suspense Account as at March 31, 2019 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 the beginning of the year.	2,305	1,16,189
2	Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Suspense Account during the year.	16	9,778
3	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account during the year.	16	9,778
4	Aggregate number of shareholders and the outstanding shares in the Suspense Account lying at the end of the year.	2,289	1,06,411

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

On behalf of the Board of Directors
For **Max Ventures and Industries Limited**

Sahil Vachani **Mohit Talwar**
Managing Director Vice-Chairman
and CEO (DIN:02394694)
(DIN: 00761695)

Date: May 22, 2019
Place: New Delhi

Corporate Governance Report

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 March 31, 2019 from all Directors and Senior Management Personnel of the Company.

For Max Ventures and Industries Limited

Date: May 22, 2019
Place: New Delhi

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, 2019 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

Date: May 22, 2019
Place: New Delhi

Nitin Kumar Kansal
Chief Financial Officer

Sahil Vachani
Managing Director and CEO

Corporate Governance Report

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, 2019, 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 except that *the Company has appointed Ms. Gauri Padmanabhan as an additional Independent woman director by circular resolution dated 26th November, 2018 on a vacancy created on 24th July, 2018 which was required to be filled upto 23rd October, 2018 as per Regulation 25(6) of 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

Date: May 22, 2019
Place: New Delhi

Sanjay Grover
Managing Partner
CP No.: 3850

Annexure-IV**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Max Ventures and Industries Limited
419, Bhai Mohan Singh Nagar,
Village Railmajra, Tehsil Balachaur,
District Nawanshahr, Punjab- 144533

1. That Max Ventures and Industries Limited (CIN: L85100PB2015PLC039204) is having its registered office at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab- 144533 (hereinafter referred as "the Company"). The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited.
2. We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of the Company, produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
3. As on 01st April, 2019 the Board of Directors of the Company comprised of:

Sr. No.	Name of Director	Director Identification Number (DIN)
1.	Kummamuri Narasimha Murthy	00023046
2.	Analjit Singh	00029641
3.	Dinesh Kumar Mittal	00040000
4.	Sahil Vachani	00761695
5.	Gauri Padmanabhan	01550668
6.	Ashok Kacker	06147408
7.	Mohit Talwar	02394694
8.	Arthur Harutyun Seter	07440880

4. Based on verification and examination of the disclosures/ register under section 184/ 189, 170, 164, 149 of the Companies Act, 2013 (the Act) and DIN based search on MCA Portal (www.mca.gov.in), we certify as under:

None of the above named Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority for the Financial Year ending 31st March, 2019.
5. Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
6. This certificate is based on the information and records available up to this date and we have no responsibility to update this certificate for the events and circumstances occurring after the date of the certificate.

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

Date: May 22, 2019
Place: New Delhi

Sanjay Grover
Managing Partner
CP No.: 3850

General Shareholder Information

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General Shareholder Information **66**

General Shareholder Information

Registered Office:

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

Registrar and Share Transfer Agent:

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

Investor Helpline:

Tel. No.: 0120-2200000
Email: investorhelpline@maxvil.com

Annual General Meeting:

Date and Time: Tuesday, September 24, 2019 at 1200 hrs.

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

Book Closure:

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 18, 2019 to Tuesday, September 24, 2019 (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 - 2019-20:

1.	First quarter results	- by August 14, 2019
2.	Second quarter & half yearly results	- by November 14, 2019
3.	Third quarter results	- by February 14, 2020
4.	Annual results	- by May 30, 2020

Listing on Stock Exchanges:

The Equity Shares of the Company are listed on the BSE Limited ('BSE'), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001 and the National Stock Exchange of India Limited ('NSE') Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai - 400051. The Company confirms that it has duly paid annual listing fees due to BSE and NSE for FY2019.

Connectivity with Depositories:

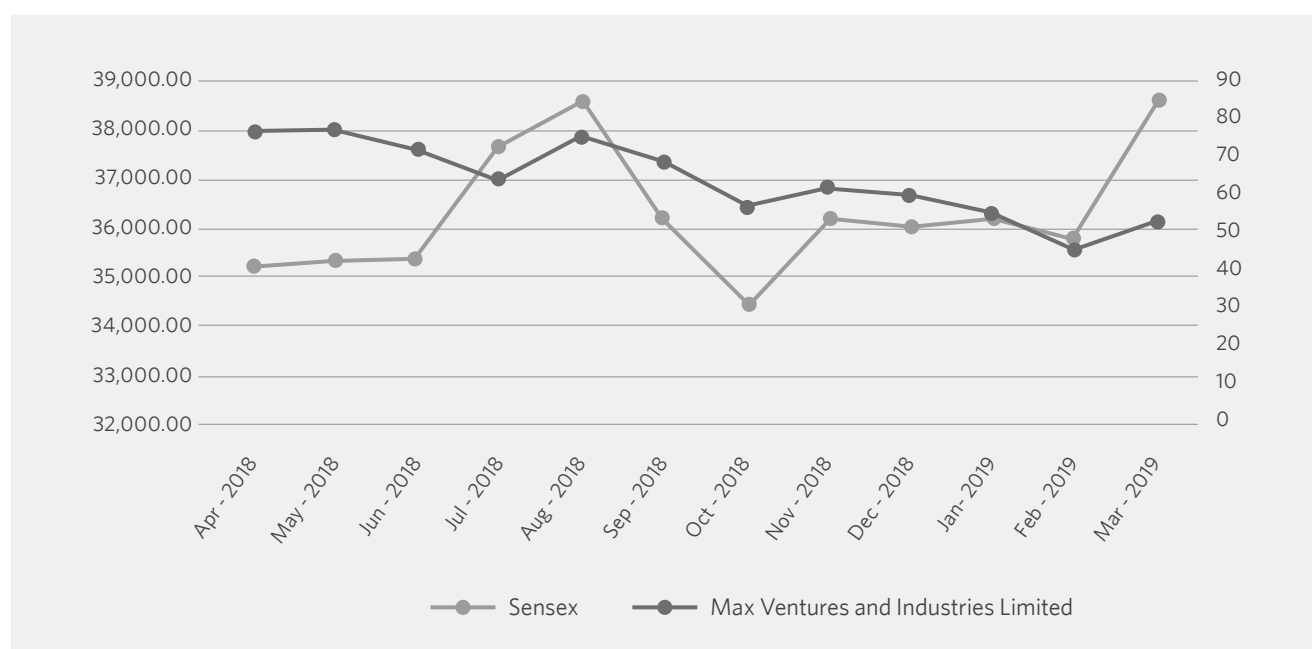
The Company's shares are in dematerialized mode through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL)

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, 2018	76.45	67.70	76.40	67.10
May, 2018	77.50	66.70	78.85	66.70
June, 2018	72.20	59.40	71.80	59.10
July, 2018	64.65	60.00	64.95	60.00
August, 2018	75.75	58.00	75.75	58.25
September, 2018	68.60	52.50	69.00	52.40
October, 2018	58.00	45.60	58.40	45.70
November, 2018	62.00	50.10	59.40	50.00
December, 2018	60.70	48.65	62.10	49.05
January, 2019	54.55	45.30	54.80	45.10
February, 2019	49.00	41.70	47.00	41.60
March, 2019	53.45	43.90	53.65	43.50

**Shareholding Pattern as on March 31, 2019:**

Category	No. of shares held	% of shareholding
Promoters & Promoter Group	6,91,16,592	47.15
Mutual Funds and UTI	828	0.00
Banks, Financial Institutions	75,701	0.05
Trust	17,881	0.01
Alternate Investment Fund	29,63,121	2.02
Foreign Portfolio Investors	1,19,10,536	8.12
Foreign Direct Investment	3,12,82,950	21.34
Bodies Corporate	24,96,801	1.71
Non-resident Indians	28,43,673	1.94
Clearing Members	5,98,693	0.41
Resident Individuals	2,52,94,006	17.25
Total	14,66,00,782	100.00

General Shareholder Information

Distribution of shareholding as on March 31, 2019:

No. of Shareholders	Percentage to total	Shareholdings	No. of shares	Percentage to total shares
31,215	85.404	1 to 5000	31,63,934	2.158
2,227	6.093	5001 to 10000	18,10,613	1.235
1,324	3.622	10001 to 20000	20,53,145	1.401
527	1.442	20001 to 30000	13,55,115	0.924
239	0.654	30001 to 40000	8,53,603	0.582
227	0.621	40001 to 50000	10,81,118	0.737
367	1.004	50001 to 100000	27,38,448	1.868
424	1.16	100001 and above	13,35,44,806	91.095
36,550	100.00		14,66,00,782	100.00

Dematerialisation status as on March 31, 2019:

- (i) Shareholding in dematerialised mode 99.69%
- (ii) Shareholding in physical mode 0.31%

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 dematerialised 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, request for transfer of shares held in physical form will not be processed w.e.f. December 04, 2018.

Further, SEBI vide Press Release under reference PR No.: 51/2018 dated December 3, 2018 had extended the date till March 31, 2019 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 fourth financial year of the Company's operations. Therefore, considering the future business plans of the Company, the Board of Directors did not recommend any dividend for the year ended March 31, 2019, on the Equity Share Capital of the Company.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:

As on date, the Company does not have any outstanding GDRs/ADRs/ Warrants or any convertible instruments.

Commodity Price Risks and Commodity Hedging Activities

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

Plant Locations

Not Applicable

Communication of Financial Results

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

Address for Correspondence with the Company

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

Mas Services Limited (Registrar & Transfer Agent)

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

Contact Person

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

**Max Ventures and Industries Limited
(Corporate Office)**

Secretarial Department
Max Towers, L -12
C001/A/1, Sector 16B,
Noida, Uttar Pradesh-201301

Company Secretary and Compliance Officer

Mr. Saket Gupta
Tel. No.: 0120 - 2200000
E-mail: saket.gupta@maxvil.com

List of all credit ratings obtained by the entity along with any revisions thereto during the relevant Financial Year, for all debt instruments of such entity or any Fixed Deposit Programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad

Not Applicable

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

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

Date: May 22, 2019
Place: New Delhi

Sahil Vachani
Managing Director
and CEO
(DIN: 00761695)

Mohit Tawar
Vice - Chairman
(DIN: 02394694)

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BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 4th (Fourth) Board's Report along with the Audited Financial Statements of your Company for the financial year ended March 31, 2019 ("FY 2019"). The Report is prepared on the basis of standalone financial statements of the Company for FY 2019 and the consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Standalone Financial Results

The standalone financial performance of your Company for FY 2019, is summarized below:

	(₹ in Lakhs)	
Particulars	FY 2018-19	FY 2017-18
Income		
Revenue from Operations	2,682.83	2,887.11
Other Income	713.26	7,525.47
Total Revenues (I)	3,396.09	10,412.58
Expenditure		
Employee benefits expense	742.42	663.15
Finance costs	3.37	1.03
Depreciation and amortization expense	18.82	12.98
Other expenses	1,536.01	2,055.45
Total Expenses (II)	2,300.62	2,732.61
Profit/(Loss) before Tax	1,095.47	7,679.97
Tax expense	204.39	1,679.26
Profit/(Loss) after Tax	891.08	6,000.71

Consolidated Financial Results

The consolidated financial performance of your Company and its subsidiaries for FY 2019, is summarized below:

	(₹ in Lakhs)	
Particulars	FY 2018-19	FY 2017-18
Income		
Revenue from Operations	92,388.77	73,891.73
Other Income	2,152.19	1,139.76
Total Revenues (I)	94,540.96	75,031.49
Expenditure		
Cost of raw materials consumed	86,029.65	58,439.97
Change in inventories of finished goods, traded goods and work in progress	(12,225.45)	(6,111.79)
Excise duty on sale of goods	-	1,402.25
Employee benefits expense	4,273.86	4,120.84
Finance costs	4,189.45	2,301.99
Depreciation and amortization expense	3,047.52	2,288.50
Other expenses	12,306.04	11,474.73
Total Expenses (II)	97,621.07	73,916.49
Profit/(Loss) before Tax	(3,080.11)	1,115.00
Attributable tax expense	(147.97)	779.44
Profit/(Loss) after Tax	(2,932.14)	335.56
Attributable to:		
Equity holders of parent	(2,310.51)	370.35
Non-controlling interest	(621.63)	(34.79)

In accordance with the Companies Act, 2013 ("the Act") and Regulation 34 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the audited consolidated financial statements are provided as part of this Annual Report and shall also be laid before the ensuing Annual General Meeting of the Company.

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

Company's Performance / Operations

In FY 2019, the Company reported Consolidated Revenues from operations of ₹ 92,388.77 Lakhs and a Loss after tax of ₹ 2,932.14 Lakhs. The Company's flagship business Max Speciality Films Limited accounted for ₹ 87,363.71 Lakhs in revenues.

Dividend

Considering the future business plans of the Company, the Board of Directors of the Company do not recommend any dividend on the equity shares of the Company for FY 2019.

Transfer to Reserves

Consequent to the Rights issue of equity shares and on account of issuance of Employee Stock Option an amount of ₹ 504.71 Lakhs and ₹ 20.91 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 FY 2019.

Listing of Equity Shares

The equity shares of the Company are traded on BSE Ltd. (Scrip Code '539940') and National Stock Exchange of India Ltd. (Symbol 'MAXVIL') effective June 22, 2016. The ISIN number for dematerialisation of the equity shares of the Company is INE154U01015.

Changes in Share Capital

As at March 31, 2019, the authorized share capital of the Company stood at ₹ 1,50,00,00,000 (Rupees One Hundred and Fifty Crores Only) divided into 15,00,00,000 (Fifteen Crores) equity shares of ₹ 10/- (Rupees Ten only) each.

Allotment of shares under ESOP

During FY 2019, following allotment of equity shares of ₹ 10/- (Rupees Ten only) each were made pursuant to the exercise of Stock Options granted to Stock Option holders under Max Ventures and Industries Employee Stock Plan – 2016:

Date of Allotment	No. of equity shares allotted	Premium on allotment
April 11, 2018	4,880	Nil
December 19, 2018	22,150	₹ 15/- per equity share
March 15, 2019	38,860	Nil
March 15, 2019	1,33,000	₹ 15/- per equity share

Allotment of shares under Rights Issue

The Board of Directors of the Company in its meeting held on January 15, 2018 had 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 ₹ 45,000 Lakhs ("Issue"). In pursuance to the Issue, the Company had issued 7,37,53,787 (Seven Crores Thirty Seven Lakhs Fifty Three Thousand Seven Hundred & Eighty Seven) rights equity

shares of face value of ₹ 10/- (Rupees Ten only) each for cash at a price of ₹ 61/- (Rupees Sixty One only) per rights equity share including a premium of ₹ 51/- (Rupees Fifty One only) per rights equity share aggregating to ₹ 44,989.81 Lakhs on a rights basis in the ratio of 67 (Sixty Seven) rights equity share for every 66 (Sixty Six) fully paid-up equity shares held by the eligible shareholders of your Company on the record date, i.e. June 22, 2018.

The issue opened on July 10, 2018 and closed on July 31, 2018. Your directors are pleased to inform that the rights issue was over-subscribed. The basis of allotment was approved by BSE Limited (Designated Stock Exchange) and accordingly, the Company had allotted 7,37,53,787 (Seven Crores Thirty Seven Lakhs Fifty Three Thousand Seven Hundred & Eighty Seven) rights equity shares of face value of ₹ 10/- (Rupees Ten only) each for cash at a price of ₹ 61/- (Rupees Sixty One only) per rights equity share to the eligible shareholders on August 10, 2018.

After taking into consideration the aforesaid allotments, the paid-up equity share capital of the Company as at March 31, 2019, stood at ₹ 1,46,60,07,820/- (Rupees One Hundred and Forty Six Crores Sixty Lakhs Seven Thousand Eight Hundred and Twenty only) comprising of 14,66,00,782 (Fourteen Crores Sixty Six Lakhs Seven Hundred and Eighty Two) equity shares of ₹ 10/- (Rupees Ten only) each.

Further, after the end of FY 2019 till the date of this report, the Company has allotted 1,130 (One Thousand One Hundred and Thirty) equity shares of ₹ 10/- (Rupees Ten only) each of the Company on April 19, 2019 for cash at par arising from the exercise of Stock Options granted to a Stock Option holder under Max Ventures and Industries Employee Stock Plan – 2016.

Consequently, the paid-up equity share capital of the Company as on the date of this report is ₹ 1,46,60,19,120/- (Rupees One Hundred and Forty Six Crores Sixty Lakhs Nineteen Thousand One Hundred and Twenty only) comprising of 14,66,01,912 (Fourteen Crores Sixty Six Lakhs One Thousand Nine Hundred and Twelve) equity shares of ₹ 10/- (Rupees Ten only) each.

Particulars of utilization of proceeds of the Rights Issue

The details of utilization of proceeds of rights issue has been set out in Note No. 36 of the attached financial statements.

Subsidiaries, Joint Ventures and Associates

As at March 31, 2019, your Company had following subsidiaries:

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

BOARD'S REPORT

There were no associates or joint ventures of the Company during the year under review.

Form AOC-1 containing the salient features of financial statements of the Company's subsidiaries, associates and joint ventures is attached with this report as '**Annexure - 1**'. The basic details of the subsidiaries of the Company form part of the Extract of Annual Return given in '**Annexure - 2**' to this Report.

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

In compliance with the provisions of Section 136 the Act, the financial statements and other documents of the subsidiaries are not being attached with the financial statements of the Company, and are available on the website of the Company viz. www.maxvil.com.

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

Extracts of Annual Return

An extract of the Annual Return as at March 31, 2019 in prescribed Form MGT-9 forms part of this report as '**Annexure - 2**'. Further, the Annual Return of the Company for FY 2017-18 is available on the website of the Company at <https://www.maxvil.com/shareholder-information/>.

Employees Stock Option Plan

Your Company has adopted an employee stock option plan viz. 'Max Ventures and Industries Limited - Employee Stock Plan 2016' ('ESOP Plan') at its first Annual General Meeting held on September 27, 2016. The ESOP Plan provides for grant of stock options aggregating not more than 5% of equity share capital of the Company to eligible employees and Directors of the Company. The ESOP Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors of the Company.

The Nomination and Remuneration Committee, in its meeting held on March 23, 2018, granted 1,93,570 (One Lakh Ninety Three Thousand Five Hundred and Seventy) Stock Options to employees of the Company, effective from April 1, 2018. Further, during the year, the Company allotted 1,98,890 (One Lakh Ninety Eight Thousand Eight Hundred and Ninety) equity shares of ₹ 10/- (Rupees Ten only) each arising from the exercise of Stock Options granted to Stock Option holders under the ESOP Plan. There was no change in the ESOP Plan during the financial year under review. Further, the ESOP Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (as amended from time to time).

A statement setting out the details of options granted upto March 31, 2019 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 FY 2019, is enclosed as '**Annexure - 3**' to this report.

Material changes between the end of financial year and the date of this Report

Inauguration of Max Towers

Max Towers, the flagship office project of Max Estates, a wholly owned subsidiary of the Company, was inaugurated on April 12, 2019. Max Towers is located on the Delhi Noida Directway (DND), a few minutes' drive from South Delhi business hubs such as Okhla, Nehru Place etc. Built with an investment of nearly ₹ 600 Cr, with a super built up area of over 5.5 lakh sq. ft., Max Towers includes 19 floors of office space and 4 floors of amenities.

Constructed in a brisk period of 24 months, Max Towers is a blend of thoughtful design and superior hospitality which helps integrate work and life through its philosophy of "WorkWell". It will house the teams of some of the Max Group companies but will mostly be leased to progressive corporations.

Report on Corporate Governance

Except as specified in this Report, 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 the 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 the Listing Regulations and a certificate from the Managing Director and Chief Financial Officer on compliance of Part B of Schedule II of the Listing Regulations form part of the Corporate Governance Report.

Management Discussion & Analysis

In terms of Regulation 34 of the Listing Regulations, a review of the performance of the Company, including those of your Company's subsidiaries, is provided in the Management Discussion & Analysis section, which forms part of this Annual Report.

Directors

As at March 31, 2019, your Board of Directors comprised of eight members with one Executive Director and seven Non-Executive Directors out of which four were independent.

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

Further, in compliance with the provisions of Section 161 of the Act and Articles of Association of the Company, the Board of Directors

of the Company on the recommendation of the Nomination & Remuneration Committee, appointed Ms. Gauri Padmanabhan (DIN: 01550668) as an Independent (Additional) Director of the Company for a period of 5 years with effect from November 26, 2018, which is subject to approval by the shareholders at the ensuing Annual General Meeting of the Company.

In terms of Section 152 of the Act and the Articles of Association of the Company, Mr. Analjit Singh and Mr. Mohit Talwar shall retire by rotation at the ensuing Annual General Meeting. Being eligible, they have offered themselves for re-appointment at the ensuing Annual General Meeting.

Brief profile of the aforesaid directors, forms part of the Notice convening Annual General Meeting. Your Directors recommend their appointment / re-appointment.

Board Meetings

The Board of Directors met 07 (Seven) times during FY 2019. The details of meeting and the attendance of directors 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 the 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 Ms. Gauri Padmanabhan.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct and the inlaid policies and applicable laws.

Key Managerial Personnel

In terms of provisions of Section 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Sahil Vachani - Managing Director and CEO, Mr. Nitin Kumar Kansal - Chief Financial Officer and Mr. Saket Gupta - Company Secretary are the Key Managerial Personnel (KMP) of the Company.

During FY 2019, Mr. Gopalakrishnan Ramachandran tendered his resignation from the position of Company Secretary and Compliance Officer of the Company w.e.f. February 25, 2019. Further, Mr. Saket Gupta was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. April 12, 2019.

Committee of Board of Directors

As at March 31, 2019, the Company had five committees of Board of Directors of the Company viz. Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee, Corporate Social Responsibility 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

A detailed note on Board and Committees composition, its terms of references and the meetings held during the year has been provided in the Corporate Governance Report which forms part of this Annual Report.

Independent Directors' Meeting

The Independent Directors had a separate meeting on July 24, 2018 during FY 2019 wherein all the Independent Directors except Mrs. Sujata Keshavan Guha (who was granted Leave of absence) were present. Further, all the Independent Directors met on May 22, 2019, 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 nonexecutive 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 the Listing Regulations and Section 134 of the Act, read with Rule 8(4) of the Companies (Accounts) Rules, 2014, a formal annual evaluation has been carried out for evaluating the performance of the Board, the Committees of the Board and the Individual Directors including the Independent Directors and the 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 terms of the provisions of Section 134(3)(e) and 178 of the Act, the Board of Directors on the recommendation of the Nomination

BOARD'S REPORT

and Remuneration Committee have put in place 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 enclosed as '**Annexure - 4**' and is also available on our website at <https://www.maxvil.com/shareholder-information/>.

The aforesaid Policy was amended by the Board in its meeting held on February 8, 2019, in order to align with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, in terms of which, the Senior Management (as defined in the Listing Regulations) were also covered under the Policy.

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) is in place for redressal of complaints received relating to sexual harassment.

During FY 2019 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 Nos. 5 and 6 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 are provided in Note No. 34 to the standalone 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 (i.e. forming part of this Annual Report) and the Letter of Offer filed by the Company with the Stock Exchanges at the time of rights issue. A copy of the same can be accessed at the Company's website at <https://www.maxvil.com/wp-content/uploads/2018/12/Max-Ventures-and-Industries-Limited-LOF.pdf>.

Vigil Mechanism

The Company has a vigil mechanism pursuant to which a Whistle Blower Policy ('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, stakeholders and employees to report in good faith about the unethical and improper practices, fraud or violation of Company's Code of Conduct. The Policy also provides for adequate safeguard against victimization of the whistleblowers using such mechanism. The Policy also provides for direct access to the Chairperson of the Audit Committee in exceptional cases.

The Company affirms that no person was denied access to the Audit Committee on matters relating to the Policy during FY 2019.

Human Resources

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 - 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

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

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

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

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

(iii) Capital investment on energy conservation equipment: Nil

b) Technology Absorption

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

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

c) Foreign Exchange Earnings and Outgo

The foreign exchange earnings and outgo during FY 2019 are given below:

Total Foreign Exchange earned : NIL

Total Foreign Exchange used : 162.92 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 the first Annual General Meeting held on September 27, 2016 to hold office till the conclusion of the fifth 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. In view of the Notification dated May 07, 2018 issued by the Ministry of Corporate Affairs, requirement for ratification of appointment of auditor by the shareholders is not required.

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 - 6' to this Report.

In relation to the observation of the Secretarial Auditors regarding delay in appointment of a Woman Director, your Directors wish to submit that following the resignation of Mrs. Sujata Keshavan Guha on July 24, 2018, the Board thought it prudent to identify and appoint a woman independent director only in her place. The process was initiated by the Board in August 2018 and several rounds of discussions were conducted with prospective candidates. Considering the diverse business activities being

pursued by the Company, there was continued emphasis to fill the position with a person possessing the right skill set.

The Nomination and Remuneration Committee and the Board of Directors in their meetings held on November 13, 2018 were intimated about the progress on finalizing a candidate for appointment of a woman independent director. Basis the discussions at the meetings on the prospective candidatures, Ms. Gauri Padmanabhan was appointed as an independent Director w.e.f. November 26, 2018.

Apart from the aforesaid observation, there are no other qualifications, reservations, adverse remarks or disclaimers given by the Secretarial Auditor in his Report for the year under review and therefore, hence, does not call for any further comments.

Internal Auditors

During FY 2019, MGC Global Risk Advisory LLP (Formerly known as M/s. MGC & KNAV, Global Risk Advisory LLP) were appointed as the Internal Auditors of the Company for conducting the Internal Audit of key functions and assessment of Internal Financial Controls.

Internal Financial Controls

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

Further, the testing of such controls was also carried out independently by the Statutory Auditors for FY 2019.

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.

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 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.

Corporate Social Responsibility Policy (CSR Policy)

In terms of the provisions of Section 135 of the Act, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors of your Company, on the recommendation of Corporate Social Responsibility Committee ("CSR Committee"), approved a CSR policy which is available on the website of the Company at <https://www.maxvil.com/shareholder-information/>.

The Annual Report on CSR Activities of the Company for FY 2019 is enclosed as 'Annexure - 7' to this Report, which is self-explanatory.

BOARD'S REPORT

Cost Records

For FY 2019, the provisions of Section 148(1) of the Act relating to maintenance of cost records does not apply to the Company.

Public Deposits

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

Secretarial Standards

During FY 2019, the Company has complied 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, 2019 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 on July 18, 2017 in the Demat Account titled as 'MAX VENTURES AND INDUSTRIES LIMITED- UNCLAIMED SUSPENSE ACCOUNT'. The Equity Shares transferred to said Unclaimed Suspense Account belong to the members who have not claimed their Share Certificates pertaining to the Equity Shares of the Face Value of ₹ 10/- (Rupees Ten only) each.

The details of equity shares of the Company held in the Unclaimed Suspense Account have been provided in the Corporate Governance Report which forms a 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 year under review which may impact 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 and CEO
DIN: 00761695

Mohit Talwar
Vice-Chairman
DIN: 02394694

Date: May 22, 2019
Place: New Delhi

ANNEXURE - 1

Form AOC-1

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

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

Part A - Subsidiaries

(Amount ₹ in Lakhs, except otherwise stated)

S. No.	Particulars	Max Speciality Films Limited	Max Estates Limited	Max I. Limited	Max Asset Services Limited	Wise Zone Builders Private Limited
1.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period.	April 1, 2018 to March 31, 2019	April 1, 2018 to March 31, 2019	April 1, 2018 to March 31, 2019	April 1, 2018 to March 31, 2019	April 1, 2018 to March 31, 2019
2.	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
3.	Equity Share capital	3,890.63	14,660.08	5.00	205.00	6,001.00
4.	Other Equity	19,809.29	32,543.38	3,171.26	(1,424.47)	25,791.71
5.	Total Assets	83,895.67	55,166.47	10,127.50	80.68	72,087.95
6.	Total Liabilities	60,195.75	15,823.10	6,951.25	1,300.15	40,295.24
7.	Investments	-	32,005.17	10,096.88	-	-
8.	Total income	88,809.54	3,809.17	1,050.00	0.27	-
9.	Profit before taxation	(1,862.60)	(1,935.40)	286.47	(503.74)	(306.04)
10.	Provision for taxation	(593.97)	-	87.88	-	-
11.	Profit after taxation	(1,268.63)	(1,935.40)	198.59	(503.74)	(306.04)
12.	Other Comprehensive income	(49.63)	(0.93)	2.07	13.82	2.52
13.	Total Comprehensive income	(1,318.26)	(1,772.50)	(705.95)	(489.92)	(306.04)
14.	Proposed Dividend	-	-	-	-	-
15.	Extent of shareholding (in %)	51%	100%	100%	100%	100%

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

For and on behalf of the Board of Directors

Max Ventures and Industries Limited

(Formerly Capricorn Ventures Limited)

per **Sanjay Vij**

Partner

Membership Number: 095169

Sahil Vachani

(Managing Director)

(DIN 00761695)

Dinesh Kumar Mittal

(Director)

(DIN 00040000)

Place : Gurugram

Date : May 22, 2019

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : Delhi

Date : May 22, 2019

ANNEXURE - 2

MGT -9

Extract of Annual Return as on the financial year ended on March 31, 2019

[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, District Nawanshahr - 144533, Punjab Tel: +91 1881 462000; Fax: +91 1881 273607
vi) Whether listed company	: Yes, the Company is listed on BSE Limited and National Stock Exchange of India Limited
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 50.38% and 49.62% of total turnover of the Company.

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

As on March 31, 2019, the Company had following Subsidiary Companies:

Sl. No	Name and address of the company	CIN/GLN	Holding / Subsidiary/ Associate	% of shares held	Applicable section
1	Max Speciality Films Limited 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr - 144533, Punjab	U24100PB2012PLC036981	Subsidiary	51%	2(87)(ii)
2	Max Estates Limited 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr - 144533, Punjab	U70200PB2016PLC040200	Subsidiary	100%	2(87)(ii)
3	Max I. Limited 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr - 144533, Punjab	U74999PB2016PLC045450	Subsidiary	100%	2(87)(ii)
4	Max Asset Services Limited (formerly known as Max Learning Limited) 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr - 144533, Punjab	U74999PB2016PLC045648	Subsidiary	100%	2(87)(ii)
5	Wise Zone Builders Private Limited Max Towers, L-12, C-001/A/1, Sector-16B, Noida, Gautam Buddha Nagar - 201301, Uttar Pradesh	U70109UP2016PTC087374	Subsidiary	100%	2(87)(ii)

ANNEXURE - 2

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

i) Category-wise shareholding

Sl. No.	Category of Shareholders Particulars	No. of Shares held on April 1, 2018				No. of Shares held on March 31, 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A.	Promoters & Promoter Group									
1	Indian									
a)	Individual/HUF	1,257,523	-	1,257,523	1.73	3,050,065	-	3,050,065	2.08	0.35
b)	Central Govt.	-	-	-	-	-	-	-	-	-
c)	State Govt.(s)	-	-	-	-	-	-	-	-	-
d)	Bodies Corp.	26,417,986	-	26,417,986	36.36	66,066,527	-	66,066,527	45.07	8.71
e)	Banks / FI	-	-	-	-	-	-	-	-	-
f)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (1)	27,675,509	-	27,675,509	38.09	69,116,592	-	69,116,592	47.15	9.06
2	Foreign									
a)	NRIs-Individuals	-	-	-	-	-	-	-	-	-
b)	Other-Individuals	-	-	-	-	-	-	-	-	-
c)	Bodies Corp.	-	-	-	-	-	-	-	-	-
d)	Banks / FI	-	-	-	-	-	-	-	-	-
e)	Any Other	-	-	-	-	-	-	-	-	-
	Sub-total (A) (2)	-	-	-	-	-	-	-	-	-
	Total shareholding of Promoter & Promoter Group [(A) = (A)(1)+(A)(2)]	27,675,509	-	27,675,509	38.09	69,116,592	-	69,116,592	47.15	9.06
B.	Public Shareholding									
1	Institutions									
a)	Mutual Funds	690,728	100	690,828	0.95	748	80	828	0.00	(0.95)
b)	Banks / FI	170,508	2,650	173,158	0.24	73,051	2,650	75,701	0.05	(0.19)
c)	Central Govt.	-	-	-	-	-	-	-	-	-
d)	State Govt.	-	-	-	-	-	-	-	-	-
e)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
f)	Insurance Companies	-	-	-	-	-	-	-	-	-
g)	Foreign Portfolio Investors	1,631,686	-	1,631,686	2.25	13,360,546	-	13,360,546	9.11	6.86
h)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
i)	Any other (FDI)	15,523,870	-	15,523,870	21.37	31,282,950	-	31,282,950	21.34	(0.03)
j)	Any other (Foreign Institutional Investor)	986,262	-	986,262	1.36	1,513,111	-	1,513,111	1.03	(0.33)
	Sub-total (B)(1)	19,003,054	2,750	19,005,804	26.17	46,230,406	2,730	46,233,136	31.53	5.36
2	Non-Institutions									
a)	Bodies Corp.									
i)	Indian	2,663,525	11,595	2,675,120	3.68	2,462,464	11,594	2,474,058	1.69	(1.99)
ii)	Overseas	-	-	-	-	-	-	-	-	-
b)	Individuals									
i)	holding shares upto ₹2 Lakhs	13,376,209	291,529	13,667,738	18.81	14,198,157	261,188	14,459,345	9.86	(8.95)
ii)	holding shares above ₹2 Lakhs	7,415,057	117,159	7,532,216	10.37	10,414,252	171,860	10,586,112	7.22	(3.15)
c)	NBFCs Registered with RBI	93,245	-	93,245	0.13	22,743	-	22,743	0.02	(0.11)
d)	Employees Trusts	-	-	-	-	-	-	-	-	-
e)	Any Others									
	Non-Resident Indians	1,456,580	3,389	1,459,969	2.00	2,840,769	2,904	2,843,673	1.94	(0.06)
	Clearing Members	475,856	-	475,856	0.66	598,693	-	598,693	0.41	(0.25)
	Trusts	5,481	-	5,481	0.01	17,881	-	17,881	0.01	-
	Directors and Relatives	56,167	1,000	57,167	0.08	141,138	1,000	142,138	0.10	0.02
	Unclaimed shares (IEPF)	-	-	-	-	106,411	-	106,411	0.07	0.07
	Sub-total (B)(2)	25,542,120	424,672	25,966,792	35.74	30,802,508	448,546	31,251,054	21.32	(14.42)
	Total Public Shareholding [(B)=(B)(1)+(B)(2)]	44,545,174	427,422	44,972,596	61.91	77,032,914	451,276	77,484,190	52.85	(9.06)
C.	Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
	Grand Total (A+B+C)	72,220,703	427,402	72,648,105	100.00	146,149,506	451,276	146,600,782	100.00	-

ANNEXURE - 2

(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	Mr. Analjit Singh	1,175,357	1.62	-	2,791,542	1.90	-	0.28
2	Mrs. Neelu Analjit Singh	20,000	0.03	-	47,501	0.03	-	-
3	Ms. Piya Singh	22,066	0.03	-	52,407	0.04	-	-
4	Mr. Veer Singh	20,100	0.03	-	47,637	0.03	-	-
5	Mrs. Tara Singh Vachani	20,000	0.03	-	47,501	0.03	-	-
6	Max Ventures Investment Holdings Private Limited	13,105,500	18.04	-	49,337,874	33.66	-	15.62
7	Mohair Investment & Trading Company Pvt. Ltd.	2,738,114	3.77	-	-	-	-	(3.77)
8	Liquid Investment and Trading Company Pvt. Ltd.	4,763,774	6.55	-	-	-	-	(6.55)
9	Siva Enterprises Pvt. Ltd.	5,810,598	8.00	-	16,728,653	11.41	-	3.41
	TOTAL	27,675,509	38.10	-	69,053,115	47.10		9.00

(iii) Change in Promoters' Shareholding

S. No.	Name of the shareholder	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	1.62		
	Date wise increase / decrease				
	- Acquired through Rights Issue on 10-08-2018	1,616,185	1.10	2,791,542	1.90
	At the end of year	2,791,542	1.90		
2	Mrs. Neelu Analjit Singh				
	At the beginning of the year	20,000	0.03		
	Date wise increase / decrease				
	- Acquired through Rights Issue on 10-08-2018	27,501	0.02	47,501	0.03
	At the end of year	47,501	0.03		
3	Ms. Piya Singh				
	At the beginning of the year	22,066	0.03		
	Date wise increase / decrease				
	- Acquired through Rights Issue on 10-08-2018	30,341	0.02	52,407	0.04
	At the end of year	52,407	0.04		
4	Mr. Veer Singh				
	At the beginning of the year	20,100	0.03		
	Date wise increase / decrease				
	- Acquired through Rights Issue on 10-08-2018				
	- Off market sale to Max Ventures Investment Holding Pvt. Ltd. on 04-09-2018	27,637 (100)	0.02 0.00	47,737 47,637	0.03 0.03
	At the end of year	47,637	0.03		
5	Mrs. Tara Singh Vachani				
	At the beginning of the year	20,000	0.03		
	Date wise increase / decrease				
	- Acquired through Rights Issue on 10-08-2018	27,501	0.02	47,501	0.03
	At the end of year	47,501	0.03		

ANNEXURE - 2

S. No.	Name of the shareholder	Shareholding		Cumulative shareholding during the year	
		No. of Shares	% of total shares	No. of Shares	% of total shares
6	Max Ventures Investment Holdings Private Limited (MVIHPL)				
	At the beginning of the year	13,105,500	18.04		
	Date wise increase / decrease				
	- Acquired through Rights Issue on 10-08-2018	18,414,847	12.56	31,520,347	21.50
	- Off market purchase from Mr. Veer Singh on 04-09-2018	100	0.00	31,520,447	21.50
	- Shares acquired pursuant to Scheme*	17,817,427	12.15	49,337,874	33.66
	At the end of year	49,337,874	33.66		
7	Mohair Investment & Trading Company Private Limited				
	At the beginning of the year	2,738,114	3.77		
	Date wise increase / decrease				
	- Acquired through Rights Issue on 10-08-2018	3,765,067	2.57	6,503,181	4.44
	- Shares transferred to MVIHPL pursuant to Scheme *	(65,03,181)	4.44	Nil	Nil
	At the end of year	Nil	Nil		
8	Liquid Investment and Trading Company Private Limited				
	At the beginning of the year	4,763,774	6.56		
	Date wise increase / decrease				
	- Acquired through Rights Issue on 10-08-2018	6,550,472	4.47	11,314,246	7.72
	- Shares transferred to MVIHPL pursuant to Scheme *	(11,314,246)	7.72	Nil	Nil
	At the end of year	Nil	Nil		
9	Siva Enterprises Private Limited				
	At the beginning of the year	5,810,598	8.00		
	Date wise increase / decrease				
	- Acquired through Rights Issue on 10-08-2018	10,918,055	7.45	16,728,653	11.41
	At the end of year	16,728,653	11.41		

* In terms of the Order of the Hon'ble National Company Law Tribunal dated September 10, 2018 sanctioning the Composite Scheme of Amalgamation and Arrangement ("Scheme"), inter-alia, Mohair Investment & Trading Company Private Limited ("Transferor Company No. 1") amalgamated into and with Liquid Investment and Trading Company Pvt. Ltd. ("Resulting Company No. 1") and subsequently Resulting Company No. 1 amalgamated into and with Max Ventures Investment Holdings Private Limited. ("Resulting Company No. 2") with effect from September 28, 2018. Accordingly, the shares of the Company held by the Transferor Company No. 1 and Resulting Company No. 1 stood transferred to the Resulting Company No. 2 on September 28, 2018, in accordance with the Scheme.

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

Sl. No.	Name of the Shareholder	Shareholding			Reason for increase / decrease	Cumulative shareholding during the year	
		Date	No. of shares	% of total shares		No. of shares	% of total shares
1.	New York Life International Holdings Limited, Mauritius						
	At the beginning of the year	01-04-2018	1,55,23,870	21.37	-	-	-
	Date wise increase / decrease	10-08-2018*	1,57,59,080		Market	3,12,82,950	21.34
	At the end of the year	31-03-2019	3,12,82,950	21.34	Purchase	-	-
2.	First State Investments ICVC-First State Asia						
	At the beginning of the year	01-04-2018	-	-	-	-	-
	Date wise increase / decrease	08-06-2018	19,921	0.01	Market	19,921	0.01
		10-08-2018*	57,86,928	3.95	Purchase	58,06,849	3.96
	At the end of the year	31-03-2019	58,06,849	3.96	-	-	-

ANNEXURE - 2

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
3.	Indgrowth Capital Fund 1						
	At the beginning of the year	01-04-2018	-	-			
	Date wise increase / decrease	18-05-2018	6,04,329	0.41	Market Purchase	6,04,329	0.41
		25-05-2018	5,37,325	0.37		11,41,654	0.78
		08-06-2018	10,000	0.007		11,51,654	0.79
		06-07-2018	100	-		11,51,754	0.79
		10-08-2018*	11,69,103	0.80		23,20,857	1.59
		05-10-2018	36,479	0.02		23,57,336	1.61
		07-12-2018	55,201	0.04		24,12,537	1.65
		14-12-2018	84,240	0.06		24,96,777	1.71
		15-03-2019	1,15,484	0.08		26,12,261	1.78
		22-03-2019	45,746	0.03		26,58,007	1.81
		29-03-2019	11,866	0.008		26,69,873	1.82
	At the end of the year	31-03-2019	26,69,873	1.82			
4.	New York Life Insurance Company						
	At the beginning of the year	01-04-2018	10,30,821	1.42	-		
	Date wise increase / decrease	10-08-2018*	10,46,439		Market Purchase	20,77,260	1.42
	At the end of the year	31-03-2019	20,77,260	1.42			
5.	Mr. Arvind Khattar						
	At the beginning of the year	01-04-2018	3,15,000	0.43			
	Date wise increase / decrease	18-05-2018	48,148	0.03	Market Purchase	3,63,148	0.25
		25-05-2018	1,20,000	0.08		4,83,148	0.33
		15-06-2018	2,26,139	0.15		7,09,287	0.48
		22-06-2018	65,311	0.04		7,74,598	0.53
		13-07-2018	1,00,000	0.07		8,74,598	0.60
		10-08-2018*	7,86,334	0.54		16,60,932	1.13
	At the end of the year	31-03-2019	16,60,932	1.13			
6.	India Insight Value Fund						
	At the beginning of the year	01-04-2018	5,85,000	0.81			
	Date wise increase / decrease	06-04-2018	27,000	0.02	Market Purchase	6,12,000	0.42
		04-05-2018	21,000	0.01		6,33,000	0.43
		11-05-2018	27,000	0.02		6,60,000	0.45
		18-05-2018	30,000	0.02		6,90,000	0.47
		25-05-2018	15,000	0.01		7,05,000	0.48
		06-07-2018	5,317	0.004		7,10,317	0.48
		10-08-2018*	2,19,683	0.15		9,30,000	0.63
		17-08-2018	13,325	0.01		9,43,325	0.64
		12-10-2018	55,675	0.04		9,99,000	0.68
		19-10-2018	21,000	0.01		10,20,000	0.70
		26-10-2018	75,000	0.05		10,95,000	0.75
		02-11-2018	15,000	0.01		11,10,000	0.76
		09-11-2018	32,304	0.02		11,42,304	0.78
		16-11-2018	70,596	0.05		12,12,900	0.83
		23-11-2018	20,100	0.01		12,33,000	0.84
		28-12-2018	19,401	0.01		12,52,401	0.85
		31-12-2018	8,499	0.006		12,60,900	0.86
		04-01-2019	32,100	0.02		12,93,000	0.88
		11-01-2019	99,505	0.07		13,92,505	0.95
		18-01-2019	83,495	0.06		14,76,000	1.01
		25-01-2019	24,000	0.02		15,00,000	1.02
		15-02-2019	12,000	0.008		15,12,000	1.03
	At the end of the year	31-03-2019	15,12,000	1.03			

ANNEXURE - 2

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
7.	First State Investments ICVC - First State Asia All Cap Fund						
	At the beginning of the year	01-04-2018	-	-	-	-	-
	Date wise increase / decrease	15-06-2018	1,100	0.00	Market	1,100	0.00
		10-08-2018*	14,46,089	0.99	Purchase	14,47,189	0.99
	At the end of the year	31-03-2019	14,47,189	0.99			
8.	First State Asia Pacific All Cap Fund As Sub Fund of First State Global Umbrella Fund PLC						
	At the beginning of the year	01-04-2018	-	-	-	-	-
	Date wise increase / decrease	08-06-2018	3,525	0.00	Market	3,525	0.00
		10-08-2018*	9,61,918	0.66	Purchase	9,65,443	0.66
	At the end of the year	31-03-2019	9,65,443	0.66			
9.	Mr. Sanjay Ranchhodlal Shah						
	At the beginning of the year	01-04-2018	2,56,793	0.35			
	Date wise increase / decrease	10-08-2018*	2,60,683	0.18	Market Purchase	5,17,476	0.35
	At the end of the year	31-03-2019	5,17,476	0.35			
10.	Mr. Chetan Jayantilal Shah						
	At the beginning of the year	01-04-2018	4,00,000	0.55			
	Date wise increase / decrease	-	-	-	-	-	-
	At the end of the year	31-03-2019	4,00,000	0.27			

*Allotment of equity shares under Rights Issue

(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	1.62		
	Date wise increase / decrease				
	- August 10, 2018**	1,616,185	1.10	2,791,542	1.90
	At the end of year	2,791,542	1.90		
2.	Mr. Mohit Talwar				
	At the beginning of the year	56,167	0.08		
	Date wise increase / decrease				
	- April 11, 2018*	2,880	0.002	59,047	0.04
	- August 10, 2018**	59,941	0.04	118,988	0.08
	- December 19, 2018*	22,150	0.01	141,138	0.10
	At the end of year	141,138	0.10		
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	0.0006		

* Allotment of equity shares under ESOP

** Allotment of equity shares under Rights Issue

Note: No other director or key managerial personnel hold any share in the Company as on March 31, 2019.

ANNEXURE - 2

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

(₹ in Lakhs)

	Secured Loans excluding deposits Car Loan	Unsecured Loans	Deposits#	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	8.71	-	6.12	14.83
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	8.71	-	6.12	14.83
Change in Indebtedness during the financial year				
Addition	28.79	-	20.04	48.83
Reduction	22.43	-	14.20	36.63
Net Change	6.36	-	5.84	12.20
Indebtedness at the end of the financial year				
i) Principal Amount	15.07	-	11.96	27.03
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	15.07	-	11.96	27.03

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

(in ₹)

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	2,38,90,720
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	23,100
	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	6,67,920
	- Insurance Premium	62,109
	Total (A)	2,46,43,849
	Ceiling as per the Act	4,80,00,000

Notes:

- Mr. Sahil Vachani is not in receipt of any remuneration or commission from any of Company's holding or subsidiary.

ANNEXURE - 2

B. Remuneration to other directors:

(in ₹)

Sl. No.	Particulars of remuneration	Name of Directors					Total Amount
1.	Independent Directors	Mr. K. N Murthy	Mr. D. K. Mittal	Mr. Ashok Kacker	Mrs. Sujata Keshavan	Mrs. Gauri Padmanabhan	
	a) Fee for attending Board/ Committee meetings	16,00,000	18,00,000	15,00,000	1,00,000	-	50,00,000
	b) Commission	-	-	-	-	-	-
	c) Others	-	-	-	-	-	-
	TOTAL (1)	16,00,000	18,00,000	15,00,000	1,00,000	-	50,00,000
2.	Other Non-Executive Directors	Mr. Analjit Singh	Mr. Mohit Talwar	Mr. Arthur Seter			
	a) Fee for attending Board/ Committee meetings	3,00,000	16,00,000	-	-	-	19,00,000
	b) Commission	-	-	-	-	-	-
	c) Others	-	-	-	-	-	-
	TOTAL (2)	3,00,000	16,00,000	-	-	-	19,00,000
	TOTAL B = (1+2)						69,00,000
	TOTAL MANAGERIAL REMUNERATION (A+B)						3,15,43,849
	Overall ceiling as per the Act						4,80,00,000

Notes:

- The sitting fee excludes service tax, cess paid/payable on such fee.
- The overall ceiling 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. 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	83,25,466	53,66,330
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	27,000
	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	-	-
	Others, please specify		
5.	- Company contribution to PF	4,65,096	1,92,000
	- Insurance Premium	3,09,253	1,44,050
	Total	90,99,815	57,29,380

*Ceased to be a Key Managerial Personnel of the Company w.e.f. February 25, 2019.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NONE

On behalf of the Board of Directors
Max Ventures and Industries Limited

Date: May 22, 2019
 Place: New Delhi

Sahil Vachani
 Managing Director and CEO
 DIN: 00761695

Mohit Talwar
 Vice-Chairman
 DIN: 02394694

ANNEXURE - 3

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 ended March 31, 2019 ("FY 2019")

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 Note no. 30.3 of Standalone Financial Statements for FY 2019.

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

Please refer Note no. 27 of Standalone Financial Statements for FY 2019.

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

The fair value at grant date has been determined using the Black- Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the 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.

iv. Option movement during the year

Number of options outstanding at the beginning of the period	2,22,170
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	1,98,890
Number of options exercised during the year	2,00,020*
Number of shares arising as a result of exercise of options	2,00,020*
Money realized by exercise of options (INR), if scheme is implemented directly by the company	₹ 43,27,450
Loan repaid by the Trust during the year from exercise price received	Not applicable
Number of options outstanding at the end of the year	22,150

* Options vested on March 27, 2019 exercised on April 10, 2019

ANNEXURE - 3

- 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**

Refer point (vii) below.

- 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	Chief Growth Officer	1,10,205	66.40
Mr. Nitin Kumar Kansal	Chief Financial Officer	83,365	66.40

- 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:**

	Grant Type I	Grant Type II
The weighted-average values of share price (₹)	67.15	67.15
Exercise price (₹)	66.40	66.40
Expected volatility	42.32%	42.32%
Expected option life	3.50 years	4.00 years
Expected dividends	0%	0%
Risk-free interest rate	7.04%	7.13%
Any other inputs to the model	Nil	Nil
The method used and the assumptions made to incorporate the effects of expected early exercise		
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility	Black-Scholes option pricing Model	
Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition	The measure of volatility used in option pricing models is the annualized standard deviation of the continuously compounded rates of return on the share over a period of time.	
	Through volatility and risk free rate	

On behalf of the Board of Directors
Max Ventures and Industries Limited

Date: May 22, 2019
Place: New Delhi

Sahil Vachani
Managing Director and CEO
DIN: 00761695

Mohit Talwar
Vice-Chairman
DIN: 02394694

ANNEXURE - 4

APPOINTMENT CRITERIA, QUALIFICATION & REMUNERATION POLICY IN TERMS OF SECTION 178 OF THE COMPANIES ACT, 2013 ("THE ACT") AND LISTING (OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LISTING REGULATIONS")

Preamble

In terms of Section 178 of the Act and Regulation 19 of the Listing Regulations and amendments thereto, 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"), Senior Management 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 proposed appointee, 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.

In terms of the Listing Regulations, Senior management shall mean officers/personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the Chief Executive Officer/ Managing Director / Whole Time Director / Manager (including Chief Executive Officer / Manager, in case they are not part of the Board) and shall specifically include Company Secretary and Chief Financial Officer.

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, KMP and Senior Management will be determined by the NRC based on the standard market practice and prevailing HR policies of the Company and recommended to the Board for approval. The remuneration to the Managing / Whole - time Director/ Manager/CEO 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.

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 - 5

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	7.1

(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 Applicable

* Was not eligible for increment in this performance appraisal cycle, since he joined on January 15, 2018 and left on February 25, 2019.

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:

8.8% (on fixed salary)

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

As on March 31, 2019: 9 (nine)

(e) Average percentile increase already made in the salaries in the employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Average percentile increase in managerial remuneration was 8.8% (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 2018-19, is as per the Remuneration Policy of the Company.

During Financial Year 2018-19, 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 ₹1,02,00,000/- :

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (₹)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	Mr. Sahil Vachani	Managing Director and CEO	36	24,643,849	B.Sc. (Management Sciences)	16	15-01-2016	Siva Reality Ventures Pvt. Ltd.
2	Mr. Rohit Rajput	Chief Growth Officer	41	10,835,962	Post Graduate Programme in Management, B.E. (Mechanical)	17	13-10-2016	Hay Group

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

Sl. No	Name	Designation	Age (Yrs.)	Remuneration (₹)	Qualification	Exp. (Years)	Date of employment	Last Employment
1.	Mr. Nitin Kumar Kansal	Chief Financial Officer	43	9,099,815	Chartered Accountant	18	15-01-2016	Max India Limited
2.	Mr. Gopalakrishnan Ramachandran*	Head - Legal and Company Secretary	36	5,729,380	CS, LLB, B.Com. (Hons.)	11	15-01-2018	DSM India Private Limited
3.	Mr. Pankaj Singh**	Head -IT	44	3,607,041	Graduate, CPGME	22	01-05-2018	Max Estates Limited
4.	Ms. Kirat Brar	Senior Manager - Human Capital	31	3,539,390	Master of Business Administration (Human Resources), B.Com. (Hons.)	9	30-08-2017	Religare Finvest Limited
5.	Ms. Shruti Batish	Senior Manager - Legal	34	3,449,429	Master's in Business Law, LLB	10	01-04-2016	Siva Reality Ventures Pvt. Ltd.
6.	Mr. Rohit Malhotra***	Manager - Finance & Accounts	34	2,621,174	Chartered Accountant, B.Com. (Hons.)	11	24-06-2016	DCM Shri Ram Ltd.
7.	Mr. Akshay Kumar Bhardwaj	Executive Assistant cum Business Manager	35	2,567,766	Masters in International Finance, B.E.	11	18-07-2016	EFS Facilities Services India Pvt. Ltd.
8.	Mr. Archit Goyal	Senior Manager - Finance & Accounts	30	2,369,375	Master's in Business Finance, CA, B.Com. (Hons.)	8	22-09-2017	Healthfore Technologies Limited
9.	Mr. Manvendra Singh Gurjar	Manager - Government Relations	35	1,106,282	LLB, B.Sc. (Zoology)	10	03-07-2017	Essence of Nature
10.	Mr. Akshay Lall	Associate Strategy	23	918,582	Bachelor of Arts, New York University	1	02-07-2018	Not Applicable

Notes:

1. Remuneration comprises of salary, allowances, value of rent free accommodation, bonus, medical expenses, leave travel assistance, personal accident and health insurance, company's contribution to provident fund, pension, gratuity and superannuation fund, leave encashment and value of perquisites.
2. None of the employees mentioned above is related to any Director of the Company, except Mr. Sahil Vachani, who is a relative of Mr. Analjit Singh.
3. All appointments are contractual on rolls of the company and in accordance with the terms and conditions as per Company Rules / Policies.
4. *Ceased to be an employee w.e.f. February 25, 2019.
5. **Ceased be an employee w.e.f. December 24, 2018.
6. ***Ceased be an employee w.e.f November 26, 2018
7. During FY 2018-19, no employee was in receipt of remuneration in excess of the Managing Director and CEO of the Company and held himself/herself or along with his/her spouse and dependent children 2% or more of the equity share of the Company.

On behalf of the Board of Directors
Max Ventures and Industries Limited

Date: May 22, 2019
Place: New Delhi

Sahil Vachani
Managing Director and CEO
DIN: 00761695

Mohit Talwar
Vice-Chairman
DIN: 02394694

ANNEXURE - 6

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

[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 Venture and Industries Limited

(L85100PB2015PLC039204)

419, Bhai Mohan Singh Nagar,

Village Railmajra, Tehsil Balachaur,

NawanShehar, Punjab-144533

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Max Venture 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 record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- b) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.
- c) We have not verified the correctness and appropriateness of the financial statements of the Company.
- d) Wherever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- e) The compliance of the provisions of the corporate and other applicable laws, rules, regulation, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
- f) The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the

audit period covering the financial year ended on 31st March, 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 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, where applicable;
- (v) The following Regulations 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 and Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (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 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 Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; 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 Standard 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, Guidelines and Standards, to the extent applicable, except that *the Company has appointed Ms. Gauri Padmanabhan as an additional Independent woman director by circular resolution dated 26th November, 2018 on a vacancy created on 24th July, 2018 which was required to be filled upto 23rd October, 2018 as per Section 149(3) of the Companies Act, 2013.*

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 is adequate to ensure compliance of laws specifically applicable to the Company. 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 except as reported above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

We further report that during the audit period pursuant to the provisions of Section 62 of Companies Act, 2013 and SEBI (ICDR) Regulations, 2009, the Board in its Meeting held on 11th June, 2018, has approved the terms of the issue including price of each equity shares of the Company to be offered for subscription under the Rights Issue of 7,37,53,787 Equity Shares of ₹ 10/- each of the Company and was fixed at ₹ 61/- per equity shares at a premium of ₹ 51/- per equity shares aggregating to ₹ 449.89 crores on a rights basis to the eligible shareholders as on June 22, 2018 and the same was allotted pursuant to approval of Board in its meeting held on August 10, 2018.

We further report that during the audit period the shareholding of promoter and promoter group has been increased from 38.14% to 47.21% in the first quarter of the financial year pursuant to the allotment under Rights Issue.

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

New Delhi
May 22, 2019

Devesh Kumar Vasisht
Partner
CP. No. 13700

ANNEXURE - 7

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	<p>The Board of Directors has adopted a CSR Policy as recommended by the Corporate Social Responsibility Committee.</p> <p>The CSR Policy comprises Vision and Mission Statement, philosophy and objectives. It also explains the governance structure along with clarity on each one's roles and responsibilities. The same can be viewed at www.maxvil.com.</p> <p>Under the said policy, the Company had proposed to undertake or contribute for the activities relating to community development, promotion of healthcare and education etc.</p>
2.	The Composition of the CSR Committee as : at March 31, 2019	<p>a) Mr. Mohit Talwar</p> <p>b) Mr. D. K. Mittal</p> <p>c) Mr. Sahil Vachani</p>
3.	Average net profit of the Company for last three : financial years	₹ 253.76 Lakhs
4.	Prescribed CSR Expenditure (two per cent of the amount : as in item 3 above)	₹ 5.07 Lakhs
5.	Details of CSR spent during the financial year	
a)	Total amount to be spent for the financial year	: ₹ 5.07 Lakhs
b)	Amount spent during the FY 2018-19 : towards CSR obligation	₹ 5.07 Lakhs
c)	Amount unspent, if any	: Nil
d)	Manner in which the amount spent during the financial : year is detailed below	Refer detailed table
6.	In case the Company has failed to spent the 2% of the : average net profit of the last three financial years or any part there of, the Company shall provide the reasons for not spending the amount in its board report.	Not Applicable
7.	A responsibility statement of the CSR Committee : that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company	The CSR Committee of Max Ventures and Industries Limited do confirm that the Company has implemented and monitored the CSR Policy in compliance with its CSR objectives.

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1. Local area or Other 2. Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in Lakhs)	Amount spent on the projects or programs (₹ in Lakhs)		Cumulative expenditure up to the reporting period (₹ in Lakhs)	Amount spent: Direct or through implementing agency
					Direct expenditure on projects or programs	Overheads		
1.	Health Awareness	Health	Delhi	5.07	5.07	Nil	5.07	Max India Foundation

On behalf of the Board of Directors

Max Ventures and Industries Limited

Sahil Vachani
Managing Director and CEO
DIN: 00761695

Mohit Talwar
Chairman- CSR Committee
DIN: 02394694

Date: May 22, 2019
Place: New Delhi

Financial Statements



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Max Ventures and Industries Limited ("the Company"), which comprise the Balance sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit including other comprehensive income its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the

Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
Valuation of shareholdings in subsidiaries and amounts recoverable from subsidiaries	
<p>At March 31, 2019, the investments in subsidiaries amount to Rs. 60, 628.68 lakhs.</p> <p>The management assesses at least annually the existence of impairment indicators of each investment in subsidiary, and in case of occurrence these assets are subject to an impairment test.</p> <p>Impairment indicators were identified by the management with respect to investments in subsidiaries and amounts recoverable from subsidiaries. As a result, an impairment assessment was required to be performed by the Company by comparing the carrying value of this investment and other receivables to their recoverable amount to determine whether an impairment loss was required to be recognised.</p> <p>For the purpose of the above impairment testing, recoverable amount has been determined by reference to the underlying expected cash flows from the underlying projects being undertaken by these subsidiaries.</p> <p>The determination of the recoverable amount of investments in subsidiaries involved judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these investments.</p> <p>Accordingly, in consideration of the judgment required and of the complexity of the assumptions used in the estimate of the recoverable amount of investment in subsidiaries we have determined this to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures related to this key audit matter included, amongst others:</p> <ul style="list-style-type: none"> • Our audit procedures included testing of Company's impairment of assets accounting policies in compliance with Ind AS 36. • We understood, evaluated and tested the operating effectiveness of internal controls implemented by the Company relating to identification of impairment indicators (such as negative net worth) and valuation of investments in subsidiaries. • Evaluation of the objectivity and independence of Company's real estate specialists involved in the valuation process • We assessed the appropriateness of the Company's valuation methodology applied including inputs used in determining the recoverable amount, with assistance from our valuation specialists. • Furthermore, with reference to the investments on which management performed an impairment test, our procedures included the assessment of prospective financial information included in the long-term plans of such investments, as well as the verification of the determination of long-term growth rates and discount rates. • We also evaluated potential changes in key drivers such as recent sale transactions with buyers, to evaluate whether the inputs and assumptions used were suitable.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Ind AS Financial Statements

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

of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided

by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Per Sanjay Vij

Partner

Membership Number: 095169

Place of Signature: Gurugram

Date: May 22, 2019

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

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

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- c. According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under paragraph 3(i) (c) of the Order are not applicable to the Company.
- ii. The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- iv. In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors including entities in which they are interested to which section 185 of the Companies Act apply and hence not commented upon. Further, as per information and explanation given to us by the management, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- vii. a. The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, value added tax, goods and service tax, cess and other statutory dues applicable to it. The provisions relating to employees' state insurance, duty of excise and duty of customs are not applicable to the Company.
- b. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, sales-tax, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, duty of excise and duty of customs are not applicable to the Company.
- c. According to the records of the Company, there are no dues of income-tax, value added tax, service tax, goods and service tax which have not been deposited on account of any dispute. The provisions relating to employees' state insurance, duty of excise, duty of custom, cess are not applicable to the Company.
- 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 borrowing to a financial institution, bank or government or dues to debenture holders.
- ix. In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of further public offer for the purposes for which they were raised. Company has not raised any money by way of term loans and debt instrument.
- 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 material fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.
- 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 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 Sanjay Vij

Partner

Membership Number: 095169

Place of Signature: Gurugram

Date: May 22, 2019

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

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

We have audited the internal financial controls over financial reporting of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited) ("the Company") as of March 31, 2019 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 with reference to these standalone financial statements 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 with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements.

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

A company's internal financial control over financial reporting with reference to these standalone financial statements 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 standalone 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 With Reference to these Standalone Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2019, 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 Sanjay Vij

Partner

Membership Number: 095169

Place of Signature: Gurugram

Date: May 22, 2019

Standalone Balance Sheet

as at 31st March, 2019

(₹ in lakhs)			
	Notes	As at 31st March, 2019	As at 31st March, 2018
Assets			
Non-current assets			
Property, plant and equipment	3	78.10	61.28
Capital work in progress		366.22	-
Other intangible assets	4	4.24	6.50
Financial assets			
(i) Investments	5	60,628.68	27,920.62
(ii) Loans	6	0.07	37.15
(iii) Other bank balances	6	0.25	0.25
Deferred tax assets (net)	15	202.21	136.35
Non-Current tax assets	8	160.60	138.80
Other non-current assets	7	26.92	286.92
		61,467.29	28,587.87
Current assets			
Financial assets			
(i) Investments	9(i)	-	4,613.00
(ii) Trade receivables	9(ii)	743.90	415.27
(iii) Cash and cash equivalents	9(iii)	308.46	56.98
(iv) Bank balance other than (iii) above	9(iv)	11,151.32	-
(v) Loans	9(v)	11,807.86	6,106.96
(vi) Other financial assets	9(vi)	106.10	59.82
Other current assets	10	37.86	65.80
		24,155.50	11,317.83
Total assets		85,622.79	39,905.70
Equity and liabilities			
Equity			
Equity share capital	11	14,660.08	7,264.81
Other equity	11	70,001.92	31,940.04
Total equity		84,662.00	39,204.85
Non-current liabilities			
Financial liabilities			
(i) Borrowings	12(i)	7.69	2.63
(ii) Other non current financial liabilities	12(ii)	11.96	6.12
Long term provisions	13	22.58	16.55
Other non-current liabilities	14	30.16	19.98
		72.39	45.28
Current liabilities			
Financial liabilities			
(i) Trade payables	16(i)	-	-
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		594.73	507.62
(ii) Other current financial liabilities	16(ii)	171.64	20.40
Other current liabilities	18	50.77	91.04
Short term provisions	17	71.26	36.51
		888.40	655.57
Total liabilities		960.79	700.85
Total equity and liabilities		85,622.79	39,905.70
Summary of significant accounting policies	2		
Other notes on accounts	3-42		

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 **Sanjay Vij**

Partner

Membership Number: 095169

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 & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: May 22, 2019

Place : New Delhi

Date: May 22, 2019

Standalone Statement of Profit and Loss

for the year ended 31st March, 2019

(₹ in lakhs)

	Note	for the year ended March 31, 2019	for the year ended March 31, 2018
INCOME			
Revenue from operations	19	2,682.83	2,887.11
Other income	20	713.26	7,525.47
Total income		3,396.09	10,412.58
EXPENSES			
Employee benefits expense	21	742.42	663.15
Finance costs	22	3.37	1.03
Depreciation and amortisation expense	23	18.82	12.98
Other expenses	24	1,536.01	2,055.45
Total expenses		2,300.62	2,732.61
Profit/(Loss) before tax		1,095.47	7,679.97
Tax expenses	25		
- Current tax		291.88	1,834.35
- Adjustment of tax relating to earlier years		(62.28)	0.77
- Deferred tax		(25.21)	(155.86)
Total tax expense		204.39	1,679.26
Profit/(Loss) after tax		891.08	6,000.71
Other comprehensive income			
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:			
Re-measurement gains/(losses) on defined benefit plans		1.26	(2.80)
Income tax effect		(0.37)	0.82
Other comprehensive income for the year, net of tax	26	0.89	(1.98)
Total comprehensive income for the year, net of tax		891.97	5,998.73
Earnings per equity share (Nominal Value of share ₹10/-)			
Basic (₹)	27	0.75	8.33
Diluted (₹)		0.75	8.23
Summary of significant accounting policies	2		
Other notes on accounts	3-42		

The accompanying notes are integral part of the financial statements

As per our report of even date

For **S.R.Batliloi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij

Partner

Membership Number: 095169

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)

Place : New Delhi

Date: May 22, 2019

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: May 22, 2019

Standalone Statement of changes in equity

for the year ended 31st March, 2019

a) Equity share capital

Particulars	Nos.	(₹ in Lakhs)
Shares of ₹ 10/- each, issued, subscribed and fully paid		
As at April 1, 2017	68,977,878	6,897.79
Add: Equity share issued	3,448,894	344.89
Add: Shares issued for stock options exercised during the year (refer note 11)	221,333	22.13
As at March 31, 2018	72,648,105	7,264.81
Add: Equity share issued (refer note 36)	73,753,787	7,375.38
Add: Shares issued for stock options exercised during the year (refer note 11)	198,890	19.89
As at March 31, 2019	146,600,782	14,660.08

b) Other equity

Particulars	Reserves and surplus				Total equity
	Capital reserve (Refer note 11(ii))	Securities premium (Refer note 11(ii))	Employee stock options outstanding (Refer note 11(ii))	Retained earnings (Refer note 11(ii))	
As at April 1, 2017	13,042.52	10,497.98	24.28	2.05	23,566.83
Profit for the year	-	-	-	6,000.71	6,000.71
Other comprehensive income for the year	-	-	-	(1.98)	(1.98)
Issue of share capital	-	2,345.24	-	-	2,345.24
Exercise of share option under ESOP scheme (refer note 11)	-	6.01	(6.01)	-	-
Premium on issue of employee stock options (refer note 11)	-	26.60	2.64	-	29.24
As at March 31, 2018	13,042.52	12,875.83	20.91	6,000.78	31,940.04
Profit for the year	-	-	-	891.08	891.08
Other comprehensive income for the year	-	-	-	0.89	0.89
Issue of share capital (refer note 36)	-	37,614.43	-	-	37,614.43
Exercise of share option under ESOP scheme (refer note 11)	-	20.91	(20.91)	-	-
Premium on issue of employee stock options (refer note 11)	-	23.27	36.92	-	60.19
Share issue expenses adjusted with Securities Premium	-	(504.71)	-	-	(504.71)
As at March 31, 2019	13,042.52	50,029.73	36.92	6,892.75	70,001.92

Summary of significant accounting policies

2

Other notes on accounts

3-42

As per our report of even date

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij

Partner

Membership Number: 095169

Place : Gurugram

Date: May 22, 2019

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)

Place : New Delhi

Date: May 22, 2019

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Saket Gupta

(Company Secretary)

Standalone Statement of Cash Flows

for the year ended 31st March, 2019

	for the year ended March 31, 2019	for the year ended March 31, 2018
Cash flow from operating activities		
Profit/(Loss) before tax	1,095.47	7,679.97
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	16.56	11.52
Amortization of intangible assets	2.26	1.46
Provision for doubtful debts	-	89.46
Provision for doubtful advances	329.00	769.96
Profit on sale of current investment	(332.21)	(728.52)
Fair value gain on financial instruments at fair value through profit or loss	213.03	(118.94)
Net loss on disposal of property plant and equipment	2.67	0.32
Gain on stake sale of subsidiary	-	(7,500.32)
Unwinding of interest on zero coupon non-convertible debentures	(527.36)	(505.88)
Unwinding of discount on security deposit	(40.68)	(3.81)
Interest income	(1,450.79)	(357.68)
Guarantee Fee	(22.66)	(21.06)
Finance costs (including fair value change in financial instruments)	3.37	1.00
Operating profit before working capital changes	(711.34)	(682.52)
Working capital adjustments:		
Movements in provisions	27.10	11.16
(Increase)/decrease in trade and other receivables and prepayments	(286.19)	(516.65)
Increase in trade and other payables	213.95	214.95
Cash generated from operations	(756.48)	(970.06)
Income tax paid	(277.51)	(1,831.93)
Net cash flows used in operating activities	(1,033.99)	(2,801.99)
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	24.23	7.51
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(453.42)	(33.00)
Loan repaid by subsidiaries	1,715.00	104.00
Loan given to subsidiaries	(6,526.00)	(5,702.72)
Interest received	571.58	196.32
Purchase of current investments in financial instruments	(2,830.00)	(24,100.00)
Net movement in deposits with remaining maturity for more than 3 months	(11,151.32)	-
Proceeds from redemption of financial instruments	7,562.19	32,627.85
Acquisition of a subsidiary/investment in subsidiary	(32,158.04)	(13,052.62)
Net cash flows from/(used) in investing activities	(43,245.78)	(9,952.66)

Standalone Statement of Cash Flows

for the year ended 31st March, 2019

	for the year ended March 31, 2019	for the year ended March 31, 2018
Cash flow from financing activities		
Proceeds from issuance of equity share capital including security premium	44,989.81	2,017.60
Proceeds from sale of stake in subsidiary	-	16,295.04
Share issue expenses	(504.71)	-
Proceeds from issuance of ESOP's including security premium	43.16	48.73
Interest paid	(3.37)	(1.00)
Repayments of short-term borrowings	-	(5,600.00)
Proceeds from long-term borrowings	28.79	5.09
Repayment of long-term borrowings	(22.43)	(5.16)
Net cash flows (used)/from financing activities	44,531.25	12,760.30
Net increase/(decrease) in cash and cash equivalents	251.48	5.65
Cash and cash equivalents at the beginning of the year	56.98	51.33
Cash and cash equivalents at year end	308.46	56.98
Components of cash and cash equivalents :-		
	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
On current accounts	88.97	56.89
Cheques on hand	219.00	-
Cash on hand	0.49	0.09
	308.46	56.98

Summary of significant accounting policies
Other notes on accounts

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3-42

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 Sanjay Vij

Partner

Membership Number: 095169

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 & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: May 22, 2019

Place : New Delhi

Date: May 22, 2019

Notes to the Financial Statements

for the year ended 31st March, 2019

1 Corporate Information

Max Ventures and Industries Limited (the Company) is a public company domiciled in India and registered under Companies Act, 2013 and was 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 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 financial statements were authorised for issue in accordance with a resolution by the Board of directors of the Company on May 22, 2019.

Significant accounting policies

2A Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended and presentation requirements of division II of Schedule III to the Companies Act 2013.

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 measured at fair value (refer accounting policy regarding financial instruments) Financial Statement are presented in INR and all values are rounded to nearest Lakhs (INR 00,000) except when otherwise stated

2B Summary of significant accounting policies

a. Current versus non-current classification

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

- (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

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

Notes to the Financial Statements

for the year ended 31st March, 2019

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 over the estimated useful lives of the assets estimated by management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

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

Notes to the Financial Statements

for the year ended 31st March, 2019

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, country 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.

Notes to the Financial Statements

for the year ended 31st March, 2019

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

Notes to the Financial Statements

for the year ended 31st March, 2019

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.

Notes to the Financial Statements

for the year ended 31st March, 2019

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.

Financial guarantee contracts

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

Derecognition

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

Offsetting of financial instruments

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

Notes to the Financial Statements

for the year ended 31st March, 2019

g. Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. 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

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:

Notes to the Financial Statements

for the year ended 31st March, 2019

- 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 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 asset is recognised for MAT credit available 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.

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for the year ended 31st March, 2019

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

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. Retirement and other 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.

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for the year ended 31st March, 2019

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 as the Company does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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

Notes to the Financial Statements

for the year ended 31st March, 2019

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.

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

p. Foreign currencies

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

q. Fair Value

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

- (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.

Notes to the Financial Statements

for the year ended 31st March, 2019

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 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 decides, 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

Notes to the Financial Statements

for the year ended 31st March, 2019

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 that are 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. 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 where remaining maturity if such bond 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.

Notes to the Financial Statements

for the year ended 31st March, 2019

3. Property, plant and equipment (PPE)

(₹ in Lakhs)

	Office equipment	Furniture and fixture	Motor vehicles *	Computers and data processing units	Total
Cost					
April 1, 2017	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
March 31, 2018	2.00	3.54	47.02	23.30	75.86
Additions	1.08	-	58.61	0.59	60.28
Disposals	-	-	30.28	-	30.28
March 31, 2019	3.08	3.54	75.35	23.89	105.86
Depreciation					
April 1, 2017	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
March 31, 2018	0.60	0.30	6.70	6.98	14.58
Depreciation charge for the year	0.80	0.34	10.66	4.76	16.56
Disposals	-	-	3.38	-	3.38
March 31, 2019	1.40	0.64	13.98	11.74	27.76
Net book value					
March 31, 2019	1.68	2.90	61.37	12.15	78.10
March 31, 2018	1.40	3.25	40.32	16.31	61.28

* Motor vehicles amounting to ₹ 35.53 lacs (March 31, 2018 - ₹ 20.19 lacs) subject to charge against vehicle loan. Refer note no 12.

4. Intangible assets

	Software licences	Total
Cost		
April 1, 2017	4.64	4.64
Additions	3.87	3.87
Disposals	-	-
March 31, 2018	8.51	8.51
Additions	-	-
Disposals	-	-
March 31, 2019	8.51	8.51
Amortization		
April 1, 2017	0.55	0.55
Amortization	1.46	1.46
Disposals	-	-
March 31, 2018	2.01	2.01
Amortization	2.26	2.26
Disposals	-	-
March 31, 2019	4.27	4.27
Net book value		
March 31, 2019	4.24	4.24
March 31, 2018	6.50	6.50

Notes to the Financial Statements

for the year ended 31st March, 2019

5. Non-current financial assets - Investments

(₹ in Lakhs)

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	As at March 31, 2019	As at March 31, 2018
A. Investment carried at cost		
i) Unquoted equity shares		
Subsidiary Companies		
Max Speciality Films Limited (refer note 37)	10,017.83	10,017.83
19,842,191 (March 31, 2018 - 19,842,191) Equity shares of ₹ 10 each fully paid up		
Max Estates Limited	6,800.00	800.00
68,000,000 (March 31, 2018 - 8,000,000) Equity shares of ₹ 10 each fully paid up		
Max Asset Services Limited (formerly known as Max Learning Limited)	205.00	205.00
2,050,000 (March 31, 2018 - 2,050,000) Equity shares of ₹ 10 each fully paid up		
Max I. Limited	5.00	5.00
50,000 (March 31, 2018 - 50,000) Equity shares of ₹ 10 each fully paid up		
ii) Investment in debentures of subsidiary companies		
Investment in debentures (in nature of equity) of subsidiary companies (at cost)		
Max Estates Limited	35,187.00	9,000.00
35,187 (March 31, 2018 - 9,000) Zero Coupon Compulsory Convertible Debentures of ₹ 100,000 each fully paid up#		
iii) Investment in subsidiaries arising on account of fair valuation of debentures given below market rate		
Max I. Limited	3,002.62	3,002.62
Equity portion of 7,100 (March 31, 2018 - 7,100) Zero Coupon Non Convertible Debentures of ₹ 100,000 each fully paid up (net of deferred tax)		
iv) Additional investment in Wise Zone Builders Private Limited *	89.15	95.45
B. Investment carried at amortised cost		
i) Investment in debentures of subsidiary companies (at amortised cost)		
Max I. Limited (amortised cost)	5,322.08	4,794.72
7,100 (March 31, 2018 - 7,100) Zero Coupon Non Convertible Debentures of ₹ 100,000 each fully paid up		
	60,628.68	27,920.62
Non-Current	60,628.68	27,920.62
Aggregate value of unquoted investments	60,628.68	27,920.62
Aggregate value of quoted investments	-	-

35,187 (March 31, 2018- 9000) Zero coupon compulsory convertible debentures remain outstanding as on the expiry of 24 months and 60 months from the date of their issue respectively and allotment shall be compulsory converted into 351,870,000 equity shares

* Guarantee has been given by the Company on behalf of its step down subsidiary, Wise Zone Builders Private Limited for loan of ₹ 11,850 lakhs (Sanction limit ₹ 15,000 lakhs) from Axis Bank Limited (refer note 28)

6 Non-current financial assets

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
6 i. Loans (amortized cost) (unsecured)		
Security deposits	0.07	37.15
	0.07	37.15
6 ii. Other bank balances		
Deposits with remaining maturity for more than 12 months	0.25	0.25
	0.25	0.25

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for the year ended 31st March, 2019

7. Other non-current assets (unsecured considered good, unless otherwise stated)

	As at March 31, 2019	As at March 31, 2018
Prepaid expenses*	-	286.92
Capital advance	26.92	-
	26.92	286.92

*Nil (March 31, 2018- ₹ 286.92 lakhs) includes expenses incurred towards rights issue which has been adjusted against securities premium.

8. Non-Current tax assets

	As at March 31, 2019	As at March 31, 2018
Tax deducted at source recoverable	160.60	138.80
	160.60	138.80

9. Current financial assets

	As at March 31, 2019	As at March 31, 2018
(i) Current investment		
Quoted mutual funds (valued at Fair value through profit and loss)		
UTI Money Market Fund - Institutional	-	1,898.88
Plan - Direct Growth Plan - Face value ₹1,000/- per unit fully paid (Units - Nil) (March 31, 2018 - Units - 97,391.06, NAV - 1,949.74)		
Invesco India Liquid Fund	-	1,713.33
Plan - Direct Fund Growth - Face value ₹1,000/- per unit fully paid (Units - Nil) (March 31, 2018 - Units - 71,625.62 , NAV - 2,392.07)		
JM High Liquidity Fund	-	1,000.19
Plan - Direct Growth - Face value ₹1,000/- per unit fully paid (Units - Nil) (March 31, 2018 - Units - 2,102,450.37 , NAV - 47.57)		
Aditya Birla Sun Life Cash Plus	-	0.60
Plan - Growth Direct Plan - Face value ₹1,000/- per unit fully paid (Units - Nil) (March 31, 2018 - Units - 217.26 , NAV - 279.31)		
	-	4,613.00
Aggregate value of unquoted investments	-	-
Aggregate book value of quoted investments	-	4,613.00
Aggregate market value of quoted investments	-	4,613.00
(ii) Trade receivables #		
Unsecured, considered good :-		
Trade receivables from related parties (refer note 34(b))	743.90	415.27
Trade Receivables from related parties which have significant increase in credit Risk	-	-
Trade receivables from related parties - credit impaired (refer note 34(b))	-	89.46
Less - Impairment Allowance (allowance for bad and doubtful debts)		
Trade receivables from related parties - credit impaired (refer note 34(b))	-	(89.46)
	743.90	415.27

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)

Notes to the Financial Statements

for the year ended 31st March, 2019

	As at March 31, 2019	As at March 31, 2018
(iii) Cash and cash equivalents		
Balances with banks:		
On current accounts	88.97	56.89
Cheques on hand	219.00	-
Cash on hand	0.49	0.09
	308.46	56.98
(iv) Bank Balances other than (iii) above		
Deposits with remaining maturity of less than 12 months*	11,151.32	-
	11,151.32	-
* Out of above ₹ 231.32 lakhs deposit is pledged against issuance of bank guarantee		
(v) Loans (Unsecured)		
Loans to related parties - considered good (refer note 34(b)) *	10,289.77	5,807.77
Loans to related parties which have significant increase in credit Risk	-	-
Loans to related parties- credit impaired (refer note 34(b)) *	1,062.00	733.00
Interest accrued on loans (refer note 34(b))	942.61	299.19
Interest accrued on loans - which have significant increase in credit Risk	-	-
Interest accrued on loans - credit impaired (refer note 34(b))	-	36.96
Interest accrued on fixed deposits	272.75	-
Security deposits	302.73	-
Provision for doubtful loan and interest accrued on loans (refer note 34(b))	(1,062.00)	(769.96)
	11,807.86	6,106.96
* Loan given to related parties is repayable at interest rate 9.25% -11.00%. It is repayable on demand		
(vi) Other financial assets		
Other receivables #	106.10	59.82
	106.10	59.82

Other receivables includes ₹ 118.78 lakhs (March 31, 2018 : ₹ 59.82 lakhs) from related parties. Refer note 34 (b)

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

	As at March 31, 2019	As at March 31, 2018
Other advances :-		
Unsecured, considered good	9.67	3.24
Prepaid expenses	26.14	41.98
Balance with statutory authorities	2.05	20.58
	37.86	65.80

Notes to the Financial Statements

for the year ended 31st March, 2019

11. Share capital and other equity

(i) Equity share capital

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
a) Authorized share capital		
150,000,000 (March 31, 2018 - 150,000,000) equity shares of ₹10/- each	15,000.00	15,000.00
	15,000.00	15,000.00
Issued, subscribed and fully paid-up		
1,466,007,820 (March 31, 2018 - 72,648,105) equity shares of ₹10/- each fully paid up	14,660.08	7,264.81
Total issued, subscribed and fully paid-up share capital	14,660.08	7,264.81

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

Equity shares	March 31, 2019		March 31, 2018	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
At the beginning of the year	72,648,105	7,264.81	68,977,878	6,897.79
Add: Shares issued at incorporation of the Company	-	-	-	-
Add: Issued during the period under scheme of demerger	-	-	-	-
Add: Shares issued for stock options exercised (Refer note no 30.3)	198,890	19.89	221,333	22.13
Add: Shares issued during the year (Refer note no. 36)	73,753,787	7,375.38	3,448,894	344.89
Less: Cancelled pertaining to scheme of demerger	-	-	-	-
Outstanding at the end of the period	146,600,782	14,660.08	72,648,105	7,264.81

c) Terms and rights attached to equity shares

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

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

Name of the Shareholder	March 31, 2019		March 31, 2018	
	No. of shares	% held	No. of shares	% held
Equity shares of ₹ 10 each fully paid-up				
Max Ventures Investment Holdings Private Limited.	49,337,874	33.65%	13,105,500	18.04%
New York Life International Holdings Limited	31,282,950	21.34%	15,523,870	21.37%
Siva Enterprises Private Limited	16,728,653	11.41%	5,810,598	8.00%
Liquid Investment and Trading Company Private Limited*	-	0.00%	4,763,774	6.56%

*merged into Max Ventures Investment Holdings Private Limited w.e.f September 28, 2018

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 198,890 equity shares during the year ended March 31, 2019 and 221,333 Equity shares during the year ended March 31, 2018 on exercise of options granted under the Employee Stock Option Plan 2016 of Max Ventures and Industries Limited, for details refer note 30.3.

Notes to the Financial Statements

for the year ended 31st March, 2019

f) Increase in Authorised Share Capital

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

(ii) Other equity

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Capital reserve (refer note a below)	13,042.52	13,042.52
Securities premium (refer note b below)	50,029.73	12,875.83
Employee stock options outstanding (refer note c below)	36.92	20.91
Retained earnings (refer note d below)	6,892.75	6,000.78
	70,001.92	31,940.04
Notes:		
a) Capital reserve		
Balance as at beginning of the year/period	13,042.52	13,042.52
	13,042.52	13,042.52
b) Securities premium		
At the beginning of the year	12,875.83	10,497.98
Add: premium on Preferential issue of equity shares	-	2,345.24
Add: premium on Rights issue of equity shares (refer note 36)	37,614.43	-
Add: premium on issue of employee stock options	23.27	26.60
Add: transferred from employee stock options outstanding	20.91	6.01
Less: share issue expenses	(504.71)	-
	50,029.73	12,875.83
c) Employee stock options outstanding		
At the beginning of the year	20.91	24.28
Add: expenses recognized during the year	36.92	2.64
Less: transferred to securities premium on exercise of stock options	20.91	6.01
	36.92	20.91
d) Retained earnings		
At the beginning of the year	6,000.78	2.05
Profit/(Loss) for the year/period	891.08	6,000.71
Items of other comprehensive income recognized directly in retained earnings		
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	0.89	(1.98)
	6,892.75	6,000.78

Nature and purpose of reserves

a) Capital reserve

The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve.

b) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

c) Employee stock options outstanding

The employee stock options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

Notes to the Financial Statements

for the year ended 31st March, 2019

12. Financial liabilities

(i) Borrowings

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Non-current borrowings :-		
- From Banks		
Vehicle loans (secured)	15.07	8.71
Total non-current borrowings	15.07	8.71
Less: Amount disclosed under "other current financial liabilities" [refer note 16(iii)]	7.38	6.08
Total non-current borrowings	7.69	2.63
Aggregate Secured loans	15.07	8.71
Aggregate Unsecured loans	-	-
Vehicle loan :-		
Vehicle loans amounting to ₹ 15.07 lakhs (March 31, 2018 - ₹ 8.71 lakhs) are secured by way of hypothecation of vehicle. The loans are repayable in 3 years. Interest rate 8.75%-9.40%		
(ii) Other non current financial liabilities		
Security deposits	11.96	6.12
	11.96	6.12

13. Long term provision

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Provision for gratuity (refer note 30.1)	22.58	16.55
	22.58	16.55

14. Other non-current liabilities

	As at March 31, 2019	As at March 31, 2018
Deferred guarantee income	30.16	19.98
	30.16	19.98

15. Deferred tax liabilities

	As at March 31, 2019	As at March 31, 2018
(i) Deferred tax liability		
Differences in depreciation in block of fixed assets as per tax books and financial books	0.77	2.85
Difference in book base and tax base in investments	-	62.03
Gross deferred tax liability	0.77	64.88
(ii) Deferred tax assets		
Effect of expenditure debited to the statement of Profit and Loss in the current year/earlier years but allowed for tax purposes in following years	75.16	64.11
Others	-	30.04
Gross deferred tax assets	75.16	94.15
Deferred Tax liability/(Assets)	(74.39)	(29.27)

Notes to the Financial Statements

for the year ended 31st March, 2019

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Mat Credit entitlement	(127.82)	(107.08)
Deferred Tax liability/(Assets) (Net)	(202.21)	(136.35)
Current financial liabilities		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises #	594.73	507.62
	594.73	507.62

Trade payables include due to related parties ₹ 213.17 lakhs (March 31, 2018 - ₹ 127.30 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.

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

	As at March 31, 2019	As at March 31, 2018
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The interest due on unpaid principal amount remaining as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	Nil	Nil

(iii) Other current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Current maturity of long term borrowings (refer note 12)	7.38	6.08
Capital creditors*	164.27	14.32
	171.64	20.40

*Capital creditors include due to related parties ₹ Nil (March 31, 2018 - ₹ 13.19). Refer note 34(b)

Notes to the Financial Statements

for the year ended 31st March, 2019

17. Short term provision

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Provision for leave encashment	56.42	36.34
- Provision for gratuity (refer note 30.1)	0.27	0.17
Provision for taxation	14.57	-
	71.26	36.51

18. Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Deferred guarantee income	15.28	54.40
Statutory dues	35.49	36.64
	50.77	91.04

19. Revenue from operations

	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Income from rendering services		
(i) Income from shared services (Refer note 34(a))	1,232.30	1,176.12
(b) Income from investment activities		
(i) Interest on loans to subsidiary companies (Refer note 34(a))	803.99	357.65
(ii) Unwinding of interest on zero coupon non-convertible debentures (Refer note 34(a))	527.36	505.88
(iii) Gain on mutual fund investments	332.21	728.52
(iv) Fair value gain on financial instruments at fair value through profit or loss	(213.03)	118.94
Total	2,682.83	2,887.11

20. Other income

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on		
- on fixed deposits	646.80	0.03
- on security deposit	40.68	3.81
- others	-	0.25
Gain on stake sale of subsidiary (refer note 37)	-	7,500.32
Guarantee Fee	22.66	21.06
Interest on income tax	3.12	-
	713.26	7,525.47

21. Employee benefits expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	644.63	605.75
Contribution to provident and other funds	26.32	26.24
Employee stock option scheme	36.91	-
Gratuity expense (refer note 30.1)	10.18	10.12
Staff welfare expenses	24.38	21.04
	742.42	663.15

Notes to the Financial Statements

for the year ended 31st March, 2019

22. Finance costs

(₹ in Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on borrowings	2.26	1.00
Bank charges	1.11	0.03
	3.37	1.03

23. Depreciation and amortization expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of tangible assets (refer note 3)	16.56	11.52
Amortization of intangible assets (refer note 4)	2.26	1.46
	18.82	12.98

24. Other expenses

	For the year ended March 31, 2019	For the year ended March 31, 2018
Rent	217.39	170.69
Insurance	15.38	3.35
Rates and taxes	43.16	33.78
Shared Service charges	155.00	167.52
Repairs and maintenance:		
Building	90.30	73.47
Printing and stationery	27.55	22.36
Travelling and conveyance	55.57	43.79
Communication costs	10.35	11.65
Legal and professional fees	339.15	479.45
Allowances for doubtful debts	-	89.46
Provision for doubtful loan and interest receivable	329.00	769.96
Balances written off		
Less: Provision for doubtful debts adjusted	92.88	-
Directors' sitting fees	69.00	107.00
Advertisement and sales promotion	1.87	2.71
Charity and donation	0.21	0.05
CSR expenses	5.07	-
Net loss on sale/disposal of property, plant and equipment	2.67	0.32
Establishment expenses	17.03	25.24
Electricity	37.17	29.42
Miscellaneous expenses	27.26	25.23
	1,536.01	2,055.45
Payment to auditor (included in legal and professional fee)		
As auditor:		
Audit fee	27.04	12.50
Other services (certification fees)*	2.97	2.50
Reimbursement of expenses	0.71	0.44
	30.71	15.44

* Fees of ₹ 76.37 lakhs towards right issue have been adjusted against securities premium under other equity (refer note 11)

Details of CSR expenditure

Details of CSR expenditure			
a)	Gross amount required to be spent by the Company during the year	4.07	0
	In cash / bank	Yet to be paid in cash / bank	Total
(b)	Amount spent during the year ending on 31st March, 2019:		
i)	Construction/acquisition of any asset	-	-
ii)	On purposes other than (i) above	4.07	4.07
(b)	Amount spent during the year ending on 31st March, 2018:		
i)	Construction/acquisition of any asset	-	-
ii)	On purposes other than (i) above	-	-

Notes to the Financial Statements

for the year ended 31st March, 2019

25 Income Tax

The major components of income tax expense for the year ended March 31, 2019 and March 31, 2018 are :

Statement of profit and loss :

Profit and loss section

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax :		
Current tax	291.88	1,834.35
Adjustment of tax related to earlier years	(62.28)	0.77
Deferred tax :		
Relating to origination and reversal of temporary differences	(25.21)	(155.86)
Income tax expense reported in the statement of profit and loss	204.39	1,679.26

OCI section :

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net loss/(gain) on remeasurements of defined benefit plans	(0.37)	0.82
Income tax charged to OCI	(0.37)	0.82

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit before tax	1,095.47	7,679.97
Accounting profit before income tax	1,095.47	7,679.97
At India's statutory income tax rate of 29.12 % (March 31, 2018: 28.84 %)	319.00	2,214.90
Non-taxable income for tax purposes:		
Impact of indexation on capital gain	-	(242.28)
Unwinding of interest on zero coupon non-convertible debentures	(153.57)	(145.90)
Guarantee Fees	(6.60)	(6.07)
Adjustment of earlier year taxes	(62.28)	(0.77)
Non-deductible expenses for tax purposes:		
Disallowances on account of provision on loans given	95.80	211.40
Other non-deductible expenses	12.03	18.68
Other non-deductible expenses		
Income Taxable at Lower rate	-	(370.70)
At the effective income tax rate	204.39	1,679.26
Income tax expense reported in the statement of profit and loss	204.39	1,679.26
Total tax expense	204.39	1,679.26

Notes to the Financial Statements

for the year ended 31st March, 2019

Deferred tax relates to the following:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities		
Accelerated depreciation for tax purposes	0.77	2.85
Difference in book base and tax base in investments	-	62.03
Gross deferred tax liabilities (a)	0.77	64.89
Deferred tax assets		
Effect of expenditure debited to the statement of Profit and Loss in the current year/earlier years but allowed for tax purposes in following years	75.16	64.11
Others	-	30.04
Gross deferred tax assets (b)	75.16	94.15
Mat Credit (c)	127.82	107.08
Deferred tax assets (net) (a - b - c)	(202.21)	(136.35)

Reconciliation of deferred tax liabilities (net):

Particulars	March 31, 2019	March 31, 2018
Opening balance as of 1st April	(29.27)	19.52
Tax expense/(income) during the period recognised in the statement of profit or loss		(47.97)
Net deferred tax expense	(25.21)	
Mat credit utilised	(19.54)	(44.75)
Tax expense/(income) during the period recognised in OCI	(0.37)	(0.82)
Closing balance	(74.39)	(29.27)
MAT Credit recognised in statement of profit or loss	(127.82)	(107.08)
Closing balance as at 31st March	(202.21)	(136.35)

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 Components of Other comprehensive income (OCI) (Retained earnings)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Re-measurement losses on defined benefit plans (refer note 30.1)	1.26	(2.80)
Income tax effect	(0.37)	0.82
	0.89	(1.98)

27 Earnings Per Share (EPS)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic EPS		
Profit after tax (₹ in Lakhs)	891.08	6,000.71
Net profit/(loss) for calculation of basic EPS	891.08	6,000.71
Weighted average number of equity shares outstanding during the year (Nos.)	118,737,904	72,054,035
Basic earnings per share (₹)	0.75	8.33
Dilutive EPS		
Profit after tax (₹ in Lakhs)	891.08	6,000.71
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos.)	118,949,139	72,870,456
Anti Diluted/Diluted earnings per share (₹)	0.75	8.23
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos.)		
Weighted average number of equity shares outstanding during the period/year (Nos.)	118,737,904	72,054,035
Add: ESOP/Warrants	211,235	816,421
	118,949,139	72,870,456

Notes to the Financial Statements

for the year ended 31st March, 2019

28 Commitments and Contingencies

(₹ in Lakhs)

a		As at March 31, 2019	As at March 31, 2018
(i)	Guarantees to Banks against credit facilities extended to group companies	1,500.00	26,600.00
(ii)	Bank guarantee	232.32	-

Guarantee of 100% of bank loan of Wise Zone Builders Private Limited, step down subsidiary to the maximum amount of Nil lakhs (March 31, 2018 - 25,000 lakhs) from IDFC Bank Limited and ₹ 15,000 lakhs (March 31, 2018 - ₹ 15,000 lakhs) from Axis Bank Limited. Carrying amount of the related corporate guarantee is Nil (March 31, 2018 - ₹ 25,000 lakhs) from IDFC Bank Limited and ₹ 11,850 lakhs (March 31, 2018 - ₹ 1,600 Lakhs) 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 ₹ 217.39 Lakhs (March 31, 2018 - ₹ 170.69 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 :

	As at March 31, 2019	As at March 31, 2018
- Within one year	29.81	178.85
- After one year but not more than 5 years*	-	780.22
- More than 5 years*	-	494.48

* The Company has issued termination notice for the operating lease and the premises will be vacated w.e.f May 31, 2019

c Estimated amount of contracts remaining to be executed on capital account and not provided for:

At 31 March 2019, the Company has commitments of INR 137.35 lakhs (31 March 2018: Nil) relating to the completion of fitouts for corporate office of the company at Max Towers, Noida

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, 2019	Portion of ownership interest as at March 31, 2018	Method used to account for the investment
Max Speciality Films Limited	India	51%	51%	At transition date at deemed cost and subsequently at cost
Max Estates Limited	India	100%	100%	At transition date at deemed cost and subsequently at cost
Max Asset Services Limited (formerly known as Max Learning Limited)	India	100%	100%	At transition date at deemed cost and subsequently at cost
Max I. Limited	India	100%	100%	At transition date at deemed cost and subsequently at cost

Notes to the Financial Statements

for the year ended 31st March, 2019

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, 2019	March 31, 2018
a) Changes in present value of defined benefit obligation are as follows		
Defined benefit obligation at the beginning of the year	16.71	11.86
Interest cost	1.30	0.87
Current service cost	8.88	9.25
Benefit paid	(4.26)	(8.06)
Acquisition adjustment	1.47	-
Remeasurement of Gain/(loss) in other comprehensive income	(1.26)	2.80
Defined benefit obligation at year end	22.85	16.72
b) Net defined benefit asset/ (liability) recognized in the balance sheet		
Present value of defined benefit obligation	22.85	16.72
Amount recognized in balance sheet- asset / (liability)	(22.85)	(16.72)
c) Net defined benefit expense (recognized in the statement of profit and loss for the year)		
Current service cost	8.88	9.25
Interest cost on benefit obligation	1.30	0.87
Net defined benefit expense debited to statement of profit and loss	10.18	10.12
d) Other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	-	-
Actuarial changes arising from changes in financial assumptions	0.53	(1.28)
Actuarial changes arising from changes in experience adjustments	(1.79)	4.08
	(1.26)	2.80
e) Principal assumptions used in determining defined benefit obligation		
Assumption particulars		
Discount rate	7.66%	7.80%
Future Salary Increases	10.00%	10.00%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%

Notes to the Financial Statements

for the year ended 31st March, 2019

(₹ in Lakhs)

	Year ended March 31, 2019	Year ended March 31, 2018
f) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / (decrease) on present value of defined benefits obligations at the end of the year		
<u>Discount rate</u>		
Increase by 0.50%	(1.89)	(1.43)
Decrease by 0.50%	2.10	1.60
<u>Salary growth rate</u>		
Increase by 0.50%	0.69	0.90
Decrease by 0.50%	(0.72)	(1.05)

	Year ended March 31, 2019	Year ended March 31, 2018
g) The following payments are expected contributions to the defined benefit plan in future years		
Within the next 12 months (next annual reporting period)	0.27	0.17
Between 2 and 5 years	1.06	6.89
Beyond 5 Years	21.52	15.78

- h) The average duration of the defined benefit plan obligation at the end of the reporting period is 22 Years (March 31, 2018 : 22 years)
- i) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
- j) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
- k) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Risk Exposure

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

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

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

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

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

Notes to the Financial Statements

for the year ended 31st March, 2019

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, 2019	March 31, 2018
Liability at the beginning of the year	36.34	27.23
Benefit paid during the year	-	10.59
Acquisition adjustment during the year	-	-
Provided during the year	20.08	19.70
Liability at the end of the year	56.42	36.34

30.3 Employee Stock Option Plan

Employee Stock Option Plan - 2006 ("the 2006 Plan"):

- Pursuant to the Scheme of Demerger, with respect to the employee's stock options granted by the De-Merged company i.e. Max Financial Services Limited (MFS) to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company) shall be allotted one stock option by the Company under the new ESOP scheme for every five stock option held in MFS. Accordingly, ESOP outstanding as on the effective date in MFS shall be allocated between the demerged company and resulting companies. Accordingly, 500,712 stock options were granted to the employees of MFS 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, 2019		March 31, 2018	
	Number of options	Weighted Average exercise price (₹)	Number of options	Weighted Average exercise price (₹)
Outstanding at the start of the year	222,171	10.00	443,504	10.00
Option grant during the year	193,570	10.00	-	10.00
Forfeited during the year	-	10.00	-	10.00
Exercised during the year	198,890	10.00	221,333	10.00
Outstanding at the end	216,851	10.00	222,171	10.00
Exercisable at the end	1,130	10.00	1,130	10.00

For options exercised during the year, the weighted average share price at the exercise date was ₹21.70 per share (March 31, 2018: ₹ 10.00) per share.

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2019 are as follows:

Date of grant	March 31, 2019		March 31, 2018	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
21-Jan-16	23,280	0.75	222,171	1.74
01-04-2018 (Grant Type I)	110,205	3.50		
01-04-2018 (Grant Type II)	83,365	4.00		

- The Company has constituted an Employee Stock Option Plan - 2016 which have been approved by the Board in the meeting held on 9th August 2016 and by shareholders of the Company in its annual general meeting held on September 27, 2016 based on similar terms and conditions to the relevant ESOP plan of MFS. During the year ended March 31, 2019, 198,891 (March 31, 2018 - 221,333) 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 (₹ 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.

Notes to the Financial Statements

for the year ended 31st March, 2019

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 ₹ 23.12 lakhs doesn't have any material impact on conversion of plan.

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening Balance	23.12	-
Expensed during the period/year	-	23.12
Closing Balance	23.12	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, 2019 as per the actuarial valuation of active members are as follows:

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Plan assets at year end at fair value	176.00	93.63
Present value of defined benefit obligation at period/year end	172.31	92.33
Surplus as per actuarial certificate	3.69	1.30
Shortfall recognized in balance sheet	-	-
Active members as at period/year end (Nos)	9	10

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

	March 31, 2019	March 31, 2018
Discount rate	6.76%	7.18%
Yield on existing funds	8.65%	8.94%
Expected guaranteed interest rate	8.65%	8.55%

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

	March 31, 2019	March 31, 2018
Employer's Contribution towards Provident Fund (PF)	22.97	22.99
	22.97	22.99

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for the year ended 31st March, 2019

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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
1) Financial asset at amortized cost				
Non-Current				
Investments (refer note 5 (B))	5,411.23	4,890.17	5,411.23	4,890.17
Loans (refer note 6 (i))	0.07	37.15	0.07	37.15
Current				
Loans (refer note 9 (iii))	11,807.86	6,106.96	11,807.86	6,106.96
Other financial assets (refer note 9 (v))	106.10	59.82	106.10	59.82
2) Financial liabilities at amortized cost				
Non-Current				
Borrowings (refer note 12)	7.69	2.63	7.69	2.63
Current				
Other financial liabilities (refer note 16 (iii))	171.64	20.40	171.64	20.40
3) Financial asset carried at fair value through statement of profit & loss				
Current investments (refer note 9 (i))	-	4,613.00	-	4,613.00

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. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.

Notes to the Financial Statements

for the year ended 31st March, 2019

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, 2019 (₹ in Lakhs)

Particulars	Carrying value March 31, 2019	Fair Value		
		Level 1	Level 2	Level 3
Non-Current				
Investments (refer note 5 (B))	5,411.23	-	5,411.23	-
Loans (refer note 6(i))	0.07	-	0.07	-
Current				
Loans (refer note 9 (iii))	11,807.86	-	11,807.86	-
Other financial assets (refer note 9 (v))	106.10	-	106.10	-

(ii) 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
Non-Current				
Investments (refer note 5 (B))	4,890.17	-	4,890.17	-
Loans (refer note 6(i))	37.15	-	37.15	-
Current				
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	-	-

(iii) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2019 (₹ in Lakhs)

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

(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 (refer note 12)	2.63	-	2.63	-
Security deposits (refer note 12)	6.12	-	6.12	-
Current				
Other financial liabilities (refer note 16 (iii))	20.40	-	20.40	-

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for the year ended 31st March, 2019

33 Financial risk management objectives and policies

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

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

a) Liquidity risk

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

The table below represents the maturity profile of Company's financial liabilities at the end of March 31, 2018 and March 31, 2019 based on contractual undiscounted payments :-

(₹ in Lakhs)

March 31, 2018	0-1 Years	1-5 Years	More than 5 Years	Total
Interest bearing borrowings	6.08	2.63	-	8.71
Trade payable	507.62	-	-	507.62
Other financial liabilities	20.44	-	-	20.44
Security deposits	-	6.12	-	6.12
March 31, 2019				
Interest bearing borrowings	7.38	7.69	-	15.07
Trade payable	594.73	-	-	594.73
Other financial liabilities	164.26	-	-	164.26
Security deposits	-	11.96	-	11.96

Reconciliation of Interest bearing borrowings

(₹ in Lakhs)

	Schedule no	As at March 31, 2019	As at March 31, 2018
(i) Non-Current borrowings	12	7.69	2.63
The non - current investment, loans taken, other financial assets and other financial liabilities are estimated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities. The valuation requires management to use observable inputs in the model, of which the significant observable inputs is the market rate of interest of 11%. Management regularly assesses a range of reasonably possible alternatives for those significant observable inputs and determines their impact on the total fair value.	16(iii)	7.38	6.08
		15.07	8.71

Notes to the Financial Statements

for the year ended 31st March, 2019

Reconciliation of other financial liability

(₹ in Lakhs)

	Schedule no	As at March 31, 2019	As at March 31, 2018
Other financial liabilities	16(iii)	171.64	20.40
Less: Current maturities of long term borrowings	16(iii)	(7.38)	(6.08)
		164.27	14.32

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, 2019 and March 31, 2018 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, 2019 and 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, 2019 & 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, 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.

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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.

The Company don't have any material foreign currency risk as at March 31, 2019

Unhedged foreign currency exposures recognized by the Company are as under:

(₹ in Lakhs)

Currency	Foreign currency			Currency	Increase/ decrease in rate		Impact on profit before tax (Decrease in rate)		Impact on profit before tax (Increase in rate)	
	March 31, 2019	March 31, 2018	March 31, 2018 Indian rupees	March 31, 2018	March 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Trade payables	-	1.02	66.58	USD	1%	-	0.67	-	-	(0.67)
Trade payables	-	0.10	8.81	GBP	1%	-	0.09	-	-	(0.09)

34 Related party disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not

Subsidiary companies	Max Speciality Films Limited
	Max Estates Limited
	Max I. Limited
	Max Asset Services Limited (formerly known as Max Learning Limited)
Step down subsidiary	Wise Zone Builders Private Limited (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)
	Mr. Gopalakrishnan Ramachandran (Company Secretary) upto February 25, 2019
	Mr. Alok Goel (Company Secretary) upto October 3, 2017)
	Mr. Mohit Talwar
	Mr. K. Narasimha Murthy
	Mr. Dinesh Kumar Mittal
	Ms. Sujata Keshavan Guha (upto July 24, 2018)
	Mr. Ashok Brijmohan Kacker
	Ms. Sujatha Ratnam (upto June 28, 2017)
	Ms. Gauri Padmanabhan (w.e.f. November 26, 2018)
	Mr. Veer Singh (Son of Mr. Analjit Singh - Director)
	Max Ventures Private Limited
	Piveta Estates Private Limited
Relatives of Key Management personnel	Siva Realty Ventures Private Limited
	New Delhi House Services Limited
Entities controlled or jointly controlled by person or entities where person has significantly influence	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
	Antara Purukul Senior Living Limited
	Riga Foods LLP
	Max Financial Services Limited
	Max UK Limited
	Max Financial Services Limited Employees' Provident Fund Trust
Employee benefit Trust	

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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, 2019	For the year ended March 31, 2018
1	Reimbursement of expenses (Received from)	Max Speciality Films Limited	1.87	7.07
		Max Estates Limited	8.38	8.77
		Max Asset Services Limited	8.20	10.70
		Max I. Limited	53.65	8.56
		Piveta Estates Private Limited	-	11.26
		Four Season Foundation	-	0.03
		Max Ventures Private Limited	0.19	3.34
		Max Financial Services Limited	-	2.50
		Wise Zone Builders Private Limited	0.25	1.15
		Max India Limited	-	0.14
		Siva Realty Ventures Private Limited	-	0.08
		Total	72.54	53.60
2	Reimbursement of expenses (Paid to)	Max Financial Services Limited	161.97	159.68
		Max India Limited	-	0.14
		New Delhi House Services Limited	41.75	29.21
		Max Healthcare Institute Limited	-	0.08
		Antara Purukul Senior Living Limited	0.45	-
		Max Life Insurance Company Limited	1.88	2.33
		Riga Foods LLP	3.44	0.76
		Vana Enterprises Limited	-	0.27
		Total	209.49	192.47
3	Shared Services rendered (to)	Max Speciality Films Limited	493.34	716.77
		Max Estates Limited	292.85	317.62
		Wise Zone Builders Private Limited	292.84	-
		Max Asset Services Limited	-	65.89
		Max I. Limited	16.74	7.51
		Max Ventures Private Limited	50.47	55.51
		Piveta Estates Private Limited	3.74	7.27
		Four Season Foundation	1.10	2.19
		Max Financial Services Limited	9.41	1.59
		Max India Floudation	25.55	-
		Max India Limited	46.24	1.77
		Total	1,232.28	1,176.12
4	Shared services charges (paid to)	Max Estates Limited	-	24.33
		Total	-	24.33
5	Unwinding of interest on zero coupon non-convertible debentures	Max I. Limited	527.36	505.88
		Total	527.36	505.88
6	Interest received (from)	Max Estates Limited	676.94	308.24
		Max Asset Services Limited	89.11	40.54
		Max I. Limited	37.93	514.75
		Total	803.98	863.53
7	Travelling and conveyance	Max Ventures Private Limited	0.53	1.22
		Piveta Estates Private Limited	-	1.88
		Siva Realty Ventures Private Limited	-	3.86
		Total	0.53	6.96
8	Legal and professional	Max UK Limited	6.08	5.86
		Total	6.08	5.86
9	Purchase of Tangible Assets	Max Estates Limited	6.58	-
		Max Asset Services Limited	13.00	-
		Piveta Estates Private Limited	-	5.54
		Siva Realty Ventures Private Limited	-	24.34
		Total	19.58	29.88

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(₹ in Lakhs)

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S. No	Nature of transaction	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
10	Contribution to Provident Fund Trust	Max Financial services Limited Employees' Provident Fund Trust	47.82	45.98
		Total	47.82	45.98
11	Key managerial remuneration - Short term employment benefits	Sahil Vachani Alok Goel Nitin Kumar Kansal Gopalkrishnan Ramachandran	239.76 - 86.35 55.37	214.98 46.21 68.30 10.92
		Total	381.48	340.41
12	Key managerial remuneration - Post employment benefits*	Sahil Vachani Alok Goel Nitin Kumar Kansal Gopalkrishnan Ramachandran	6.68 - 4.65 1.92	6.07 2.10 4.21 0.48
		Total	13.25	12.86
13	Sitting Fees to Directors	Analjit Singh Mohit Talwar K.N Murthy D.K Mittal Sujata Keshavan Ashok Kacker Sujatha Ratnam	3.00 16.00 16.00 18.00 1.00 15.00 -	3.00 31.00 20.00 22.00 4.00 26.00 1.00
		Total	69.00	107.00
14	Loan given	Max Estates Limited Max Asset Services Limited Max I. Limited	5,996.00 329.00 201.00	4,593.72 688.00 421.00
		Total	6,526.00	5,598.72
15	Repayment of loan given	Max Estates Limited Max I. Limited	1,685.00 30.00	- 104.00
		Total	1,715.00	104.00
16	Loan repaid	Analjit Singh	-	5,600.00
		Total	-	5,600.00
17	Investment made (net of redemption)	Max Estates Limited Max I. Limited - Deemed Equity Max I. Limited Wise Zone Builders Private Limited-Guarantee	32,187.00 - 527.36 (6.30)	9,000.00 2,701.46 1,504.23 95.45
		Total	32,708.06	13,301.14
18	Convertible Warrants Issued	Siva Enterprises Private Limited	-	2,017.60
		Total	-	2,017.60
19	Guarantee Fees	Wise Zone Builders Private Limited-Guarantee	22.66	21.06
		Total	22.66	21.06
20	Provision of doubtful debts	Max Asset Services Limited	-	89.46
		Total	-	89.46
21	Balances written off	Max Asset Services Limited	92.88	-
		Total	92.88	-
22	Provision of doubtful advances	Max Asset Services Limited	329.00	769.96
		Total	329.00	769.96
23	Purchase of stake in subsidiary	Pharmax Corporation Limited	-	352.79
		Total	-	352.79

* 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.

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34 (b) Balances outstanding at year end

(₹ in Lakhs)

S.No	Nature of transaction	Particulars	As at March 31, 2019	As at March 31, 2018
1	Statutory dues payable	Max Financial services Limited Employees' Provident Fund Trust	3.48	3.76
		Total	3.48	3.76
2	Interest Accrued on ICD's	Max Estates Limited	902.43	293.18
		Max Asset Services Limited	-	36.96
		Max I. Limited	40.18	6.01
		Total	942.61	336.15
	Provision made against above	Max Asset Services Limited	-	36.96
		Total	-	36.96
3	Trade Receivables	Max Speciality Films Limited	432.68	278.87
		Max Estates Limited	60.03	63.76
		Max Asset Services Limited	-	89.46
		Max I. Limited	22.13	4.04
		Max Ventures Private Limited	181.10	62.45
		Piveta Estates Private Limited	0.29	1.73
		Four Season Foundation	0.02	0.81
		Max India Limited	8.12	1.92
		Max Financial Services Limited	10.16	1.69
		Max India Foundation	7.06	-
		Wise Zone Builders Private Limited	76.27	-
		Total	797.86	504.73
4	Other Receivables	Max Speciality Films Limited	9.08	7.21
		Max Estates Limited	20.65	12.33
		Max Asset Services Limited	-	17.47
		Max I. Limited	55.31	1.71
		Max Ventures Private Limited	8.43	9.82
		Piveta Estates Private Limited	15.65	9.65
		Four Season Foundation	-	0.03
		Max India Limited	-	0.17
		Wise Zone Builders Private Limited	1.38	1.26
		New Delhi House Services Limited	-	0.09
		Siva Realty Ventures Private Limited	-	0.09
		Total	110.50	59.83
5	Inter Corporate Deposit Receivable	Max Estates Limited	9,801.77	5,490.77
		Max Asset Services Limited	1,062.00	733.00
		Max I. Limited	488.00	317.00
		Total	11,351.77	6,540.77
	Provision made against above	Max Asset Services Limited	1,062.00	733.00
		Total	1,062.00	733.00
6	Investment in Debentures	Max Estates Limited	35,187.00	9,000.00
		Max I. Limited - Deemed Equity	3,002.62	3,002.62
		Max I. Limited	5,322.08	4,794.72
		Total	43,511.70	16,797.34
7	Trade payables and Capital Creditors	Max Financial Services Limited	167.40	81.23
		Max Estates Limited	30.85	26.28
		Max Ventures Private Limited	59.42	-
		Piveta Estates Private Limited	6.82	6.82
		Siva Realty Ventures Private Limited	-	13.19
		Max UK Limited	2.54	8.81
		Riga Foods LLP	-	0.75
		Max Healthcare Institute Limited	0.02	0.02
		New Delhi House Services Limited	3.98	3.39
		Total	271.03	140.49
8	Provision of doubtful debts	Max Asset Services Limited	-	89.46
		Total	-	89.46

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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.
- The Company has given corporate guarantee for Wise Zone Builders Private Limited, step down subsidiary on loan amounting to ₹ 15,000 lakhs (March 31, 2018: ₹ 40,000 lakhs).
- 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.

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, 2018	Loan given	Repayment of loan given	Closing Balance as on March 31, 2019	Purpose
1	Max Estates Limited	5,490.77	5,996.00	1,685.00	9,801.77	Operational Cash Flow requirement
2	Max Asset Services Limited	733.00	329.00	-	1,062.00	Operational Cash Flow requirement
3	Max I. Limited	317.00	201.00	30.00	488.00	Operational Cash Flow requirement
		6,540.77	6,526.00	1,715.00	11,351.77	
	Provision made against above				(1,062.00)	
					10,289.77	

(b) Particulars of Guarantee given:

Sr. No	Name of the financial institutions / banks/NBFC	Opening Balance	Guarantee given	Guarantee discharged	Outstanding balance	Purpose
1	Axis Bank Limited	15,000.00	-	-	15,000.00	Corporate guarantee has been given for loan taken for business purpose by Wise zone builders private limited, step down subsidiary
2	IDFC Bank Limited	25,000.00	-	25,000.00	-	
		40,000.00	-	25,000.00	15,000.00	

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

Sr. No	Name of the Investee	Opening Balance as on March 31, 2018	Investment made	Investment redeemed	Closing Balance as on March 31, 2019	Purpose
Investment in Equity						
1	Max Speciality Films Limited	10,017.83	-	-	10,017.83	Strategic investment
2	Max Estates Limited	800.00	6,000.00	-	6,800.00	Strategic investment
3	Max Asset Services Limited (formerly known as Max Learning Limited)	205.00	-	-	205.00	Strategic investment
4	Max I. Limited	3,007.62	-	-	3,007.62	Strategic investment
5	Wise Zone Builders Private Limited	95.45	-	6.30	89.15	Strategic investment
Investment in Debentures						
1	Max I. Limited	4,794.72	527.36	-	5,322.08	Strategic investment
2	Max Estates Limited	9,000.00	26,187.00	-	35,187.00	Strategic investment
		27,920.62	32,714.36	6.30	60,628.68	

Notes to the Financial Statements

for the year ended 31st March, 2019

- 36** During the year ended March 31, 2019, the Company issued 7,37,53,787 equity shares of the company of face value of ₹ 10/- each ("Rights Equity Shares") at an issue price of ₹ 61 per Rights equity share (including a premium of ₹ 51 per Rights equity share) on rights basis.

Proceeds from the rights issue have been utilized upto March 31, 2019 in the following manner

(₹ in Lakhs)

	Planned	Actual
Gross Proceeds through the rights issue	44,989.81	44,989.81
Less: Issue expenses	593.30	504.71
Net proceeds of the issue after deducting the issue related expenses from the rights issue	44,396.51	44,485.10
	Planned	Actual
Net proceeds of the issue after deducting the issue related expenses from the rights issue	44,396.51	44,396.51
Utilization:		
Investment in Max Estates Limited, one of our Subsidiaries, for further investment in Wise Zone Builders Private Limited (WZBPL), step down subsidiary for pre-payment / repayment of loan availed from IDFC Bank Limited for repayment to Piveta Estates Private Limited	25,000.00	25,000.00
Investment in Max Estates Limited for further investment in WZBPL, for construction and completion of Max Towers in the Delhi One project	7,525.00	6,930.00
Investment in Max Estates Limited for purchase of interest in property and a portion of the land at Max House (Okhla Project) from Pharmax Corporation Limited	2,430.00	189.00
General corporate purpose	9,441.51	1,748.00
Total	44,396.51	33,867.00
Unutilised proceeds kept as Fixed Deposit/current account with Bank*		10,529.51

*excluding accrued interest income of ₹ 269.48 lakhs on Fixed Deposits

- 37** a) On April 03, 2017, the Company has purchased 338,350 equity shares of Max Speciality Films Limited face value of ₹10/- each from Pharmax Corporation Limited at a premium of ₹94.27 per share aggregating to a total consideration of ₹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 ₹10/- each at a premium of ₹94.27 per share to Toppan Printing Co. Ltd. (Toppan) for a consideration of ₹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 ₹10/- each at a premium of ₹ 94.27 per share to Toppan, for an aggregate consideration of ₹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 ₹7,500.32 Lakhs.

38 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital attributable to the equity shareholders of the Company, securities premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio maximum 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, 2019	As at March 31, 2018
Borrowings	7.69	2.63
Other financial liabilities	171.64	20.40
Trade payables	-	-
Less: Cash and Cash equivalents	308.46	56.98
Net Debt	(129.13)	(33.95)

Notes to the Financial Statements

for the year ended 31st March, 2019

	As at March 31, 2019	As at March 31, 2018
Equity	84,662.00	39,204.85
Total Equity	84,662.00	39,204.85
Total Capital and net debt	84,532.87	39,170.90
Gearing ratio	-0.15%	-0.09%

- 39** Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115 Revenue from Contracts with Customers as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after April 1, 2018. The Company has applied modified retrospective approach in adopting the new standard. The adoption of the standard did not have any material impact to the financial statements of the Company.

- 40** Ind AS 116 Leases was notified on March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company intends to adopt these standards, if applicable, when they become effective. As the Company does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

- 41** There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Company is evaluating and seeking legal inputs regarding various interpretative issues and its impact.
- 42** 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 ₹ 50,000/-.

As per our report of even date

For S.R.Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij

Partner

Membership Number: 095169

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)

Place : New Delhi

Date: May 22, 2019

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: May 22, 2019

Consolidated Financial Statements



INDEPENDENT AUDITOR'S REPORT

To the Members of Max Ventures and Industries Limited

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Max Ventures and Industries Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2019, their consolidated loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's

Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Assessment of net realizable value of Inventories (under development for sale and completed)</p> <p>The inventories of two of holding company's subsidiaries, comprise, property for sale at Noida, which is in the course of development and a completed residential property at Dehradun. Inventories are stated at the lower of their cost and net realizable value ("NRV"). NRV represents the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated selling expenses.</p> <p>The determination of NRV of inventories in the course of development is dependent on the subsidiary's forecasted selling price for the property and estimated costs to complete the development of the property. The costs to complete development of the property is in turn derived from the subsidiary's estimate of the total development costs of the property less the actual expenditure incurred.</p> <p>The determination of NRV of the completed property is dependent on the subsidiary's forecasted selling price for the property, which is based on recent sale transactions and inquiries.</p> <p>Future trends in selling prices may depart from known trends based on past experience given the economic uncertainty and conditions. Total development costs may also vary with market conditions and unforeseen circumstances may arise during construction leading to cost overruns. The assessment of net realizable value of inventories was identified as a key audit matter, since there is an inherent risk of foreseeable losses if the forecasted selling prices fall below the estimated total construction costs, which could have a significant impact on the subsidiary's and in turn on the group's results.</p>	<p>The subsidiaries' auditor's, audit procedures related to this key audit matter included the following:</p> <ul style="list-style-type: none"> Assessment of the design, implementation and operating effectiveness of management's internal controls over the management's process in setting budgets, authorizing and recording costs, estimating the future costs to completion and the forecast selling prices, for the inventories. Evaluation of the objectivity and independence of component's real estate specialists involved in the valuation process. Evaluation of the external real estate specialists' valuation methodology, with the help of our specialists and assessed key estimates, data inputs and assumptions adopted in the valuations, which included comparing expected future average selling prices with available market data such as recently transacted prices for similar properties located in the nearby vicinity of each property development project. Evaluation on a sample basis, the estimated costs to complete against contracts and agreements, taking into consideration the costs incurred to-date, construction progress and any significant deviation in design plans or cost overruns. Assessment of the appropriateness of the subsidiaries' forecast selling prices by comparing it to the recent transacted sales prices for the same project. Review of the adequacy of the disclosures included in the notes to the Ind AS financial statements of the subsidiary.
<p>Investment in FSN E-Commerce Ventures Private Limited - determination of fair value</p> <p>Company had invested in unlisted equity shares of FSN E-Commerce Ventures Private Limited with carrying value of ₹2916.14 lakhs. The same are accounted for at fair value through profit and loss in accordance with Ind AS 109.</p> <p>Financial instruments that are classified as level 2 or level 3 in the fair value hierarchy will have some element of estimation uncertainty inherent in their value, and the uncertainty is higher for level 3 financial instruments which, by their nature, are unobservable.</p> <p>As the determination of the fair value of certain financial instruments is a key source of estimation uncertainty, is subject to significant management judgement, this matter was considered to be a key audit matter in our audit of the consolidated financial statements.</p>	<p>The subsidiaries' auditor's, audit procedures related to this key audit matter included the following:</p> <ul style="list-style-type: none"> Identified relevant controls over valuation of financial asset and evaluated the design and implementation, and operating effectiveness, of these controls. We focused on controls over model governance, independent price verification and the profit and loss attribution processes. Assessed the valuation by reference to the independent 3rd party transaction and discounted the same for information on rights available to the investor. Assessed the models used by management and rates applied at year-end, and used valuation tools to re-perform the valuation of the financial asset with assistance from our specialists. Evaluated sensitivities to key factors including: <ul style="list-style-type: none"> - assessing the appropriateness of the pricing multiples available from comparable listed companies, adjusted for comparability differences, size and liquidity; and - assessing the reasonability of the cashflows and discount rates used by comparing them to similar instruments. Reviewed the disclosures made relating to the valuation of financial instruments for consistency with the requirements of the relevant accounting standards and with the methodologies applied by management.

Key audit matters	How our audit addressed the key audit matter
Income Taxes - Deferred taxes (as described in note 16 of the Consolidated Financial Statements)	
One of the group's subsidiary has recognized deferred tax asset amounting to ₹700 lakhs, available for utilization in future periods as disclosed in Note 16 to the consolidated financial statements. The availability of this deferred tax asset in the future is contingent on the subsidiary deriving sufficient future taxable profits/income, the estimation of which involves inherent uncertainty and requires significant management judgement. We deemed this subject to be a key audit matter because the assessment process of recognition and recoverability of the deferred tax asset is complex and judgmental and is based on assumptions that are affected by expected future market or economic conditions	<p>With the assistance of a tax specialist, our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Assessing the design, implementation and operative effectiveness of management's key internal controls over income tax including deferred tax asset recognition; Evaluating the management's assumptions and estimates like projected revenue growth, EBIDTA, etc. in relation to the probability of generating future taxable income to support the recognition of deferred tax asset with reference to forecast taxable income; Assessing the historical accuracy of management's estimation of forecast taxable income; Reviewing the related disclosures in respect of the assumptions supporting the deferred tax asset valuation and recognition as described in Note 16 to the consolidated financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section

133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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; 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 consolidated Ind AS 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements and other financial information, in respect of 4 subsidiaries, whose Ind AS financial statements include total assets of Rs 137,462.98 lakhs as at March 31, 2019, and total revenues of Rs 4,769.35 lakhs and net cash inflows of Rs 110.24 lakhs for the year ended on that date. These Ind AS 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 above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory

Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the 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 report 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 purposes 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, the 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 Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 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, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2019 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, refer to our separate Report in "Annexure 1" to this report.

- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us 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, in its consolidated Ind AS financial statements - 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, 2019;
 - 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, 2019.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Per Sanjay Vij

Partner

Membership Number: 095169

Place of Signature: Gurugram

Date: May 22, 2019

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAX VENTURES AND INDUSTRIES LIMITED

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

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, 2019, 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, 2019, 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 subsidiaries, which are companies incorporated in India, is based on the corresponding reports of the auditor of such subsidiary.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Per Sanjay Vij

Partner

Membership Number: 095169

Place of Signature: Gurugram

Date: May 22, 2019

Consolidated Balance Sheet

as at 31st March, 2019

		(₹ in lakhs)	
	Notes	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	55,127.35	30,450.45
Capital work-in-progress	3	549.42	23,357.40
Investment property	3	4,293.49	-
Goodwill	4	167.09	167.09
Other Intangible assets	4	230.73	300.91
Intangible assets under development	4	12.95	206.96
Financial assets	5		
(i) Investments		10,096.89	9,027.67
(ii) Loans		467.53	462.34
(iii) Other non-current financial assets		-	747.56
(iv) Other bank balances		0.25	0.25
Deferred tax assets	16	838.62	3,450.29
Non-current tax assets	6	447.92	279.92
Other non current assets	7	439.73	1,253.50
		72,671.97	69,704.34
Current assets			
Inventories	8	85,600.63	69,721.70
Financial assets	9		
(i) Investments		-	5,733.73
(ii) Trade receivables		14,984.49	10,936.93
(iii) Cash and cash equivalents		716.85	633.27
(iv) Bank Balances other than (iii) above		11,224.45	3.50
(v) Loans		621.55	63.96
(vi) Derivative instruments		-	53.67
(vii) Other current financial assets		19.68	637.89
Other current assets	10	3,982.74	5,099.10
		117,150.39	92,883.75
Assets classified as held for distribution	3	-	128.00
Total assets		189,822.36	162,716.09
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	14,660.08	7,264.81
Other equity	12	69,062.25	34,242.80
Equity attributable to equity holders of parent company		83,722.33	41,507.61
Non-controlling interest		11,612.95	12,258.93
Total equity		95,335.28	53,766.54
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	13	30,147.53	20,119.00
(ii) Trade payables	14		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		247.94	1,391.32
(iii) Other non current financial liabilities	14	11.96	-
Long term provisions	15	514.56	513.01
Deferred tax liabilities (net)	16	419.98	3,560.72
Government grant	17	1,449.58	1,523.79
		32,791.55	27,107.84
Current liabilities			
Financial liabilities	18		
(i) Borrowings		21,764.87	43,156.00
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises		346.17	86.78
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		17,972.96	16,353.95
(iii) Other current financial liabilities		6,108.81	7,252.67
(iv) Derivative instruments		448.28	-
Other current liabilities	20	14,629.20	14,688.11
Short term provisions	19	425.24	304.20
		61,695.53	81,841.71
Total liabilities		94,487.08	108,949.55
Total equity and liabilities		189,822.36	162,716.09
Summary of significant accounting policies	2		
Other notes on accounts	3-52		

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 Sanjay Vij

Partner

Membership Number: 095169

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 & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: May 22, 2019

Place : New Delhi

Date: May 22, 2019

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2019

	Notes	for the year ended March 31, 2019	(₹ in lakhs) for the year ended March 31, 2018
INCOME			
Revenue from operations	21	92,388.77	73,891.73
Other income	22	2,152.19	1,139.76
Total income		94,540.96	75,031.49
EXPENSES			
Cost of raw materials consumed / Cost of land, plots, development rights, constructed properties and others	23	86,029.65	58,439.97
Change in inventories of finished goods, traded goods and work in progress	24	(12,225.45)	(6,111.79)
Excise duty on sale of goods		-	1,402.25
Employee benefits expense	25	4,273.86	4,120.84
Finance costs	26	4,189.45	2,301.99
Depreciation and amortization expense	27	3,047.52	2,288.50
Other expenses	28	12,306.04	11,474.73
Total expenses		97,621.07	73,916.49
Profit/(Loss) before tax		(3,080.11)	1,115.00
Tax expenses	30		
Current income tax charge		371.68	645.43
Adjustment in respect of tax relating to previous year		(75.12)	5.49
Deferred Tax		(444.53)	128.52
Total Tax expenses		(147.97)	779.44
Profit/(Loss) after tax		(2,932.14)	335.56
Attributable to:			
Equity holders of the parent		(2,310.51)	370.35
Non-controlling interests		(621.63)	(34.79)
		(2,932.14)	335.56
Other comprehensive income/(loss)			
Other comprehensive income/ (loss) to be reclassified to profit or loss in subsequent years			
Cost of hedging reserve	31	(94.21)	-
Income tax effect		32.97	-
Net comprehensive income/ (loss) to be reclassified to profit or loss in subsequent years		(61.24)	-
Other comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent years:			
Re-measurement gains/(loss) of defined benefit plans	31	36.60	67.80
Income tax effect		(6.62)	23.26
Net comprehensive income/ (loss) not to be reclassified to profit or loss in subsequent years:		29.98	44.54
Other comprehensive income for the year, net of tax		(31.26)	44.54
Total comprehensive income for the year		(2,963.40)	380.10
Attributable to:			
Equity holders of the parent		(2,317.42)	392.59
Non-controlling interests		(645.98)	(12.49)
Earnings per equity share (Nominal Value of share ₹10/-)	32		
Basic (₹), computed on the basis of profit/(loss) for the year attributable to equity holders of the parent.		(1.95)	0.51
Anti Diluted/Diluted (₹) computed on the basis of profit/(loss) for the year attributable to equity holders of the parent.		(1.95)	0.51
Summary of significant accounting policies	2		
Other notes on accounts	3-52		

The accompanying notes are integral part of the financial statements

As per our report of even date

For S.R.Batliloi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Vij

Partner

Membership Number: 095169

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)

Place : New Delhi

Date: May 22, 2019

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: May 22, 2019

Consolidated Statement of changes in equity

for the year ended 31st March, 2019

a) Equity share capital

Particulars	Nos.	(₹ in Lakhs)
Shares of ₹ 10/- each, issued, subscribed and fully paid		
As at March 31, 2017	68,977,878	6,897.79
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
As at March 31, 2018	72,648,105	7,264.81
Add: Shares issued for stock options exercised during the year/period (refer note 11)	198,890	19.89
Add: Equity share issued (refer note 11)	73,753,787	7,375.38
As at March 31, 2019	146,600,782	14,660.08

b) Other equity

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)			
As at March 31, 2017	13,822.40	10,497.98	24.28	1,171.25	25,515.91	197.15	25,713.06
Transaction with Non-controlling interest on stake purchase (refer note 43)	-	-	-	197.15	197.15	(197.15)	-
Transaction with Non-controlling interest on stake sale (refer note 43)	-	-	-	-	-	12,274.04	12,274.04
Profit for the year	-	-	-	370.35	370.35	(34.79)	335.56
Other comprehensive income for the year	-	-	-	22.24	22.24	22.30	44.54
Gain on sale of subsidiary (net off tax) (refer note 43)	-	-	-	5,765.38	5,765.38	-	5,765.38
Issue of share capital	-	2,345.25	-	-	2,345.25	-	2,345.25
Exercise of share option under ESOP scheme (refer note 35.2)	-	6.01	(6.01)	-	-	-	-
Premium on issue of employee stock options	-	26.60	2.64	-	29.24	-	29.24
Share issue expenses	-	(2.72)	-	-	(2.72)	(2.62)	(5.34)
As at March 31, 2018	13,822.40	12,873.12	20.91	7,526.37	34,242.80	12,258.93	46,501.73
Loss for the year	-	-	-	(2,310.51)	(2,310.51)	(621.63)	(2,932.14)
Other comprehensive income for the year	-	-	-	(6.91)	(6.91)	(24.35)	(31.26)
Effect of adoption of new accounting standard	-	-	-	(30.69)	(30.69)	-	(30.69)
Issue of share capital	-	37,614.43	-	-	37,614.43	-	37,614.43
Exercise of share option under ESOP scheme (refer note 35.2)	-	20.91	(20.91)	-	-	-	-
Premium on issue of employee stock options	-	23.27	34.57	-	57.84	-	57.84
Share issue expenses adjusted with Securities Premium	-	(504.71)	-	-	(504.71)	-	(504.71)
As at March 31, 2019	13,822.40	50,027.02	34.57	5,178.26	69,062.25	11,612.95	80,675.20

Summary of significant accounting policies

2

Other notes on accounts

3-52

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 **Sanjay Vij**

Partner

Membership Number: 095169

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)

Place : New Delhi

Date: May 22, 2019

Sahil Vachani

(Managing Director & Chief Executive Officer)

DIN: 00761695

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: May 22, 2019

Consolidated Statement of Cash Flows

for the year ended 31st March, 2019

(₹ in Lakhs)

	for the year ended March 31, 2019	for the year ended March 31, 2018
Cash flow from operating activities		
Net Profit/(Loss) before tax	(3,080.11)	1,115.00
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of property, plant and equipment	2,960.31	2,172.93
Amortization of intangible assets	87.21	115.57
Provision for doubtful debts	-	22.91
Impairment loss	194.02	-
Bad debts written off	22.59	-
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	(263.21)	(11.88)
Fair value gain on financial instruments at fair value through profit or loss	213.03	(118.94)
Gain on mutual fund investments	(332.21)	(777.25)
Liabilities/provisions no longer required written back	(167.38)	(12.18)
Interest income	(798.03)	(252.23)
Unwinding of discount on security deposit	(47.41)	(10.17)
Finance costs (including fair value change in financial instruments)	3,896.38	2,301.99
Operating profit before working capital changes	2,685.19	2,717.79
Working capital adjustments:		
Movements in provisions, gratuity and government grant	(60.50)	1,233.30
(Increase)/decrease in trade and other receivables and prepayments	(1,511.57)	(4,825.57)
Increase in inventories	(15,878.93)	(56,861.20)
Increase in trade and other payables	79.63	20,897.76
Cash generated from operations	(14,686.18)	(36,837.92)
Income tax paid	(469.32)	(2,151.23)
Net cash flows (used in)/ from operating activities	(15,155.50)	(38,989.15)
Cash flow from investing activities		
Proceeds from sale of property, plant and equipment	561.58	43.59
Purchase of property, plant and equipment and investment property (including intangible assets, CWIP and capital advances)	(9,310.12)	(21,061.91)
Interest received	1,074.26	277.51
Purchase of current investments	(2,830.00)	(25,279.76)
Net movement in deposits with remaining maturity for more than 3 months	(11,219.85)	-
Proceeds from redemption of mutual funds	8,682.91	32,627.88
Purchase of investments	(1,069.22)	(3,722.94)
Proceeds from sale of investments	-	1,866.74
Net cash flows (used in) investing activities	(14,110.44)	(15,248.89)

Consolidated Statement of Cash Flows

for the year ended 31st March, 2019

(₹ in Lakhs)

	for the year ended March 31, 2019	for the year ended March 31, 2018
Cash flow from financing activities		
Proceeds from issuance of equity share capital including security premium, net of expenses incurred for shares issued	44,989.81	7,351.85
Share issue expenses	(504.71)	-
Proceeds from issuance of ESOP's including security premium	43.16	48.73
Proceeds from sale of stake in subsidiary	-	14,187.44
Proceeds/(Repayments) from short term borrowings	(21,391.13)	31,110.38
Proceeds from long-term borrowings	13,221.80	8,612.11
Repayment of long-term borrowings	(3,193.27)	(4,335.03)
Interest paid	(3,816.14)	(2,297.25)
Net cash flows from financing activities	29,349.52	54,678.23
Net increase/(decrease) in cash and cash equivalents	83.58	440.19
Cash and cash equivalents at the beginning of the period/year	633.27	193.08
Cash and cash equivalents transferred on demerger	-	-
Cash and cash equivalents at year end	716.85	633.27
Components of cash and cash equivalents :-		
Balances with banks:		
On current accounts	490.26	627.65
Cheques on hand	219.00	-
Cash on hand	7.59	5.62
	716.85	633.27

Summary of significant accounting policies

2

Other notes on accounts

52

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 Sanjay Vij

Partner

Membership Number: 095169

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 & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal

(Chief Financial Officer)

Saket Gupta

(Company Secretary)

Place : Gurugram

Date: May 22, 2019

Place : New Delhi

Date: May 22, 2019

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 as a public company domiciled in India under Companies Act, 2013 and was 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 22, 2019

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 and presentation requirements of division II of Schedule III to the Companies Act 2013.

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 (refer accounting policy regarding financial instruments)
- (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, 2019. 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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

- The ability to use its power over the investee to affect its returns

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:

- 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."
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- 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.

- 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:

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

- 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 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

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 over estimated 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:

Assets	Useful lives estimated by the management (years)
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

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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

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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, country 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.

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(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.

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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.

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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.

Financial guarantee contracts

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

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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 from contracts with customers

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

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

- (i) Revenue is recognised over time if either of the following conditions is met:
 - a. Buyers take all the benefits of the property as real estate developers construct the property.
 - b. Buyers obtain physical possession of the property.
 - c. The property unit to be delivered is specified in the contract and real estate entity does not have an alternative use of the unit; the buyer does not have the discretion to terminate the contract and the entity has right to payment for work completed to date.

In case none of these conditions is met, revenue would be recognised at a point in time when the control of the property is passed on to the customer."

Shared Service Income

Revenue from shared services are recognised by reference to stage of completion of contract. The Group collects service tax/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 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 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. 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 Group's right to receive dividend is established by the reporting date.

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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:

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- 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 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 assets is recognised for MAT credit available 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.

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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 lessor's expected inflationary cost increase.

l. 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

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for the year ended 31st March, 2019

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. Retirement and other 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 as the Company does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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for the year ended 31st March, 2019

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.

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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.

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 decides, 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

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for the year ended 31st March, 2019

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 that are 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. 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 where remaining maturity if such bond corresponding to the expected duration of the defined benefit

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for the year ended 31st March, 2019

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.

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for the year ended 31st March, 2019

(₹ in Lakhs)

3. Property, plant and equipment (PPE) and Investment Property

Cost	Land (Freehold)	Building	Leasehold improvements	Plant and equipment	Furniture and fixture	Office equipment	Computers and data processing units	Motor vehicles	Total
March 31, 2017	1,703.78	4,612.39	45.41	26,518.47	102.29	107.22	280.26	199.03	33,568.85
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 3c)	-	-	-	(464.08)	-	-	-	-	(464.08)
March 31, 2018	1,741.47	4,615.43	48.29	27,160.33	104.56	110.41	305.58	211.15	34,297.22
Additions	952.43	4,036.71	11.82	22,561.30	34.86	39.42	40.28	119.97	27,796.78
Disposals	(41.85)	(11.98)	(3.59)	(34.95)	-	(0.31)	(1.09)	(103.07)	(196.84)
March 31, 2019	2,652.05	8,640.16	56.52	49,686.68	139.42	149.51	344.77	228.05	61,897.16
Depreciation									
March 31, 2017	-	122.44	15.76	1,573.57	18.92	36.22	84.72	64.07	1,915.70
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 3c)	-	-	-	(97.29)	-	-	-	-	(97.29)
March 31, 2018	-	251.36	32.74	3,323.32	18.77	33.12	158.75	28.71	3,846.77
Charge for the year	-	253.21	16.66	2,513.95	17.53	32.22	76.32	50.42	2,960.31
Disposals for the year	-	(1.54)	(2.10)	(6.24)	-	(0.14)	(0.98)	(26.27)	(37.26)
March 31, 2019	-	503.03	47.30	5,831.03	36.30	65.20	234.09	52.86	6,769.82
March 31, 2019	2,652.05	8,137.13	9.22	43,855.65	103.12	84.31	110.68	175.19	55,127.35
March 31, 2018	1,741.47	4,364.07	15.55	23,837.01	85.79	77.29	146.83	182.44	30,450.45

Particulars	March 31, 2019	March 31, 2018
Capital work-in-progress	549.42	23,357.40
Total	549.42	23,357.40

Particulars	March 31, 2019	March 31, 2018
Investment property (refer note e)	4,293.49	-
Total	4,293.49	-

Notes :

- 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.
- Capitalised borrowing costs**
Borrowing cost capitalised in BOPP Line 5 is ₹ 301.80 Lakhs (March 31, 2018: ₹ 1,161.59 Lakhs)
- 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. During the previous year ended March 31, 2018, the Group has held those Plant & machinery for sale at an estimated realisable value of ₹ 128 lakhs. During the current year ended March 31, 2019, Group has sold such assets at value of ₹ 253 lakhs and accordingly recognised profit on sale of Property, plant and equipment for ₹ 125 lakhs in the books of account.
- Depreciation includes ₹0.61 (Previous year ₹0.14 lacs) shown as part of project cost
- Investment property includes property under construction at Okhla location under Max Estate Limited, a subsidiary

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4. Intangible assets

(₹ in Lakhs)

	Computer software	Books - ISC	Goodwill	Total	Intangible assets under development
Cost					
April 1, 2017	461.84	-	167.09	628.93	56.35
Additions	37.20	25.96	-	63.16	164.13
Disposals	-	-	-	-	(13.52)
March 31, 2018	499.04	25.96	167.09	692.09	206.96
Additions	27.82	-	-	27.82	-
Disposals	-	(25.96)	-	(25.96)	-
Impairment	-	-	-	-	(194.01)
March 31, 2019	526.86	-	167.09	693.95	12.95
Amortization					
As at April 1, 2017	108.44	-	-	108.44	-
Amortisation Charge for the year	109.13	6.52	-	115.65	-
Disposals for the year	-	-	-	-	-
March 31, 2018	217.57	6.52	-	224.09	-
Amortisation Charge for the year	78.56	8.65	-	87.21	-
Disposals for the year	-	(15.17)	-	(15.17)	-
Impairment	-	-	-	-	-
March 31, 2019	296.13	-	-	296.13	-
Net Book Value					
March 31, 2019	230.73	-	167.09	397.82	12.95
March 31, 2018	281.47	19.44	167.09	468.00	206.96

- 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 with indefinite life

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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

5. Non-current financial assets

i) Investments

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
a) Investment in Equity Shares (valued at Fair value through profit and loss)		
FSN E-Commerce Ventures Private Limited	2,916.14	1,866.14
1,34,977 (March 31, 2018 - 1,34,977) Equity Shares of Nominal Value ₹ 10 each fully paid up		
Azure Hospitality Private Limited	0.04	0.04
Unquoted equity instruments 100 (March 31, 2018 - 100) Equity Shares of Face Value ₹10 each fully paid up		
b) Investment in Preference Shares (valued at Fair value through profit and loss)		
Azure Hospitality Private Limited	7,144.95	7,144.95
16,234,829 (March 31, 2018 - 16,234,829) Series-C Preference Shares of Nominal Value ₹ 20 (Fair Value - ₹ 44.01) each fully paid up		
c) Investment in IAN Fund		
42171.85 (March 31, 2018 - 22,950) units of Nominal Value ₹ 100 each fully paid up	35.76	16.54
	10,096.89	9,027.67
Non-Current	10,096.89	9,027.67
Aggregate value of unquoted investments	10,096.89	9,027.67
Aggregate value of quoted investments	-	-
Aggregate market value of quoted investments	-	-

Note:

- Series-B 0.01% Coupon Compulsory Convertible Debentures will be convertible into one equity share per debenture maximum upto fifteen years.
- Series-C 0.01% Cumulative Dividend Preference Shares of Nominal will be convertible into one equity share per preference shares maximum upto fifteen years

ii) Loans (amortized cost) (unsecured) considered good unless otherwise stated

Security deposits*	465.89	459.74
Loan to employees	1.64	2.60
	467.53	462.34

*Security deposits include due to related parties ₹ 77.31 Lakhs (March 31, 2018 : ₹77.31 Lakhs)

iii) Other non current financial asset

Insurance claim recoverable	-	747.56
	-	747.56

(iv) Other bank balances

Deposits with remaining maturity for more than 12 months	0.25	0.25
	0.25	0.25

6 Non-current financial assets

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Advance Income Tax and Tax deducted at source	447.92	279.92
	447.92	279.92

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for the year ended 31st March, 2019

7. Other non-current assets

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Unsecured considered good unless otherwise stated		
Capital advances	44.31	273.63
Excise duty deposited under protest	319.47	308.70
Prepaid expenses*	2.52	671.17
Interest recoverable from Government authorities	73.43	-
	439.73	1,253.50

*March 31, 2018 includes ₹ 286.92 lakhs for expenses incurred towards rights issue which has been adjusted against securities premium.

8. Inventories (at cost or NRV whichever is less)

	As at March 31, 2019	As at March 31, 2018
Raw materials and Packing materials [including stock in transit ₹ 2,035.52 Lakhs (March 31, 2018: ₹ 1,295.94 Lakhs)]	5,401.18	4,375.62
Stores and spares	860.97	807.23
Work in progress-		
Real Estate	75,679.20	62,430.01
BOPP Film	2,250.39	1,047.00
Finished goods [including in transit ₹ 545.49 Lakhs (March 31, 2018: ₹ 611.80 Lakhs)]	1,408.89	1,061.84
	85,600.63	69,721.70

9. Current financial assets

	As at March 31, 2019	As at March 31, 2018
(i) Other investment		
Quoted mutual funds (valued at Fair value through profit and loss)		
UTI Money Market Fund - Institutional	-	1,898.88
Plan - Direct Growth Plan - Face value ₹1,000/- per unit fully paid (Units - Nil) (March 31, 2018 - Units - 97,391.06, NAV - 1,949.74)		
Invesco India Liquid Fund	-	1,713.33
Plan - Direct Fund Growth - Face value ₹1,000/- per unit fully paid (Units - Nil) (March 31, 2018 - Units - 71,625.62, NAV - 2,392.07)		
JM High Liquidity Fund	-	1,000.19
Plan - Direct Growth - Face value ₹1,000/- per unit fully paid (Units - Nil) (March 31, 2018 - Units - 2,102,450.37, NAV - 47.57)		
Aditya Birla Sun Life Cash Plus	-	0.60
Plan - Growth Direct Plan - Face value ₹1,000/- per unit fully paid (Units - Nil) (March 31, 2018 - Units - 217.26, NAV - 279.31)		
Axis Mutual Fund	-	1,120.73
Plan - Direct Fund Growth - Face value ₹1,000/- per unit fully paid (Units - Nil, March 31, 2018 - 58,143.07, NAV - ₹ 1,927.53)		
	-	5,733.73
Aggregate value of unquoted investments		
Aggregate value of quoted investments	-	-
Aggregate market value of quoted investments	-	5,733.73
	-	5,733.73

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
(ii) Trade receivables		
Unsecured :-		
(a) Trade Receivables considered good - Secured;	6.90	-
(b) Trade Receivables considered good - Unsecured;	15,165.21	11,267.56
(c) Trade Receivables which have significant increase in Credit Risk; and	-	-
(d) Trade Receivables - credit impaired	125.02	327.43
Less: Impairment allowance for trade receivables	(125.02)	(327.43)
Less: Provision for discounts	(187.62)	(330.63)
	14,984.49	10,936.93
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 39(b)		
(iii) Cash and cash equivalents		
Balances with banks:		
On current accounts	490.26	627.65
Cheques on hand	219.00	-
Cash on hand	7.59	5.62
	716.85	633.27
(iv) Bank Balances other than (iii) above		
Deposits:		
Deposits with remaining maturity for less than 12 months*	11,219.85	-
Margin money deposits #	4.60	3.50
	11,224.45	3.50
* Out of above ₹ 231.32 lakhs deposit is pledged against issuance of bank guarantee		
# 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.		
v) Loans (amortized cost) (unsecured considered good unless otherwise stated)		
Loan to employee	13.33	16.28
Interest accrued on deposits and others	297.95	21.72
Security deposits	310.27	25.96
	621.55	63.96
(vi) Derivative instruments at fair value through profit or loss		
Derivatives not designated as hedges		
Foreign exchange forward contracts	-	53.67
	-	53.67
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		
Other receivables #	19.68	94.15
Unbilled revenue	-	543.74
	19.68	637.89
# other receivables includes ₹ 19.68 lakhs (March 31, 2018: ₹20.63 lakhs) from related parties. Refer note 39(b)		
Break up of financial assets at amortised cost		
Non-current financial assets		
Loans (refer note 5(ii))	467.53	462.34
Other bank balances (refer note 5(iv))	0.25	0.25
Current financial assets		
Trade receivables (refer 9(ii))	14,984.49	10,936.93
Loans (refer 9(iii))	621.55	63.96
Cash and cash equivalents (refer 9(iv))	716.85	633.27
Other bank balances (refer note 9(v))	11,224.45	3.50
Other current financial assets (refer 9(vii))	19.68	637.89
	28,034.80	12,738.14

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Other advances*	1,501.11	1,145.08
Prepaid expenses	188.69	410.42
Government grant	473.89	-
Excise duty recoverable on export goods	446.17	602.52
Balance with statutory authorities	1,045.59	2,536.65
Export benefits receivables	327.29	404.43
	3,982.74	5,099.10

*refer note 39(b) for advances to related parties

11. Share capital and other equity

(i) Equity share capital

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
a) Authorized Share Capital		
150,000,000 (March 31, 2018 - 150,000,000) equity shares of ₹10/- each	15,000.00	15,000.00
	15,000.00	15,000.00
Issued, subscribed and fully paid-up		
1,466,007,820 (March 31, 2018 - 72,648,105) equity shares of ₹10/- each fully paid up	14,660.08	7,264.81
Total issued, subscribed and fully paid-up share capital	14,660.08	7,264.81

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

Equity shares	March 31, 2019		March 31, 2018	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
At the beginning of the period	72,648,105	7,264.81	68,977,878	6,897.79
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)	198,890	19.89	221,333	22.13
Add: Shares issued during the year/period (Refer note no. 46)	73,753,787	7,375.38	3,448,894	344.89
Outstanding at the end of the period	146,600,782	14,660.08	72,648,105	7,264.81

c) Terms and rights attached to equity shares

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

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

Name of the Shareholder	March 31, 2019		March 31, 2018	
	No. of shares	% held	No. of shares	% held
Equity shares of ₹ 10 each fully paid-up				
Max Ventures Investment Holdings Private Limited.	49,337,874	33.65%	13,105,500	18.04%
New York Life International Holdings Limited	31,282,950	21.34%	15,523,870	21.37%
Siva Enterprises Private Limited	16,728,653	11.41%	5,810,598	8.00%
Liquid Investment and Trading Company Private Limited*	-	0.00%	4,763,774	6.56%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 198,890 equity shares during the year ended March 31, 2019 and 221,333 Equity shares during the year ended March 31, 2018 on exercise of options granted under the Employee Stock Option Plan 2016 of Max Ventures and Industries Limited, for details refer note 35.2.

f) Increase in Authorised Share Capital

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

12. Other equity

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Capital reserve (refer note a below)	13,822.40	13,822.40
Securities premium account (refer note b below)	50,027.02	12,873.12
Employee stock options outstanding (refer note c below)	34.57	20.91
Retained earnings (refer note d below)	5,178.26	7,526.37
	69,062.25	34,242.80
Notes:		
a) Capital reserve		
Balance as at beginning of the year	13,822.40	13,822.40
	13,822.40	13,822.40
b) Securities premium		
At the beginning of the year	12,873.12	10,497.98
Add: Issue of share capital (refer note 42)	37,614.43	2,345.25
Add: Addition/deletion on equity shares	23.27	26.60
Add: Premium on issue of employee stock options (refer note 35.2)	20.91	6.01
Less: share issue expenses	(504.71)	(2.72)
	50,027.02	12,873.12
c) Employee stock options outstanding		
At the beginning of the year	20.91	24.28
Add: Premium on issue of employee stock options (refer note 35.2)	34.57	2.64
Less: Exercise of share option under ESOP scheme	20.91	6.01
	34.57	20.91
d) Retained earnings		
At the beginning of the year	7,526.37	1,171.25
Profit/(Loss) for the year	(2,310.51)	370.35
Effect of adoption of new accounting standard	(30.69)	-
Non-controlling interest on stake purchase (refer note 43)	-	197.15
Gain on sale of subsidiary (refer note 43)	-	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)	(6.91)	22.24
	5,178.26	7,526.37

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

Nature and purpose of reserves

a) Capital reserve

The Company recognizes profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to capital reserve

b) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

c) Employee stock options outstanding

The employee stock options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

13. Borrowings

	As at March 31, 2019	As at March 31, 2018
Non-current borrowings :-		
From banks		
Term loans (secured) [refer note (i) to (vii) below]	30,113.03	20,067.49
Vehicle loans (secured) [refer note (ix) below]	34.50	51.51
Current maturity of long term borrowings :-		
Term loans (secured) [refer note (i) to (vii) below]	5,191.44	1,371.43
Buyers credit foreign currency (secured) [refer note (viii) below]	-	3,041.89
Vehicle loans (secured) [refer note (ix) below]	38.61	46.77
Interest accrued but not due on borrowings	196.03	165.82
	35,573.61	24,744.91
Less: Amount disclosed under "other current financial liabilities" [refer note 18(iii)]	5,426.08	4,625.91
	30,147.53	20,119.00
Aggregate Secured loans	35,573.61	24,744.91
Aggregate Unsecured loans	-	-

Term loan from banks :

- Term loan from Yes Bank Limited amounting to ₹ 7,686.32 Lakhs (March 31, 2018: ₹ 7951.32 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..
- Term loan from Yes Bank Limited amounting to ₹ 2,900.62 Lakhs (March 31, 2018: ₹ 3,845.00 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 12.85% p.a.
- Term loan from Yes Bank Limited amounting to ₹ 3,759.56 Lakhs (March 31, 2018: ₹ 1504.11 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 9.25% p.a. During the current year, there is an addition of ₹ 3,505.31 lakhs in term loan which are converted from Six(6) Buyers credit on their respective due dates. ₹ 876.32 lakhs repayments are paid on these additional loans which are converted from Buyers credit.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

- iv) Term loan from Indusind Bank Limited amounting to ₹ 3,760.15 Lakhs (March 31, 2018: ₹ 3,167.42 lakhs) 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 30th September 2018 carrying interest rate of 8.95% p.a. to 9.65%. Additional loan of ₹ 925.51 lakhs has been taken in the current year.
- v) Term loan from Yes Bank Limited amounting to ₹ 2,706.76 Lakhs (March 31, 2018: ₹ 2,800.06 Lakhs) 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. to 9.75%.
- vi) Term loan from IDFC Bank Limited amounting to ₹ 2,752.92 Lakhs (March 31, 2018: ₹ 600.00 lakhs) 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. Additional loans for ₹ 2,473.63 lakhs have been taken.
- vii) Subsidiary Company has taken secured term loan facility for 15,000 Lakhs loan from Axis Bank. Out of this facility the company has drawn 11,850 lakhs till March 31, 2019. The said loan is secured by way of followings:-
 - a) First Pari Passu charge by way of EM/RM over area Land and Building corresponding to Max tower
 - b) Exclusive Hypothecation charge over all assets of the Company both present and future related to project.
 - c) Negative Lien of 100% Share Capital of Max Estates Limited (MEL) held by Max Ventures and Industries Limited (MVIL)
 - d) Pledge of 30% Equity shares of the Company and NDU for the balance 70% Shares.
 - e) 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.
 - f) Exclusive charge on all project bank accounts

The said loan is repayable at the end of 48th month from the date of first disbursement i.e. March 27, 2018

Buyers credit foreign currency (secured)

- viii) Six (6) Buyers credit against facility from Yes Bank Limited amounting to ₹ 3,041.89 Lakhs as on March 31, 2018 have been converted in Term loan on respective due dates and are 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 term loans are payable in 28 quarterly instalments with maturity date on 16 December 2022.

Vehicle loan (secured) :

- ix) Vehicle loans amounting to ₹ 34.50 Lakhs (March 31, 2018: ₹ 51.51 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:

- x) Term loan from Indusind bank ₹ 18,100 Lakhs (sub limit of Buyers credit for 13,000 lakhs and sub limit of overdraft term loan of ₹ 500 lakhs). Out of ₹ 18,100 lakhs sanctioned, ₹ 7,600 lakhs has been novated to IDFC Bank. ₹ 4,112 lakhs has been disbursed by IndusInd Bank and ₹ 1,700 lakhs has been disbursed by IDFC and balance amount is disbursed through SBLC by both banks. Hence there is no undrawn borrowing.

IDFC bank ₹1,400 Lakhs has been sanctioned. against which ₹ 1,373.64 Lakhs has been drawn as Term Loan

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

14. Trade payables

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	247.94	1,391.32
	247.94	1,391.32

Trade payables include due to related parties. Refer note 39(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 financial statements.

	As at March 31, 2019	As at March 31, 2018
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	Nil	Nil
The interest due on unpaid principal amount remaining as at the end of each accounting year.	Nil	Nil
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	Nil	Nil

(ii) Other current financial liabilities

	As at March 31, 2019	As at March 31, 2018
Security deposits	11.96	-
	11.96	-

15. Long term provision

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
Provision for gratuity (refer note 35.0)	514.56	513.01
	514.56	513.01

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

16. Deferred tax liabilities

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
(i) Deferred tax liability		
Fixed Assets: Impact of differences in depreciation in block of fixed assets as per tax books and financial books	0.77	3,182.80
Difference in book base and tax base in investments	-	62.04
Impact on fair valuation of investments	-	315.88
Others	419.21	-
Gross deferred tax liability	419.98	3,560.72
(ii) Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the period but allowed for tax purposes on payment basis	(5,252.80)	563.43
Unabsorbed depreciation/ Business Losses	5,214.11	1,416.26
Others	-	536.33
Gross deferred tax assets	(38.69)	2,516.02
Mat Credit	877.31	934.27
Deferred Tax Asset	836.62	3,450.24

17. Other non current liabilities

	As at March 31, 2019	As at March 31, 2018
Government grants	1,449.58	1,523.79
	1,449.58	1,523.79
	As at March 31, 2019	As at March 31, 2018
Movement of government grant is as below:		
At the beginning of the period	1,523.79	441.36
Received during the period	892.72	1,467.81
Released to the statement of profit and loss	(966.93)	(385.38)
At the end of the period	1,449.58	1,523.79

* Government grant is pertaining to duty saved under EPCG and advance license for import of capital goods and raw material.

18. Current financial liabilities

(i) Borrowings

From Bank

	As at March 31, 2019	As at March 31, 2018
Cash credit from banks (secured) [refer note (i) below]	1,965.73	1,657.35
Working capital demand loan (secured) [refer note (ii) below]	8,700.00	29,678.73
Buyers credit (secured) [refer note (iii) below]	11,099.14	11,819.92
	21,764.87	43,156.00

- (i) Cash credit facilities of 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

- (ii) Working capital demand loan of 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. During the year, the subsidiary Company has repaid term loan taken from IDFC Bank at ROI of 9.30% p.a.. The said loan was 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 was repayable on August 14, 2018."
- (iii) Buyer credit foreign currency facility from Indusind Bank Limited ₹ 11,099.14 Lakhs (March 31, 2018: ₹ 11,425.02 Lakhs) and Yes Bank Limited ₹ Nil (March 31, 2018: ₹ 394.90 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 within a year carrying interest rate ranging from 0.22% p.a. to 2.57% p.a.

Undrawn borrowings:

- (iv) 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 have been sanctioned to the tune of ₹ 6,000 Lakhs, ₹ 5,000 Lakhs, ₹ 2,000 Lakhs, ₹ 4,000 Lakhs and ₹ 4,000 Lakhs respectively. The amount undrawn against the sanctioned facility as on March 31, 2019 from Yes Bank Limited, Kotak Mahindra Bank Limited, Indusind Bank Limited, IDFC Bank Limited and HDFC Bank Limited is ₹ 2,634.82 Lakhs, ₹ 3,497.49 Lakhs, ₹ 496.96 Lakhs, ₹ 24.03 Lakhs and ₹ 374.17 Lakhs respectively. Drawn borrowing includes non fund facilities{(Letter of credit- Yes Bank Limited, Kotak Mahindra Bank Limited, Indusind Bank Limited, IDFC Bank Limited and HDFC Bank Limited ₹ 268.20 Lakhs, ₹ 675.57 Lakhs, ₹ 1003.04 Lakhs, Nil, Nil respectively), (Bank guarantee Yes Bank Limited, Kotak Mahindra Bank Limited, Indusind Bank Limited, IDFC Bank Limited and HDFC Bank Limited Limited ₹ 500.00 Lakhs, ₹ 360.00 Lakhs, ₹ 500.00 Lakhs, Nil, Nil)}.

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
(ii) Trade payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 14)	346.17	86.78
Total outstanding dues of creditors other than micro enterprises and small enterprises #	17,972.96	16,353.95
	18,319.13	16,440.73

Trade payables include due to related parties. Refer Note 39 (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

	As at March 31, 2019	As at March 31, 2018
(iii) Other current financial liabilities		
Current maturity of long term borrowings (refer note 13)	5,426.08	4,625.91
Security deposits	252.06	115.26
Interest accrued but not due on borrowings	80.24	-
Capital creditors	350.43	2,511.50
	6,108.81	7,252.67
(iv) Derivative instruments at fair value through profit or loss		
Foreign exchange forward contracts	448.28	-
	448.28	-

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

19. Short term provision

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits		
- Provision for leave encashment (refer note 35.1)	257.78	215.20
- Provision for gratuity (refer note 35.0)	89.83	89.00
Provision for taxation	77.62	-
	425.24	304.20

20. Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Advance from customers	14,253.02	14,209.71
Statutory dues	376.18	478.40
	14,629.20	14,688.11

21. Revenue from operations

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
Bi-axially oriented polypropylene film	85,747.40	67,140.65
Revenue from sale of constructed properties	3,719.35	2,609.69
Total	89,466.75	69,750.34
Revenue from services		
Income from shared services	136.53	131.36
Other operating Income		
Gain on sale of current investments	332.21	728.52
Net Gain on sale of non-current investments	-	1,077.36
Fair value gain on financial instruments at fair value through profit or loss	(213.03)	118.94
Fair value gain on non-current investments at fair value through profit or loss	-	989.39
Job work charges	1,051.21	-
Export benefits	362.33	328.39
Waste of plastic sale	285.84	382.05
Income from government grant	966.93	385.38
Total	92,388.77	73,891.73

Sale of goods includes excise duty collected from customers of ₹ Nil (March 31, 2018: ₹ 1,402.25 Lakhs). Sale of goods net of excise duty is ₹ 85,747.40 Lakhs (March 31, 2018: ₹ 67,030.56 Lakhs).

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 contracts with customers for the year ended March 31, 2019 is not comparable with March 31, 2018.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

22. Other income

(₹ in Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on		
- on fixed deposits	646.80	0.03
- on security deposit	47.41	10.17
- others	151.23	252.20
Gain on mutual fund investments	-	48.73
Liabilities/provisions no longer required written back	167.38	12.18
Gain on foreign exchange fluctuation (net)	443.65	607.63
Net gain on disposal of property, plant and equipment	266.61	11.88
Scrap sale	297.95	167.37
Miscellaneous income	131.16	29.57
	2,152.19	1,139.76

23. Cost of raw materials consumed / Cost of land, plots, development rights, constructed properties and others

	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at beginning of year	4,375.62	3,819.99
Add: Purchases	87,055.21	58,995.60
Less: inventory at the end of year	5,401.18	4,375.62
Cost of raw materials consumed	86,029.65	58,439.97

24. Change in inventories of finished goods, traded goods and work in progress

	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Inventories at end of the year		
Work in progress-		
Real Estate	75,679.20	62,430.01
BOPP Film	2,250.39	1,047.00
Finished goods*	1,408.89	1,061.84
	79,338.48	64,538.85
b) Acquisition adjustment- Real Estate	2,574.18	50,615.99
c) Inventories at beginning of the year		
Work in progress-		
Real Estate	62,430.01	5,057.57
BOPP Film	1,047.00	1,929.71
Finished goods	1,061.84	823.78
	64,538.85	7,811.06
Net (Increase)/ decrease in finished goods, traded goods and work-in-progress (c+b-a)	(12,225.45)	(6,111.79)
Details of inventory		
Work-in-progress		
BOPP Film	2,250.39	1,047.00
Real Estate	75,679.20	62,430.01
	77,929.59	63,477.01
Finished goods		
BOPP Film	1,408.89	1,061.84
	1,408.89	1,061.84

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

25. Employee benefits expense

(₹ in Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	3,673.99	3,575.54
Contribution to provident and other funds	223.98	215.97
Employee stock option scheme	36.91	-
Gratuity expense (refer note 35.0)	103.57	113.10
Staff welfare expenses	235.41	216.23
	4,273.86	4,120.84

26. Finance costs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on term loan	2,921.13	2,433.02
Interest on others	975.25	125.31
Interest on delay in deposit of advance tax	-	8.00
Bank charges	594.87	897.25
	4,491.25	3,463.58
Less: Finance cost capitalised	(301.80)	(1,161.59)
	4,189.45	2,301.99

27. Depreciation and amortization expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of tangible assets (refer note 3)	2,960.31	2,172.93
Amortization of intangible assets (refer note 4)	87.21	115.57
	3,047.52	2,288.50

28. Other expense

	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores and spares	650.84	672.20
(Increase) / decrease of excise duty on inventories	-	(82.08)
Power and fuel	4,903.24	4,493.63
Processing charges	49.18	37.92
Recruitment and training expenses	35.72	94.42
Rent (refer note no 34(c))	358.72	348.05
Insurance expenses	215.06	183.80
Rates and taxes	215.37	108.84
Repairs and maintenance:		
Building	135.29	105.79
Plant and equipments	318.70	418.91
Others	298.52	274.65
Printing and stationery	51.99	39.59
Travelling and conveyance	459.86	522.53
Communication costs	58.99	64.01
Legal and professional (refer note no 28.1)	488.55	851.31
Directors' sitting fees	100.00	158.12
Advertisement and sales promotion	453.89	40.77
Product development expenses	17.69	63.34
Commission to other than sole selling agents	-	110.09
Freight and forwarding charges	2,914.92	2,297.58
Allowances for doubtful debt	-	22.91
Loss on sale of fixed assets (net)	3.40	-
Provision for diminution on asset held for sale (net) (Refer note 3(d))	-	238.79

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for the year ended 31st March, 2019

(₹ in Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment loss	194.02	-
Bad debts written off	22.59	-
Charity and donation	1.10	0.10
CSR expenditure (refer note no 40)	66.33	39.62
Assets Written Off	10.79	-
Shared Service charges	281.27	105.84
Provision of duty on assets discarded/ held for sale (Refer note 3 (d))	-	137.08
Miscellaneous expenses	0.01	126.92
	12,306.04	11,474.73

28.1 Payment to auditor (included in legal and professional fee)

	For the year ended March 31, 2019	For the year ended March 31, 2018
As auditor:		
Audit fee	47.91	40.25
Other services (certification fees)*	12.96	73.94
Reimbursement of expenses	5.21	4.98
	66.08	119.17

* Fees of ₹ 76.37 lakhs towards right issue have been adjusted against securities premium under other equity (refer note 12)

- 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, 2019	March 31, 2018
Subsidiary				
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%*	51%*
Max Estates Limited	Construction and development of residential and commercial properties	India	100%	100%
Max I. Limited	Making investments in various companies and primarily engaged in growing and nurturing these business investments	India	100%	100%
Max Asset Services Limited (formerly known as Max Learning Limited)	Exploring opportunities/establishing schools	India	100%	100%
Wise Zone Builders Private Limited	Construction and development of residential and commercial properties	India	100%	100%

* Refer note 43

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

30 Income Taxes

(₹ in Lakhs)

	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Income tax expense in the statement of profit and loss comprises :		
Current Income Tax		
Current income tax charge	371.68	645.43
Adjustment in respect of current income tax of previous year	(75.12)	5.49
Deferred Tax		
Relating to origination and reversal of temporary differences	(444.53)	128.52
Income tax expense reported in the statement of profit or loss	(147.97)	779.44

31 Components of Other comprehensive income (OCI) (Retained earnings)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cost of hedging reserve	(94.21)	-
Income tax effect	32.97	-
Re-measurement (gains)/ losses on defined benefit plans (refer note: 35.0)	36.60	67.80
Income tax related to items recognized in OCI during the period/year	(6.62)	23.26
Income tax related to items recognized in OCI during the year	(31.26)	44.54

32 Earnings Per Share (EPS)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Basic EPS		
Profit after tax (₹ in Lakhs)	(2,310.51)	370.35
Net profit/(loss) for calculation of basic EPS	(2,310.51)	370.35
Weighted average number of equity shares outstanding during the year (Nos.)	118,737,904	72,054,035
Basic earnings per share (₹)	(1.95)	0.51
Dilutive EPS		
Profit after tax (₹ in Lakhs)	(2,310.51)	370.35
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	118,949,139	72,870,276
AntiDiluted/Diluted earnings per share (₹)	(1.95)	0.51
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)		
Weighted average number of equity shares outstanding during the year (Nos.)	118,737,904	72,054,035
Add: ESOP/Warrants	211,235	816,241
	118,949,139	72,870,276

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33 Income Tax

The major components of income tax expense for the year March 31, 2019, and March 31, 2018 are :

Statement of profit and loss :

Profit and loss section

(₹ in Lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current income tax :		
Current tax	371.68	645.43
Adjustment of tax related to earlier years	(75.12)	5.49
Deferred tax :		
Relating to origination and reversal of temporary differences	(444.53)	128.52
Income tax expense reported in the statement of profit and loss	(147.97)	779.44

OCI section :

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net loss/(gain) on remeasurements of defined benefit plans	26.35	23.26
Tax related to items recognized in OCI during the period/year	26.35	23.26

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Accounting profit/ (loss) before tax	(3,080.11)	1,115.00
Accounting profit/ (loss) before income tax	(3,080.11)	1,115.00
At India's statutory income tax rate of 29.12 % (March 31, 2018: 28.84 %)	(1,005.42)	385.88
Non-Taxable Income for tax purposes:		
Others	90.69	(29.69)
Non-deductible expenses for tax purposes:		
Disallowances on account of exempt income u/s 14A	95.80	-
Other non-deductible expenses	(49.60)	139.97
Tax relating to earlier years	(78.86)	5.49
Others		
Losses of subsidiary not being considered for deferred tax	799.41	297.14
Income Taxable at Lower rate	-	(19.34)
At the effective income tax rate	(147.97)	779.44
Income tax expense reported in the statement of profit and loss	(147.97)	779.44
Total tax expense	(147.97)	779.44

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

Deferred tax relates to the following:

(₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	419.97	3,560.72
Accelerated depreciation for tax purposes	0.77	3,182.80
Difference in book base and tax base in investments	-	62.04
Impact on fair valuation of investments	-	315.88
Others	419.21	-
Gross deferred tax liabilities (a)	419.97	3,560.72
Deferred tax assets	(38.69)	2,516.02
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	(5,252.80)	563.43
Unabsorbed depreciation/ Business Losses	5,214.11	1,416.26
Others	-	536.33
Gross deferred tax assets (b)	(38.69)	2,516.02
Mat Credit (c)	877.31	934.27
Deferred tax liabilities (net)	(418.65)	110.43

Reconciliation of deferred tax liabilities (net):

Particulars	March 31, 2019	March 31, 2018
Opening balance as of	110.43	26.00
Tax expense/(income) during the period recognised in the statement of profit or loss	(298.84)	296.80
Tax expense/(income) during the period recognised in OCI	26.35	23.26
Ne Balance	(162.06)	346.06
Mat Credit	(256.59)	(235.63)
Closing balance as at March 31, 2019	(418.65)	110.43

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.

34 a. Commitments and contingencies

A. Contingent liabilities not provided for

(₹ in Lakhs)

S. No.		As at March 31, 2019	As at March 31, 2018
i.	Claims against the Group not acknowledged as debts (Refer note (a))	3,174.10	3,146.20
-	Excise duty demands		
-	Service tax demands		
ii.	Contingent liability for pending C form's from customers (Refer note (b))	24.26	217.69
iii.	Bank Gurantee	232.32	-

Note:

- 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.
- Contingent liability for pending C forms from customers represent pending liability against C forms for FY 2017-18 upto June 30, 2017. 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

B Capital and other commitments

A. Capital commitment

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	1,137.40	10,730.12
Less: Capital advances	19.17	273.63
Net capital commitment for acquisition of capital assets	1,118.23	10,456.49

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 ₹ 358.72 lakhs (March 31, 2018: ₹ 348.05 Lakhs).

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

	As at March 31, 2019	As at March 31, 2018
- Within one year	226.11	325.94
- After one year but not more than 5 years	409.04	780.22
- More than 5 years	-	494.48

D Other Commitments

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	3,128.02	-
Less: Capital advances	(823.44)	-
Net capital commitment for acquisition of capital assets	2,304.57	-

'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 ₹ 2,750 lakhs. Subsequently, by an Amendment Agreement to the Agreement to Sell dated March 1, 2018, the consideration was revised to ₹ 2,700 lakhs.

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35.0 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:

- 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 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 :

	March 31, 2019	March 31, 2018
a) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation at the beginning of the period/year	657.88	691.85
Interest costs	51.75	50.53
Current service cost	67.52	76.98
Benefit paid	(81.84)	(92.04)
Acquisition adjustment	0.60	-
Remeasurement of (Gain)/loss in other comprehensive income	(31.83)	(69.44)
Defined benefit obligation at period/year end	664.09	657.88
b) Reconciliation of opening and closing balances of fair value of plan assets		
Fair value of plan assets at beginning of the period/year	55.87	130.80
Interest Income	3.79	9.55
Benefits paid	-	(82.84)
Remeasurement of (Gain)/loss in other comprehensive income	0.01	(1.64)
Fair value of plan assets at year end	59.67	55.87
c) Net defined benefit asset/ (liability) recognized in the balance sheet		
Fair value of plan assets	59.67	55.87
Present value of defined benefit obligation	664.08	657.88
Amount recognized in balance sheet- asset / (liability)	(604.41)	(602.01)

Notes to the Consolidated Financial Statements

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(₹ in Lakhs)

	March 31, 2019	March 31, 2018
d) Other comprehensive income		
Actuarial changes arising from changes in demographic assumptions	0.08	(5.77)
Actuarial changes arising from changes in financial assumptions	(5.39)	(47.49)
Actuarial changes arising from changes in experience adjustments	(26.52)	(16.18)
	(31.83)	(69.44)
e) Net defined benefit expense (recognized in the statement of profit and loss for the period/ year)		
Current service cost	70.46	76.98
Interest cost on benefit obligation	44.74	40.98
Capitalised as investment property / cost of goods sold	(11.63)	-
Net defined benefit expense debited to statement of profit and loss	103.57	117.96
f) Broad categories of plan assets as a percentage of total assets		
Insurer managed funds in Max Speciality Films Limited , Subsidiary	100%	100%
g) Principal assumptions used in determining defined benefit obligation		
Assumption particulars	As At March 31, 2019	As At March 31, 2018
Discount rate	7.3%-7.8%	7.3%-7.8%
Future Salary Increases	8% - 10%	8% - 10%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%
	March 31, 2019	March 31, 2018
h) Quantitative sensitivity analysis for significant assumptions is as below:		
Increase / (decrease) on present value of defined benefits obligations at the end of the period/ year		
<u>Discount rate</u>		
Increase by 0.50%	(44.88)	(44.31)
Decrease by 0.50%	50.54	49.95
<u>Salary growth rate</u>		
Increase by 0.50%	48.39	48.25
Decrease by 0.50%	(43.85)	(43.87)
	March 31, 2019	March 31, 2018
i) Maturity profile of defined benefit obligation (valued on undiscounted basis)		
Within the next 12 months (next annual reporting period)	46.54	43.15
Between 2 and 5 years	222.65	195.54
Beyond 5 Years	394.88	419.19
Total expected payments	664.07	657.88
j) The average duration of the defined benefit plan obligation at the end of the reporting period is 12 - 21 Years (March 31, 2018 : 12 -20 years)		
k) The Group expects to contribute ₹ 88.72 Lakhs (March 31, 2018: ₹ 88.72 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:

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for the year ended 31st March, 2019

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.

35.1 Leave Encashment (unfunded)

The Group 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	March 31, 2019	March 31, 2018
Liability at the beginning of the period	215.20	182.48
Benefits paid during the period	22.22	30.85
Acquisition adjustment during the period/year	-	-
Provided during the period	64.80	63.57
Liability at the end of the period	257.78	215.20

35.2 Employee Stock Option Plan

Employee Stock Option Plan – 2006 (“the 2006 Plan”):

- Pursuant to the Scheme of Demerger, with respect to the employee's stock options granted by the De-Merged company i.e. Max Financial Services Limited (MFS) to its employees (irrespective of whether they continue to be employees of MFS or become employees of the Company) shall be allotted one stock option by the Company under the new ESOP scheme for every five stock option held in MFS. Accordingly, ESOP outstanding as on the effective date in MFS shall be allocated between the demerged company and resulting companies. Accordingly, 500,712 stock options were granted to the employees of MFS 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, 2019		March 31, 2018	
	Number of options	Weighted Average exercise price (₹)	Number of options	Weighted Average exercise price (₹)
Outstanding at the start of the year	222,171	10.00	443,504	10.00
Option grant during the year	193,570	10.00	-	10.00
Forfeited during the year	-	10.00	-	10.00
Exercised during the year	198,890	10.00	221,333	10.00
Outstanding at the end	216,851	10.00	222,171	10.00
Exercisable at the end	1,130	10.00	1,130	10.00

For options exercised during the year, the weighted average share price at the exercise date was ₹21.70 per share (March 31, 2018: ₹ 10.00) per share.

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The weighted average remaining contractual life for the stock options outstanding as at March 31, 2019 are as follows:

Date of grant	March 31, 2019		March 31, 2018	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
21-Jan-16	23,280	0.75	222,171	1.74
01-04-2018 (Grant Type I)	110,205	3.5		
01-04-2018 (Grant Type II)	83,365	4		

- 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, 2019, 198,891 (March 31, 2018 - 221,333) 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 (₹ 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.

35.3 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 ₹ 23.12 lakhs doesn't have the material impact on conversion of plan.

	(₹ in Lakhs)	
	As at March 31, 2019	As at March 31, 2018
Opening Balance	23.12	-
Expenses during the period/ year	-	23.12
Closing Balance	23.12	23.12

35.4 Provident Fund

The Holding 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.

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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, 2019 as per the actuarial valuation of active members are as follows:

(₹ in Lakhs)		
Particulars	March 31, 2019	March 31, 2018
Plan assets at year end at fair value	2,385.69	2,332.64
Present value of defined benefit obligation at year end	2,335.60	2,300.33
Surplus as per actuarial certificate	50.09	32.31
Shortfall recognized in balance sheet	-	-
Active members as at year end (Nos)	428	434

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

	March 31, 2019	March 31, 2018
Discount rate	6.76%	7.18%
Yield on existing funds	8.65%	8.94%
Expected guaranteed interest rate	8.65%	8.55%

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

	March 31, 2019	March 31, 2018
Employer's Contribution towards Provident Fund (PF)	93.87	58.58
	93.87	58.58

36 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.

37 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	Carrying value		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Financial asset at amortized cost				
Non-Current				
Loans (refer note no 5 (ii))	467.53	462.34	467.53	462.34
Financial assets (refer note no 5 (iii))	-	747.56	-	747.56
Current				
Loans (refer note no 9(iii))	621.55	63.96	621.55	63.96
Other-current financial assets (9(vii))	19.68	637.89	19.68	637.89
Financial liabilities at amortized cost				
Non-Current				
Investments (refer note no 5(i))	10,096.89	9,027.67	10,096.89	9,027.67
Current				
Current derivative instruments (refer note no 9(vi))	-	53.67	-	53.67
Current investments (refer note no 9(i))	-	5,733.73	-	5,733.73
Financial liabilities at amortized cost				
Non-Current borrowings including current maturities (refer note 13 and (18(iii)))	35,573.61	24,744.91	35,573.61	24,744.91
Current borrowings (refer note 18(i))	21,764.87	43,156.00	21,764.87	43,156.00

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for the year ended 31st March, 2019

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

Notes to the Consolidated Financial Statements

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Description of significant unobservable inputs to valuation:

Particulars	Valuation technique	Significant unobservable inputs	Increase/decrease in rate	March 31, 2019	March 31, 2018
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 ₹ 2,394 lakhs and decrease in growth rate by 1% leads to profit lower by ₹ 1,596 lakhs	Increase in Growth rate by 1% leads to profit higher by ₹ 2,394 lakhs and decrease in growth rate by 1% leads to profit lower by ₹ 1,596 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 ₹ 339 lakhs and decrease in growth rate by 1% leads to profit higher by ₹ 355 lakhs	Increase in Discount rate by 1% leads to profit lower by ₹ 339 lakhs and decrease in growth rate by 1% leads to profit higher by ₹ 355 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 ₹ 192 lakhs and decrease in growth rate by 1% leads to profit lower by ₹ 151 lakhs	Increase in Growth rate by 1% leads to profit higher by ₹ 192 lakhs and decrease in growth rate by 1% leads to profit lower by ₹ 151 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 ₹ 203 lakhs and decrease in growth rate by 1% leads to profit higher by ₹ 259 lakhs	Increase in Discount rate by 1% leads to profit lower by ₹ 203 lakhs and decrease in growth rate by 1% leads to profit higher by ₹ 259 lakhs

The IAN Fund is a fund holding units in seed and early stage start-up companies and many of the such companies has recently started operations. The change in the valuation by 1% may not have material impact on the Group.

38 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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, 2019 and March 31, 2018 based on contractual undiscounted payments :-

(₹ in Lakhs)

	0-1 Years	1-5 Years	More than 5 Years	Total
March 31, 2018				
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
March 31, 2019				
Interest bearing borrowings	27,190.95	29,938.08	583.87	57,712.90
Trade payable	18,319.13	247.94	-	18,567.07
Other financial liabilities	682.73	-	-	682.73

Interest bearing borrowings

Excludes interest cash outflow as borrowings are on floating rate of interest.

Reconciliation of Interest bearing borrowings

(₹ in Lakhs)

	Schedule no	As at March 31, 2019	As at March 31, 2018
(i) Non-Current borrowings	13	30,147.53	20,119.00
(ii) Short-term borrowings	18	21,764.87	43,156.00
(iii) Current maturity of long term borrowings	18	5,426.08	4,625.91
Processing fees adjusted from borrowings		374.42	546.74
		57,712.90	68,447.65

Reconciliation of other financial liability

(₹ in Lakhs)

	Schedule no	As at March 31, 2019	As at March 31, 2018
Other financial liabilities	18	6,108.81	7,252.67
Less: Current maturities of long term borrowings	18	(5,426.08)	(4,625.91)
		682.73	2,626.76

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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, 2019, March 31, 2018 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, 2019 and 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, 2019, and 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 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.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

(₹ in Lakhs)

Unhedged foreign currency exposures recognized by the Group are as under:

Currency	March 31, 2019 Foreign currency	March 31, 2019 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	3.06	241.76	Euro	1%	2.42	(2.42)
Capital trade payables	0.01	0.53	Euro	1%	0.01	(0.01)
Buyers credit-Short term borrowings	139.27	11,005.23	Euro	1%	110.05	(110.05)
Trade receivables	7.85	598.99	Euro	1%	5.99	(5.99)
Interest Accrued but not due on Buyers Credit	0.42	33.45	Euro	1%	0.33	(0.33)
Trade payables	0.01	1.23	GBP	1%	0.01	(0.01)
Trade receivables	3.13	278.70	GBP	1%	2.79	(2.79)
Trade payables	27.01	1,888.98	USD	1%	18.89	(18.89)
Trade receivables	31.04	2,124.22	USD	1%	21.24	(21.24)
Buyers credit-Short term borrowings	1.87	130.77	USD	1%	1.31	(1.31)
Interest Accrued but not due on Buyers Credit	0.01	0.70	USD	1%	0.01	(0.01)
Trade payables	11.25	7.15	JPY	1%	0.07	(0.07)

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)

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:

Particulars	Currency	March 31, 2019		March 31, 2018	
		Foreign currency	Indian Rupee	Foreign currency	Indian Rupee
Receivables (Forward contract Sell)	USD	-	-	0.84	54.32
Receivables (Forward contract Sell)	GBP	1.40	124.54	0.94	85.28
Payables (Forward contract Buy)	USD	0.94	65.38	27.84	1,819.18
Payables (Forward contract Buy)	Euro	70.00	5,531.40	81.81	6,668.33
Payables (Forward contract Buy)	GBP	-	-	3.14	291.49

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for the year ended 31st March, 2019

(₹ in Lakhs)

(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, 2019	0.50%	-139.46	139.46
March 31, 2018	0.50%	-139.46	139.46

* 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 activates require the ongoing purchase of raw material and therefore requires a continues supply. The Company operations may impact due to changes in prices of those raw materials.

Commodity price sensitivity of Raw material

Nature	Change in year end price	Effect on profit before tax
For the year ended March 31, 2019	10%	(6,919.54)
For the year ended March 31, 2019	-10%	6,919.54
For the year ended March 31, 2018	10%	(4,955.49)
For the year ended March 31, 2018	-10%	4,955.49

39 Related party disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not

Subsidiary companies	Max Speciality Films Limited
	Max Estates Limited
	Max I. Limited
	Max Asset Services Limited (formerly known as Max Learning Limited)
Step down subsidiary	Wise Zone Builders Private Limited

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)
	Mr. Gopalakrishnan Ramachandran (Company Secretary) upto February 25, 2019
	Mr. Alok Goel (Company Secretary) upto October 3, 2017
	Mr. Mohit Talwar
	Mr. K. Narasimha Murthy
	Mr. Dinesh Kumar Mittal
	Ms. Sujata Keshavan Guha (upto July 24, 2018)
	Mr. Ashok Brijmohan Kacker
	Ms. Sujatha Ratnam (upto June 28, 2017)
	Ms. Gauri Padmanabhan (w.e.f. November 26, 2018)
	Mr. Veer Singh (Son of Mr. Analjit Singh - Director)
	Ms. Piya Singh (Daughter of Mr. Analjit Singh - Director)
Relatives of Key Management personnel	

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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 Senior Living 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

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

(₹ in Lakhs)

S. No	Nature of transaction	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
1	Reimbursement of expenses (Received from)	Piveta Estates Private Limited	-	11.26
		Four Season Foundation	-	0.03
		Max Ventures Private Limited	0.19	3.34
		Max Financial Services Limited	-	2.50
		Max India Limited	-	0.14
		Max Healthcare Institute Limited	-	0.16
		Siva Realty Ventures Private Limited	-	0.08
		Total	0.19	17.51
2	Reimbursement of expenses (Paid to)	Max Financial Services Limited	163.32	159.68
		Max India Limited	-	0.13
		New Delhi House Services Limited	51.84	34.05
		Max Ventures Private Limited	0.23	7.08
		Leeu Collections South Africa Pty Limited	-	7.77
		Max Life Insurance Company Limited	7.21	4.65
		Max Healthcare Institute Limited	0.08	0.65
		Vana Enterprises Limited	-	0.27
		Icare Health Projects & Research Private Limited	-	14.95
		Piveta Estates Private Limited	-	0.38
		Antara Senior Living Limited	15.63	-
		Antara Purukul Senior Living Limited	9.38	-
		Riga Foods LLP	5.74	0.76
		Total	253.43	230.37

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S. No	Nature of transaction	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
3	Shared Services rendered (to)	Max Ventures Private Limited	50.47	55.51
		Piveta Estates Private Limited	3.74	7.27
		Antara Purukul Senior Living Limited	-	14.01
		Pharmax Corporation Limited	4.17	49.38
		Four Season Foundation	1.10	2.19
		Max Financial Services Limited	9.41	1.59
		Max India Limited	46.24	1.41
		Total	115.13	131.36
4	Insurance expense	Max Life Insurance Company Limited	65.51	18.13
		Max Bupa Health Insurance Company Limited	31.11	32.86
		Total	96.62	50.99
5	Travelling and conveyance	Max Ventures Private Limited	0.53	1.22
		Piveta Estates Private Limited	-	1.88
		Siva Realty Ventures Private Limited	-	3.86
		Total	0.53	6.96
6	Legal and professional	Max UK Limited	6.08	5.86
		Total	6.08	5.86
7	Rent expense (Paid to)	Lakeview Enterprises	64.84	57.98
		Piya Singh	108.07	96.63
		Max Financial Services Limited	-	4.80
		Total	172.91	159.41
8	Purchase of Tangible Assets	Max Ventures Private Limited	-	0.98
		Piveta Estates Private Limited	-	9.54
		Pharmax Corporation Limited	2,700.00	-
		Siva Realty Ventures Private Limited	-	24.34
		Total	2,700.00	34.86
9	Contribution to employee benefit Trust	Max Financial services Limited Employees' Provident Fund Trust	118.72	117.16
		Max Speciality Films Limited Employees Group Superannuation Trust	15.06	15.41
		Total	133.78	132.57
10	Key managerial remuneration - Short term employment benefits	Sahil Vachani	239.76	214.98
		Alok Goel	-	46.21
		Nitin Kumar Kansal	86.35	68.30
		Gopalakrishnan Ramachandran	55.37	10.92
		Total	381.48	340.41
11	Key managerial remuneration - Post employment benefits*	Sahil Vachani	6.68	6.07
		Alok Goel	-	2.10
		Nitin Kumar Kansal	4.65	4.21
		Gopalakrishnan Ramachandran	1.92	0.48
		Total	13.25	12.86
12	Sitting Fees to Directors	Analjit Singh	3.00	3.00
		Mohit Talwar	16.00	31.00
		K.N Murthy	28.00	39.00
		D.K Mittal	18.00	22.00
		Sujata Keshavan	1.00	4.00
		Ashok Kacker	15.00	38.00
		Sujatha Ratnam	-	1.00
		S.K Bijlani	-	17.00
		Total	81.00	155.00
13	Loan repaid	Analjit Singh	-	5,600.00
		Total	-	5,600.00
14	Security deposit (given)	Lakeview Enterprises	-	2.93
		Total	-	2.93
15	Land development rights taken	Trophy Estates Private Limited	45.48	70.52
		Mr Analjit Singh	53.07	33.54
		Mr Analjit Singh HUF	9.21	14.29
		Total	107.76	118.35

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S. No	Nature of transaction	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
16	Interest on Initial Capex Pay Back	Trophy Estates Private Limited	6.87	64.98
		Mr Analjit Singh	8.02	75.84
		Mr Analjit Singh HUF	1.39	13.17
		Total	16.28	153.99
17	Issue of share warrants	Siva Enterprises Private Limited	-	2,017.60
		Total	-	2,017.60
18	Purchase of stake in subsidiary	Pharmax Corporation Limited	-	352.80
		Total	-	352.80
19	Advance against land purchase	Pharmax Corporation Limited	-	202.02
		Total	-	202.02
20	Advances recoverable in cash or in kind	Pharmax Corporation Limited	-	186.03
		Total	-	186.03
21	Purchase of investments	Azure Hospitality Private Limited	-	3,794.98
		Total	-	3,794.98
22	Refund of Advance from Customers on Area Cancellation	Piveta Estates Private Limited	-	24,510.00
		Total	-	24,510.00
23	Advance from customers on area cancellation	Max India Limited	-	7,320.00
		Max Life Insurance Company Limited	-	6,710.00
		Total	-	14,030.00

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

39 (b) Balances outstanding at year end

(₹ in Lakhs)

S.No	Nature of transaction	Particulars	As at March 31, 2019	As at March 31, 2018
1	Statutory dues payable	Max Speciality Films Limited Employees Group Superannuation Trust	1.26	1.19
		Max Financial Services Limited Employees' Provident Fund Trust	9.29	9.58
		Total	10.55	10.77
2	Trade Receivables	Max Ventures Private Limited	181.10	62.45
		Piveta Estates Private Limited	0.29	1.73
		Max Financial Services Limited	10.16	1.69
		Four Season Foundation	0.02	0.64
		Max India Limited	8.12	1.92
		Max India Foundation	7.06	-
		Total	206.75	68.43
3	Other Receivables	Max Ventures Private Limited	8.43	9.82
		Piveta Estates Private Limited	15.65	9.65
		Four Season Foundation	-	0.03
		Max India Limited	-	0.17
		Max Life Insurance Co. Limited	0.45	0.78
		New Delhi House Services Limited	-	0.09
		Siva Realty Ventures Private Limited	-	0.09
		Total	24.52	20.63
4	Security Deposit (Receivable)	LakeView Enterprises	28.99	28.99
		Piya Singh	48.32	48.32
		Total	77.31	77.31
5	Trade payables	New Delhi House Services Limited	7.11	4.80
		Piya Singh	17.54	-
		Max Ventures Private Limited	59.42	1.07
		Piveta Estates Private Limited	6.82	8.60
		Siva Realty Ventures Private Limited	-	21.29
		Max UK Limited	2.54	8.81
		Max Healthcare Institute Limited	0.02	0.02
		Antara Purukul Senior Living Limited	4.25	-
		Pharmax Corporation Limited	2,443.36	-
		Max Financial Services Limited	167.40	81.48
		Four Season Foundation	-	0.18
		Riga Foods LLP	-	0.75
		Antara Senior Living Limited	5.63	-
		Total	2,714.09	127.00
6	Advances recoverable in cash or kind	Max Bupa Health Insurance Company Limited	1.28	0.89
		Pharmax Corporation Limited	-	231.66
		Max Financial Services Limited	3.96	-
		Lakeview Enterprises	5.68	-
		Max Life Insurance Company Limited	0.57	-
		Total	11.49	232.55
7	Development rights payable #	Trophy Estates Pvt Ltd	-	154.07
		Mr Analjit Singh	-	90.47
		Mr Analjit Singh HUF	-	31.21
		Total	-	275.75
8	Development rights paid in advance #	Trophy Estates Pvt Ltd	80.39	-
		Mr Analjit Singh	225.53	-
		Mr Analjit Singh HUF	15.54	-
		Total	321.46	-
9	Interest Liability on Initial Capex Pay Back	Trophy Estates Pvt Ltd	-	92.63
		Mr Analjit Singh	-	77.43
		Mr Analjit Singh HUF	-	18.76
		Total	-	188.82
10	Advance from customers on area cancellation	Max India Limited	7,320.00	7,320.00
		Max Life Insurance Company Limited	6,710.00	6,710.00
		Total	14,030.00	14,030.00

Notes to the Consolidated Financial Statements

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11 Initial Pay Back (Construction & Development Work)	Trophy Estates Pvt Ltd	-	426.22
	Mr. Analjit Singh	-	497.43
	Mr Analjit Singh HUF	-	86.36
	Total	-	1,010.01

* 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, 2018: ₹ 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.

40 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.

Particulars	For the year ended March 31, 2019			For the year ended March 31, 2018		
	In cash (₹ in Lakhs)	Yet to be paid in cash	Total (₹ in Lakhs)	In cash (₹ in Lakhs)	Yet to be paid in cash	Total (₹ in Lakhs)
i) Construction/acquisition of any asset	-	-	-	-	-	-
ii) On Purposes other than (i) above :						
a) Promoting education	2.26	-	2.26	3.16	-	3.16
b) Ensuring environment sustainability and protection of flora and fauna	-	-	-	-	-	-
c) Health care services	-	-	-	0.03	-	0.03
d) Rural development projects	-	-	-	0.08	-	0.08
e) Training to promote rural sports	-	-	-	-	-	-
f) Promoting gender equality and empowering women	-	-	-	-	-	-
g) Contribution to Skill development programmes	47.22	-	47.22	36.35	-	36.35
h) Others	16.85	-	16.85	-	-	-
Total	66.33	-	66.33	39.62	-	39.62

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

41 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) and 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.

(₹ in Lakhs)

PARTICULARS	Packaging Films		Real Estate		Education		Business investments		Total	
	for the year ended March 31, 2019	for the year ended March 31, 2018	for the year ended March 31, 2019	for the year ended March 31, 2018	for the year ended March 31, 2019	for the year ended March 31, 2018	for the year ended March 31, 2019	for the year ended March 31, 2018	for the year ended March 31, 2019	for the year ended March 31, 2018
1. REVENUE										
External sales (Gross)	85,747.40	67,140.65	3,719.35	2,609.69	-	-	1,290.22	2,982.55	89,466.75	69,750.34
Other Operating Income	1,616.31	1,095.82	15.49	63.02	-	-	2,449.79	1,971.33	2,922.02	4,141.39
Inter segment sales	-	-	74.33	44.71	-	-	-	2,524.12	2,524.12	2,016.04
Total Revenue	87,363.71	68,236.47	3,809.17	2,717.42	-	-	3,740.01	4,953.88	94,912.89	75,907.77
Less: Inter Segment sales	-	-	74.33	44.71	-	-	2,449.79	1,971.33	2,524.12	2,016.04
Total revenue	87,363.71	68,236.47	3,734.84	2,672.71	-	-	1,290.22	2,982.55	92,388.77	73,891.73
2. RESULTS										
Segment results	2,284.18	2,211.27	(306.04)	(265.18)	(412.86)	(585.76)	(455.94)	2,056.66	1,109.34	3,416.99
Unallocated expenses (net of income)	-	-	-	-	-	-	-	-	-	-
Operating profit	2,284.18	2,211.27	(306.04)	(265.18)	(412.86)	(585.76)	(455.94)	2,056.66	1,109.34	3,416.99
Interest expense and finance cost	-	-	-	-	-	-	-	-	4,189.45	2,301.99
Profit before tax	-	-	-	-	-	-	-	-	(3,080.11)	1,115.00
Provision for taxation	-	-	-	-	-	-	-	-	(147.97)	779.44
Net (Loss)/Profit before minority interest	-	-	-	-	-	-	-	-	(2,932.14)	335.56
-Minority interest	-	-	-	-	-	-	-	-	(621.63)	(34.79)
Net Loss/(Profit)	-	-	-	-	-	-	-	-	(2,310.51)	370.35
3. OTHER INFORMATION										
A. ASSETS										
Segment assets	83,063.84	77,879.75	82,503.46	66,596.68	80.68	322.62	22,887.84	14,186.54	188,535.82	158,985.59
Unallocated assets	-	-	-	-	-	-	-	-	1,286.54	280.21
Total assets	83,063.84	77,879.75	82,503.46	66,596.68	80.68	322.62	22,887.84	14,186.54	189,822.36	159,265.80
B. LIABILITIES										
Segment liabilities	59,753.94	11,408.45	33,276.42	25,310.82	19.35	158.08	1,016.58	610.41	94,066.29	37,487.76
Unallocated liabilities	-	-	-	-	-	-	-	-	548.75	68,011.50
Total liabilities	59,753.94	11,408.45	33,276.42	25,310.82	19.35	158.08	1,016.58	610.41	94,615.04	105,499.26
C. OTHERS										
Capital expenditure	27,880.98	1,293.47	72.57	16.79	150.79	181.49	453.42	46.43	28,557.76	1,538.18
Depreciation and amortisation expense	2,997.42	2,250.97	16.90	11.91	14.05	12.44	19.15	13.18	3,047.52	2,288.50
Non cash expenses other than Depreciation	22.59	261.70	0.73	-	204.80	-	2.67	-	230.80	261.70

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

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, 2019	for year ended March 31, 2018
i. within India	74,834.80	58,961.58
ii. Outside India	17,553.97	14,930.15
	92,388.77	73,891.73

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 ₹ 13,181.41 Lakhs ; (March 31, 2018: ₹ 12,513.36 Lakhs)

Trade receivables

(₹ in Lakhs)

	As at March 31, 2019	As at March 31, 2018
i. within India	11,902.99	8,304.09
ii. Outside India	3,206.52	2,870.81
Total Trade receivables (Gross)	15,109.51	11,174.90
Less: Provision for doubtful receivables	125.02	237.97
Trade receivables	14,984.49	10,936.93

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, 2019	As at March 31, 2018
i. within India	62,126.91	55,130.62
ii. Outside India	-	-
	62,126.91	55,130.62

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

- 42** During the year ended March 31, 2019, the Holding Company (Max Venturees and Industries Limited) issued 7,37,53,787 equity shares of the company of face value of ₹ 10/- each ("Rights Equity Shares") at an issue price of ₹ 61 per Rights equity share (including a premium of ₹ 51 per Rights equity share) on rights basis.

Proceeds from the rights issue have been utilized upto March 31, 2019 in the following manner

(₹ in Lakhs)

	Planned	Actual
Gross Proceeds through the rights issue	44,989.81	44,989.81
Less: Issue expenses	593.30	504.71
Net proceeds of the issue after deducting the issue related expenses from the rights issue	44,396.51	44,485.10
	Planned	Actual
Net proceeds of the issue after deducting the issue related expenses from the rights issue	44,396.51	44,485.10
Utilization:		
Investment in Max Estates Limited, one of our Subsidiaries, for further investment in Wise Zone Builders Private Limited (WZBPL), step down subsidiary for pre-payment / repayment of loan availed from IDFC Bank Limited for repayment to Piveta Estates Private Limited	25,000.00	25,000.00
Investment in Max Estates Limited for further investment in WZBPL, for construction and completion of Max Towers in the Delhi One project	7,525.00	6,930.00
Investment in Max Estates Limited for purchase of interest in property and a portion of the land at Max House (Okhla Project) from Pharmax Corporation Limited	2,430.00	189.00
General corporate purpose	9,441.51	1,748.00
Total	44,396.51	33,867.00
Unutilised proceeds kept as Fixed Deposit/current account with Bank*		10,529.51

*excluding accrued interest income of ₹ 269.48 lakhs on Fixed Deposits

- 43** a) On April 03, 2017, Max Ventures and Industries Limited has purchased 338,350 equity shares of Max Speciality Films Limited face value of ₹10/- each from Pharmax Corporation Limited at a premium of ₹94.27 per share aggregating to a total consideration of ₹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 ₹10/- each at a premium of ₹94.27 per share to Toppan Printing Co. Ltd. (Toppan) for a consideration of ₹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 ₹10/- each at a premium of ₹ 94.27 per share to Toppan, for an aggregate consideration of ₹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 ₹7,500.32 Lakhs.

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

44 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, 2019	March 31, 2018
India	49%	49%

- b) Information regarding non-controlling interest

(₹ in Lakhs)

	March 31, 2019	March 31, 2018
Accumulated balances of material non-controlling interest	11,612.95	12,258.93
Profit/(loss) allocated to material non-controlling interest	(645.98)	(12.49)

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, 2019 and March 31, 2018:

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Revenue (including other incomes)	88,809.54	69,311.86
Cost of raw material and components consumed	70,745.82	48,910.27
Changes in inventories of finished goods, traded goods, stock in trade and work-in-progress	(1,550.44)	644.67
Excise duty on sale of goods	-	1,402.25
Employee benefits expense	3,320.97	3,121.37
Other expenses	11,011.60	10,771.06
Depreciation and amortization expense	2,997.41	2,250.97
Finance costs	4,146.78	2,293.81
Profit before tax	(1,862.60)	(82.54)
Less: Income tax	(593.97)	(11.55)
Profit for the year	(1,268.63)	(70.99)
Add/(Less): Other Comprehensive Income/loss	(49.63)	45.49
Total comprehensive income	(1,318.26)	(25.50)
Attributable to non-controlling interests	(645.98)	(12.49)
Dividends paid to non-controlling interests	-	-

Summarised balance sheet as at March 31, 2019 and March 31, 2018

Particulars	March 31, 2019	March 31, 2018
Current assets, including cash and cash equivalents	26,704.79	21,874.37
Non-current assets	57,190.88	56,021.62
Assets classified as held for sale	-	128.00
Current liabilities, including tax payable	39,905.29	32,492.60
Non-current liabilities, including deferred tax liabilities	20,290.42	20,513.17
Total equity	23,699.96	25,018.22
Attributable to:		
Equity holders of parent	12,087.01	12,759.29
Non-controlling interest	11,612.95	12,258.93

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

Summarised cash flow information as at March 31, 2019 and March 31, 2018

(₹ in Lakhs)

Particulars	March 31, 2019	March 31, 2018
Operating	5,485.92	4,255.68
Investing	(5,936.49)	(20,554.38)
Financing	14.33	16,694.59
Net increase/(decrease) in cash and cash equivalents	(436.25)	395.89

45 Details of expenditure on research and development activities is as under

Particulars	March 31, 2019	March 31, 2018
Revenue expenditures		
Salary & wages (including other employee benefits)	170.54	100.21
Raw material, stores and spare consumed	59.38	30.10
Total revenue expenditure	229.92	130.31
Capital expenditure (included in Property plant and equipment)		
Capital equipments	-	3.10
Total capital expenditure	-	3.10

46 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.

Particulars	As at March 31, 2019	As at March 31, 2018
Borrowings	51,912.40	63,275.00
Other financial liabilities	6,108.81	7,252.67
Trade payables	18,567.07	17,832.05
Less: Cash and Cash equivalents	716.85	633.27
Other Bank Balances	11,224.70	3.75
Net Debt	64,646.73	87,722.70
Equity Share Capital	14,660.08	7,264.81
Other Equity	69,062.25	34,242.80
Non-controlling interest	11,612.95	12,258.93
Total Equity	95,335.28	53,766.54
Total Capital and net debt	159,982.01	141,489.24
Gearing ratio	40%	62%

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

47 Additional information:

Name of the Subsidiary	As at March 31, 2019				As at March 31, 2018			
	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)
Parent								
Max Ventures and Industries Limited	14.57%	12,198.26	-29.83%	883.96	12.11%	5,027.55	115.61%	439.44
Subsidiary								
Max Speciality Films Limited	14.96%	12,522.91	44.48%	(1,318.26)	60.27%	25,018.22	-6.71%	(25.50)
Max Estates Limited	7.25%	6,069.24	65.34%	(1,936.33)	21.98%	9,123.39	-103.67%	(394.06)
Max I. Limited	11.49%	9,621.68	-6.77%	200.66	7.17%	2,975.59	261.56%	994.17
Max Asset Services Limited	0.07%	61.33	16.53%	(489.92)	-1.76%	(729.54)	-165.72%	(629.90)
Wise Zone Builders Private Limited *	51.66%	43,248.91	10.24%	(303.52)	0.22%	92.40	-1.06%	(4.05)
	100.00%	83,722.33	100.00%	(2,963.40)	100.00%	41,507.61	100.00%	380.10

* Step down subsidiary of Max Estates Limited

#net assets excludes non-controlling interest

- 48** "Ind AS 115 supersedes Ind AS 11 Construction Contracts and Ind AS 18 Revenue and it applies, with limited exceptions, to all revenue arising from contracts with customers. Ind AS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be 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.

Ind AS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115 "Revenue from Contracts with Customers" as part of the Companies (Indian Accounting Standards) Amendment Rules, 2018. The new standard is effective for accounting periods beginning on or after April 1, 2018.

The Group has aligned its policy of revenue recognition with Ind AS 115 -Revenue from Contracts with Customers" which is effective from April 1, 2018. Accordingly, revenue in realty business is recognized on delivery of units to customers as against recognition based on percentage completion method hitherto in accordance with the guidance note issued by ICAI.

The Group has opted to apply the modified retrospective approach, and in respect of the contracts not complete as of April 1, 2018 (being the transition date), has made adjustments to opening retained earnings by ₹30.69 Lakhs, net of tax effect as permitted by the standard. Due to the application of Ind AS 115, revenue for the year is higher by ₹2609.69 Lakhs, consumption for the year is higher by ₹2773.23 Lakhs respectively & loss after tax for the year is higher by ₹163.54 lakhs, vis-à-vis the amounts if replaced standards were applicable. The basic and diluted EPS for the year is (₹ 1.95) per share instead of (₹2.08) per share respectively.

- 49** Effective August 16, 2018, the Group has adopted cash flow hedging which comprises derivative contracts and non-derivative hedging instruments designated for hedging the foreign exchange rate of highly probable forecast transactions. The effective portion of changes in the fair value of the derivative contracts and non-derivative hedging instruments that are designated and qualify as cash flow hedges is recognised in the other comprehensive income. As a result, loss after tax for the year ended March 31, 2019 is higher by ₹ 61.24 lakhs (net of taxes of ₹ 32.97 lakhs).

- 50** "Ind AS 116 Leases was notified in March 30, 2019 and it replaces Ind AS 17 Leases, including appendices thereto. Ind AS 116 is effective for annual periods beginning on or after April 1, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. The standard includes two recognition exemptions for lessees - leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and

Notes to the Consolidated Financial Statements

for the year ended 31st March, 2019

an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases. The Group intends to adopt these standards, if applicable, when they become effective. As the Group does not have any material leases, therefore the adoption of this standard is not likely to have a material impact in its Financial Statements.

- 51** There are numerous interpretative issues relating to the Supreme Court (SC) judgement dated 28th February, 2019 on Provident Fund (PF) on the inclusion of allowances for the purpose of PF contribution as well as its applicability of effective date. The Group is evaluating and seeking legal inputs regarding various interpretative issues and its impact.
- 52** 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 ₹ 50,000/-.

As per our report of even date

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

per Sanjay Vij
Partner
Membership Number: 095169

Place : Gurugram
Date: May 22, 2019

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)

Place : New Delhi
Date: May 22, 2019

Sahil Vachani
(Managing Director & Chief Executive Officer)
DIN: 00761695

Saket Gupta
(Company Secretary)



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