



February 25, 2017

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

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400051

Scrip Code: 539940

Scrip Code: MAXVIL

Sub.: Notice of Postal Ballot

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Notice of Postal Ballot dated February 17, 2017 alongwith the Postal Ballot Form issued to the members of the Company, seeking their approval on the following matters:

1. Special Resolution under Section 180(1)(a) of the Companies Act, 2013 and Regulation 25(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, for sale / disposal / alienation or otherwise transfer of equity shares of Max Speciality Films Limited.
2. Special Resolution under Section 186 of the Companies Act, 2013, for increase of limits for investment / giving loans / providing guarantee / security.
3. Special Resolution under Section 5 and 14 of the Companies Act, 2013 for alteration of Articles of Association of the Company.

The Company has completed the dispatch of the Postal Ballot Notice to the members of the Company today i.e. February 25, 2017. Further, the aforesaid Postal Ballot Notice and Form is also available on the website of the Company www.maxvil.com.

This is for your information and records.

Thanking you,

Yours faithfully,

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

Alok Goel
Company Secretary

Encl. as above

MAX VENTURES AND INDUSTRIES LIMITED

(Formerly Capricorn Ventures Ltd.)

(CIN : L85100PB2015PLC039204)

Registered office: 419, Bhai Mohan Singh Nagar,

Village Railmajra, Tehsil Balachaur, Nawanshahr, Punjab - 144 533

Tel. No.: 01881-462000, 462001 Fax: 01881- 273607

Email - investorhelpline@maxvil.com; Website: www.maxvil.com



NOTICE OF POSTAL BALLOT

{Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014}

Dear Member(s),

NOTICE is hereby given pursuant to the provisions of Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("**the Act**"), read with Rule 20, Rule 22 and other applicable rules of the Companies (Management and Administration) Rules, 2014 ("**the Rules**") (including any statutory modification or re-enactment(s) thereof for the time being in force), Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") other applicable laws and regulations, if any, that the appended resolutions are proposed to be passed as special resolutions by way of postal ballot / electronic voting (e-voting). The explanatory statement, pertaining to the aforesaid resolutions setting out the material facts concerning the items and the reasons thereof, is annexed hereto with a Postal Ballot Form for your consideration.

The Board of Directors of the Company has, in compliance with Rule 22(5) of the Rules, appointed Mr. Sanjay Grover, (Membership No. FCS 4223; C.P No. 3850), Managing Partner, M/s Sanjay Grover & Associates, Company Secretaries, having office at B-88, 1st Floor, Defence Colony, New Delhi - 110024, as the scrutinizer ("**Scrutinizer**") for conducting the postal ballot / electronic voting ("**e-voting**") process in a fair and transparent manner and that Mr. Sanjay Grover has conveyed his willingness to act as the Scrutinizer in terms of Rule 22(6) of the Rules.

Members are requested to carefully read the instructions that form a part of this Postal Ballot Notice ("**Notice**") and /or the Postal Ballot Form and return the Postal Ballot Form duly completed in the enclosed postage pre-paid self-addressed Business Reply Envelope so as to reach the Scrutinizer not later than 1800 hours IST on Monday, March 27, 2017. The Postal Ballot Form may also be deposited personally at the address mentioned on the Business Reply Envelope. Please note that if any Postal Ballot Form is received after the said date, it will be considered that no reply has been received from the member.

Members having shares in demat form and in physical form may vote either by way of Postal Ballot Form or by way of e-voting. For the purpose of e-voting, the Company has engaged the services of National Securities Depository Limited ("**NSDL**"). E-voting is optional and members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions provided in the Notes of the Notice. In case a member has voted through e-voting facility, he/she is not required to send the Postal Ballot Form to the Scrutinizer. In case a member votes through e-voting facility as well as sends his/her vote through submission of Postal Ballot Form, the vote cast through e-voting shall only be considered and the voting through submission of Postal Ballot Form shall not be considered by the Scrutinizer.

The Scrutinizer will submit his report to the Chairman or any other official authorized by the Chairman of the Company, after the completion of the scrutiny of the postal ballot(s) (including e-voting) for declaration of results. The result of the postal ballot shall be declared on Wednesday, March 29, 2017 at 1400 hours at the Registered Office of the Company. The results shall be displayed at the Registered Office and Corporate Office of the Company and communicated to the stock exchanges, depository, registrar and share transfer agent and shall also be displayed on the Company's website, www.maxvil.com and the website of the e-voting agency i.e. www.evoting.nsdl.com.

1. APPROVAL FOR SALE OF EQUITY SHARES OF MAX SPECIALTY FILMS LIMITED

To consider and, if thought fit, to pass the following resolution with or without modifications, if any, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modifications or re-enactment

thereof, for the time being in force) ("**the Act**"), the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Regulation 25(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, the Foreign Exchange Management Act, 1999, as amended, and the policies, rules, regulations, guidelines, notifications and circulars, if any, issued by the Government of India, the Foreign Investment Promotion Board, the Reserve Bank of India, Securities and Exchange Board of India or any other competent authority, whether in India or abroad, from time to time, to the extent applicable including the enabling provisions of the Memorandum of Association and the Articles of Association of the Company and subject to the permissions, consents, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution) and subject to any other alterations, modifications, conditions, corrections, changes and variations that may be decided by the Board in its absolute discretion, the consent of the members of the Company be and is hereby accorded to the Board for sale / disposal / alienation of approximately 35.93% (however not exceeding 37%) of the post issue paid up share capital of Max Specialty Films Limited ("**MSF**") on fully diluted basis, a material unlisted subsidiary of the Company as may be determined by the Board, to Toppan Printing Co. Ltd. ("**Toppan**") having its principal place of business at 1-5-1, Taito, Taito- Ku, Tokyo- 110-8560 Japan, where such equity shares proposed to be sold by the Company, together with the Equity Shares proposed to be issued by MSF to Toppan will constitute 49% of the paid up equity share capital of MSF.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of the Board or any Director(s) or Officer(s) of the Company and to generally do all such acts, deeds and things as may be required in connection with the aforesaid resolution, including making necessary filings with the regulatory authorities and execution of any documents on behalf of the Company and to represent the Company before any governmental authorities and to appoint any merchant bankers or other professional advisors, consultants and legal advisors to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, effecting any modifications or changes to the foregoing, entering into contracts, arrangements, agreements, documents without being required to seek any fresh approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution and to settle all questions, difficulties or doubts that may arise in regard to the aforesaid resolution and to take all other steps which may be incidental, consequential, relevant or ancillary to give effect to the aforesaid resolution."

2. INCREASE OF LIMITS FOR MAKING INVESTMENT / PROVIDING LOANS / SECURITY / GUARANTEE

To consider and, if thought fit, to pass the following resolution with or without modifications, if any, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory amendments, modification, re-enactment thereof, for the time being in force) ("**the Act**") and other applicable rules and regulations, if any, the provisions of the Memorandum of Association and the Articles of Association of the Company and subject to such approvals, consents, sanctions and permissions, as may be necessary, consent and approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to include any committee(s) constituted/to be constituted by the Board to exercise its powers including the powers conferred by this resolution) to:

- (i) give / make loans from time to time on such terms and conditions as it may deem expedient to any person or other bodies corporate;

- (ii) give on behalf of any person or body corporate, any guarantee or provide security in connection with a loan made by any other person to, or to any other person by any body corporate; and
- (iii) acquire by way of subscription, purchase or otherwise the securities of any other body corporate; upto an aggregate sum of Rs.180,00,00,000/- (Rupees One Hundred and Eighty Crores Only) ("**Limit**") notwithstanding that the aggregate of loans and investments so far made, the amounts for which guarantee or security so far provided to, along with the investments, loans, guarantee or security proposed to be made or given by the Board up to the Limit may exceed the limits prescribed under Section 186 of the Act and rules made thereunder.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take such steps as may be necessary for obtaining approvals, permissions, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, on behalf of the Company and generally to do all acts, deeds, matters and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid resolution."

3. ALTERATION OF ARTICLES OF ASSOCIATION OF THE COMPANY

To consider and if thought fit, to pass the following resolution with or without modifications, if any, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 5 and 14 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("**the Act**"), the approval of the members of the Company be and is hereby accorded for the modification / amendment to the existing Articles of Association of the Company as mentioned herein below:

- A. The existing Part - I of the Articles of Association of the Company comprising of Article no. 1 to Article no. 190, be and is hereby replaced / substituted with the new set of Part I of the Articles of Association for the purpose of aligning with the provisions of the Act ; and
- B. The existing Part - III of the Articles of Association of the Company comprising of Article no. 209 to Article no. 224 be and is hereby replaced / substituted with the following Part - III of the Articles of Association of the Company consisting of Article no. 209 to Article no. 214:

PART- III OVERRIDING EFFECT AND INTERPRETATION

209. Subject to the requirements of applicable law, in the event of any conflict between the provisions of Part I and this Part III, the provisions of this Part III shall apply in respect of the inter se arrangements between the Company, the Investor and the Promoter Group. The provisions of Part II and this Part III shall be read in conjunction with each other. The provisions of this Part III shall come into effect retrospectively from the Closing Date.

Unless the context otherwise requires, words or expressions contained in this Part III shall have the meanings as provided below.

"Act" means the Indian Companies Act, 1956 (to the extent it has not been repealed) and the Indian Companies Act, 2013 (to the extent notified), as amended, modified or re-enacted from time to time;

"Additional Shares" means the Equity Shares issued by the Company to the Promoter Entity, upon exercise of the Promoter Warrants in accordance with these Articles and the terms of the Promoter Warrants;

"Affiliate" of a Person (the "**Subject Person**") means (i) in the case of any Subject Person other than a natural Person, any other Person that, either directly or indirectly, through one or more intermediate Persons, Controls (as defined hereinafter), is Controlled by or is under common Control with the Subject Person, and (ii) in the case of any Subject Person that is a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons, Controls, is Controlled by or is under common Control

with the Subject Person or who is a Relative of such Subject Person or are trusts/foundations which are controlled by or which the Subject Person and/or their Relatives are beneficiaries of;

"Alternate Director" shall have the meaning assigned to such term in Article 210.2.1;

"Board" means the board of directors of the Company;

"Business Days" means a day (excluding Saturdays and Sundays) on which banks generally are open in New Delhi, India and Mauritius for the transaction of normal banking business;

"Completion Date" shall mean February 17, 2017;

"Competitor" means any Person who is primarily engaged in the business of (a) the manufacture of BOPP and thermal films or (b) real estate development or (c) education and skilling, in each case in India to the extent that such businesses are conducted by the Company or any of its Subsidiaries but shall exclude private equity and similar financial investors;

"Control" means the power to direct the management or policies of any Person, whether through the ownership of over 50% (fifty percent) of the voting power of such Person, through the power to appoint more than half of the board of directors or similar governing body of such entity, through contractual arrangements or by being the promoter (as defined under Law) of such Person or otherwise;

"Definitive Agreements" means the definitive agreements executed between the Parties in relation to subscription of Subscription Shares and Promoter Warrants by the Investor and the Promoter Entity, respectively;

"Encumbrances" means any mortgage, pledge, equitable interest, assignment by way of security, conditional sales contract, hypothecation, right of other Persons, claim, security interest, encumbrance, defect in title, title retention agreement, voting trust agreement, interest, option, lien, charge, commitment, restriction or limitation of any nature whatsoever, including restriction on use, voting rights, transfer, receipt of income or exercise of any other attribute of ownership, right of set-off, any arrangement (for the purpose of, or which has the effect of, granting security), or any other security interest of any kind whatsoever, or any agreement, whether conditional or otherwise, to create any of the same;

"Equity Shares" means equity shares in the Share Capital having a par value of INR 10/- (Indian Rupees Ten only) each;

"Exchanges" means the BSE Limited and National Stock Exchange of India Limited;

"Fully Diluted Basis" means the calculation of the Share Capital, allotted, whether fully or partly paid up, on the date of such calculation, being the sum of (a) all subscribed and issued share capital, and (b) all warrants and convertible securities on an as converted basis (whether or not by their terms then currently convertible, exercisable);

"Governmental Approval" means any consent or approval of a Governmental Body(ies) required by a Party under applicable Law;

"Governmental Body(ies)" means any national, provincial or local government or political subdivision or department thereof of any country, jurisdiction, or any governmental, administrative or regulatory body, commission, board, bureau, agency, entity or instrumentality, authority or body exercising executive, legislative, quasi-judicial, regulatory or administrative functions of government, or any court, arbitrator, alternative dispute resolution body or tribunal, in each case with applicable jurisdiction of such country or any political subdivision thereof;

"Investor" shall mean New York Life International Holdings Ltd;

"Law(s)" shall mean all applicable provisions of all (a) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, ordinances, by-laws or orders of any Governmental Body, (b) Governmental Approvals, and (c) orders, decisions, injunctions, judgments, awards and decrees promulgated by or agreements with any Governmental Body;

"Party" means each of the Investor, the Company and the Promoter Group individually and "Parties" shall refer to any two or more of them collectively;

"Person" means any individual or entity, whether a corporation, firm, limited liability company, an unlimited liability company, joint venture, trust, association, organization, an unincorporated organization, partnership or proprietorship, body corporate, including any Governmental Body, natural person in his capacity as trustee, executor, administrator, or other legal representative;

"Promoter Entity" means Siva Enterprises Private Limited;

"Promoter Group" shall have the meaning assigned to it in Part II of these Articles;

"Promoter Warrants" means the agreed number of warrants subscribed to by the Promoter Group in terms of the Definitive Agreements;

"Prohibited Persons" means such Persons as agreed between the Parties;

"Relative" shall have the meaning assigned to it under the Act;

"RoC" means the jurisdictional registrar of companies;

"Sanctions" means any sanctions administered or enforced by the U.S. Government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority.

"Share Capital" means the total issued and fully paid-up share capital of the Company determined on a Fully Diluted Basis;

"Subscription Shares" means the agreed number of Equity Shares subscribed to by the Investor in terms of the Definitive Agreements;

"Subsidiaries" means all Persons which are subsidiaries of the Company or under the direct or indirect Control of the Company;

"Tag Along Right" shall have the meaning assigned to it under Article 212.1;

"Tag Shares" shall have the meaning assigned to it under Article 212.3(ii);

"Third Party" means any Person that is not a signatory to the Definitive Agreements; and

"Transfer" means to transfer, sell, assign, pledge, hypothecate, create a security interest in or lien on, place in trust (voting or otherwise), transfer by operation of law or in any other way subject to any Encumbrance or dispose of, whether or not voluntarily;

210. Management

210.1. Board Composition

210.1.1. With effect from the Completion Date and till the Investor and/or its Affiliates hold in the aggregate at least 10% (ten percent) of the Share Capital of the Company, the Investor will be entitled to nominate 1 (one) director to the Board ("**Investor Director**"). Subject to the relevant provisions of the Act, the Company will pay the Investor Director (or the Alternate Director (if applicable)) all reasonable out of pocket expenses incurred in order to attend shareholder, Board, committee and other meetings of the Company or otherwise perform their duties and functions as a director of the Company or member of any committee of the Company.

210.1.2. To the extent permissible under Law, the Investor Director will not be liable for any default or failure of the Company in complying with the provisions of any applicable Law.

210.1.3. The Investor Director will not be identified by the Company as an officer who is in default of the Company or occupier of any premises used by the Company, or the director in charge of managing affairs, or an employer of the Company under applicable Law.

210.1.4. If required by applicable Laws, the Promoter Group will vote with respect to its Equity Shares (and to the extent permissible under applicable Laws, procure that its directors on the Board will vote) in favour of the appointment of the Investor Director to the Board.

- 210.1.5. Subject to applicable Law, the Investor Director may be removed as a director of the Company at any time by notice in writing to the Company by the Investor and in such event the Parties will as soon practical remove such director from his position and the Investor may nominate another person as Investor Director to the Board.
- 210.2. Alternate Director
- 210.2.1. The Investor Director will be entitled to appoint an alternate director (an "**Alternate Director**") in his/her place (an "**Original Director**"). Upon the appointment of the Alternate Director, the Company will ensure compliance with the provisions of the Act, including by filing necessary forms with the RoC. The Alternate Director will be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director (including in relation to meetings of committees of the Board) and generally to perform all functions of the Original Director in his absence.
- 210.3. Information Rights
- 210.3.1. Subject to provisions of applicable Laws (including provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 and the SEBI (Listing Obligation and Disclosure Requirements Regulations), 2015, so long as the Investor and/or its Affiliates hold in the aggregate, at least 10% (ten percent) of the Share Capital of the Company, the Investor will be entitled to seek the following information in relation to the Company and its Subsidiaries, and the Company will furnish to the Investor such information, upon the Investor choosing to exercise its right under this Article 210.3.1:
- (i) Information and documents pertaining to the financial and operational performance of the Company, on a quarterly basis, or as may be mutually agreed between the Investor and the Company;
 - (ii) Visitation and inspection rights (including books and records);
 - (iii) Any material information relating to the business of the Company and its Subsidiaries; and
 - (iv) Such other information as the Investor and the Company may mutually agree subsequent to Completion.
- 210.4. Delisting
- 210.4.1. The Company shall not and the Promoter Group shall ensure that the Company does not, take any action to effect voluntary delisting of the Equity Shares of the Company from the Exchanges without the prior written consent of the Investor.
- 210.5. Discussion Matters
- 210.5.1. The Company will inform the Investor before it takes a decision on any matter identified below ("**Discussion Matters**"), whether at a meeting of the Board or its committees or in a general meeting of the shareholders of the Company:
- (i) any alteration in the capital structure of the Company;
 - (ii) any merger, acquisition, liquidation or divestment by the Company exceeding USD 25 million;
 - (iii) commencement of any new business by the Company;
 - (iv) related party transactions of the Company (other than (A) transactions amongst the Company and its Subsidiaries or amongst the Subsidiaries; or (B) transactions involving an amount of more than INR 100,000,000 (Indian Rupees One Hundred Million only) per annum on a consolidated basis);
 - (v) formulation of the business plan of the Company;
 - (vi) declaration or payment of any dividend by the Company;
 - (vii) settlement of any litigation by the Company involving an amount in excess of USD 5 million; and
 - (viii) any amendments to the memorandum of association or articles of association of the Company which materially affects the Investor's interests.
- 210.5.2. At least 7 (seven) Business Days prior to the date on which any decision is proposed to be taken on any of the Discussion Matters, the Company will give written notice of the same to the Investor, setting out full details in relation to the Discussion Matters.

- 210.5.3. The Investor may at its option, choose to give its recommendations on the Discussion Matter to the Company. The Company will duly consider any recommendation given by the Investor in good faith in relation to the Discussion Matters, provided however that the final decision in respect of the Decision Matters will at all times rest with the Board or shareholders (as the case may be) and will not require the prior consent or approval of the Investor.
- 210.5.4. The rights under this Article 210.5 will be available to the Investor so long as the Investor and/or its Affiliates holds at least 10% (ten percent) of the Share Capital.
211. Transfer of Equity Shares Held by the Investor
- 211.1. Transfer to Affiliates
- Subject to applicable Laws, the Investor may, at any time, and in compliance with applicable Law, Transfer all or any of the Subscription Shares to one or more of its Affiliates provided that each Affiliate, prior to the Subscription Shares being transferred in its name executes a deed of adherence in agreed form, and provided further that in the event such transferee ceases to be an Affiliate of the Investor, such transferee will and the Investor will cause such transferee to Transfer the Subscription Shares held by it to the Investor or any other Affiliate of the Investor.
- 211.2. Right of First Offer
- 211.2.1. If the Investor desires to Transfer any of the Equity Shares held by it to Third Party ("**ROFO Shares**") then the Promoter Group will have the right but not the obligation to make an offer to purchase all (and not less than all) of the ROFO Shares in the manner set out below (the "**Right of First Offer**").
- 211.2.2. The Investor will issue a written notice ("**ROFO Sale Notice**") to the Promoter Group notifying the Promoter Group of its intention of selling Equity Shares held by it and stating the number of the ROFO Shares it wishes to sell.
- 211.2.3. If the Promoter Group is desirous of exercising its Right of First Offer and purchasing all (but not less than all) of the ROFO Shares, it must within 15 (fifteen) Business Days of receiving the ROFO Sale Notice ("**ROFO Exercise Period**"), notify the Investor in writing that it wishes to exercise its Right of First Offer ("**ROFO Exercise Notice**"). The ROFO Exercise Notice will contain (a) a binding offer, which remains open for the time periods specified in Article 211.2.4, to purchase all of the ROFO Shares and (b) the price at which the Promoter Group is desirous of purchasing all (but not less than all) of the ROFO Shares ("**ROFO Sale Price**") and without any other terms and conditions.
- 211.2.4. For a period of 15 (fifteen) Business Days from the date of receipt of the ROFO Exercise Notice (the "**ROFO Offer Period**"), the Investor will have the right, by notifying the Promoter Group in writing, to accept the Promoter Group's offer to purchase the ROFO Shares at the ROFO Sale Price ("**ROFO Acceptance Notice**"). If the Investor delivers a ROFO Acceptance Notice to the Promoter Group, then the Investor and Promoter Group will complete the Transfer of the ROFO Shares at the ROFO Sale Price within a period of 90 (ninety) days beginning on the date of the ROFO Acceptance Notice, provided however if a Transfer pursuant to this Article 211.2 triggers an open offer obligation under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and Investor is restricted by applicable Laws from Transferring the ROFO Shares within the period prescribed above, the Parties will complete the transaction within the shortest possible period within which the Transfer of the ROFO Securities can be completed in accordance with the applicable Law (the "**ROFO Completion Period**"). The Transfer of the ROFO Shares pursuant to this Article 211.2.4 will be completed either as a 'negotiated deal' or 'block deal' (as understood in general market parlance) on the floor of the Exchanges subject to compliance with applicable Law or as an off the market transaction as may be agreed between the Parties.
- 211.2.5. If the Investor notifies the Promoter Group that it does not accept the ROFO Sale Price or if the Investor does not deliver a ROFO Acceptance Notice within the ROFO Offer Period, then, the Investor will have the right (but not the obligation), at its sole discretion, to sell all but not less than all the ROFO Shares to any Third Party(ies) not being a Competitor or a Prohibited Person, and at a price which is higher than the ROFO Sale Price. Provided however that, the Investor will execute an agreement to or complete such Transfer within 90 (ninety) days from the end of the ROFO Offer

Period, failing which the right of the Investor to Transfer the ROFO Shares to such Third Party will lapse and the process as set out in this Article 211.2 will again become applicable to any Transfer by the Investor.

211.2.6. If (a) the Promoter Group does not exercise its Right of First Offer within the ROFO Exercise Period or (b) if the Promoter Group informs the Investor that it does not wish to purchase all of the ROFO Shares, the Investor will have the right (but not the obligation), at its sole discretion, to sell all but not less than all the ROFO Shares to a Third Party(ies) not being a Competitor or a Prohibited Person, at any price and on any terms acceptable to the Investor. Provided however that, the Investor will execute an agreement to or complete such Transfer within 90 (ninety) days from the end of the ROFO Exercise Period, failing which the right of the Investor to Transfer the ROFO Shares to such Third Party will lapse and the process as set out in this Article 211.2 will again become applicable to any Transfer by the Investor.

211.2.7. It is clarified that the restriction on the Investor to not Transfer the Equity Shares held by it to any Prohibited Person or a Competitor will not restrict the Investor from selling its Equity Shares on the Exchanges including to a Competitor or a Prohibited Person so long as the sale is not made intentionally or knowingly by the Investor to a Competitor or a Prohibited Person.

211.3. Assignment of Rights

211.3.1. In the event that the Investor sells at least 80% (eighty percent) of the Subscription Shares to a Third Party (subject to the process as set out in Article 211.2) (a **"Third Party Transferee"**), then the Investor will be entitled to transfer to such Third Party Transferee all the rights and obligations of the Investor as mentioned in Part III of the Articles of Association, provided that such Third Party, prior to the Transfer of such Equity Shares executes a deed of adherence in the agreed form and manner (**"Third Party Deed of Adherence"**).

211.3.2. Simultaneous with the Third Party Transferee becoming entitled to the rights and obligations of the Investor under Part III of the Articles of Association, all rights and obligations of the Investor, other than its Tag Along Rights under Part III of the Articles of Association, will automatically fall away. So long as the Investor and its Affiliates own any of the Subscription Shares, the Investor will be entitled to exercise its Tag Along Right and in such a case, the Investor and the Third Party Transferee will be considered to be a single block for determining the number of Tag Shares for the purposes of Part III of the Articles of Association.

211.3.3. All rights and obligations of the Third Party Transferee under Part III of the Articles of Association will automatically terminate upon the Third Party Transferee (and its Affiliates) ceasing to hold at least 10% (ten percent) of the Share Capital.

211.3.4. The Third Party Transferee will not be entitled to transfer the rights and obligations under Part III of the Articles of Association to any other person (other than its Affiliates) without the prior written consent of the Company and the Promoter Group.

212. Transfer of Equity Shares by the Promoter Group

212.1. If any member of the Promoter Group (**"Transferring Promoter"**) proposes to Transfer any of the Equity Shares (calculated on a Fully Diluted Basis) held by it (**"Transferring Promoter Shares"**), either directly or indirectly, to any Person, such that subsequent to such Transfer the Promoter Group (together with its Affiliates) would hold less than 35% (thirty five percent) of the Share Capital of the Company, then the Investor (and any Affiliate of the Investor which holds Equity Shares) will have a tag-along right (**"Tag Along Right"**), exercisable at its sole discretion, to participate in such Transfer, and the Transferring Promoter will give effect to such rights of the Investor in accordance with the terms hereof.

212.2. In order to enable the Investor to exercise its Tag Along Right, the Transferring Promoter will send a written notice (**"Tag Along Notice"**) to the Investor, stating: (i) the name, address and identity of the proposed purchaser (**"Tag Transferee"**); (ii) the number of Transferring Promoter Shares proposed to be Transferred; (iii) the amount and form of the proposed consideration for the Transfer, calculated on a per Equity Share basis (**"Tag Along Price"**); (iv) the total number of Equity Shares held by the

- Promoter Group in the Company at the relevant time; (v) the other terms and conditions of the proposed Transfer; (vi) a representation, warranty and undertaking that no consideration, tangible or intangible, is directly or indirectly being provided to the Transferring Promoter or any member of the Promoter Group in relation to the transfer of the Transferring Promoter Shares that is not reflected in the price to be paid to the Investor exercising its tag along rights hereunder; (vii) a representation, warranty and undertaking that the Tag Transferee has been informed of the Investor's tag along rights pursuant to these Articles and (viii) an offer, at the sole option of the Investor, to include in such sale to the Tag Transferee, the Tag Shares.
- 212.3. The Investor will be entitled to (but not obligated to) respond to the Tag Along Notice by serving a written notice (the **"Tag Response Notice"**) on the Transferring Promoter prior to the expiry of 15 (fifteen) days from the date of receipt of the Tag Along Notice (the **"Tag Offer Period"**) specifying that:
- (i) it (along with its Affiliates, if applicable) has decided not to exercise its Tag Along Right; or
 - (ii) (a) it has decided to exercise its Tag Along Right; (b) the number of Equity Shares proposed to be Transferred by the Investor pursuant to the exercise of its Tag Along Right (**"Tag Shares"**). The maximum number of Tag Shares that may be Transferred by the Investor pursuant to this Article 212 will be: (A) in case of Transfer by the Transferring Promoter where the Promoter Group (together with its Affiliates) in aggregate after such Transfer will hold at least 26% (twenty six percent) or more of the Share Capital of the Company, a number to equal to the number of Equity Shares proposed to be purchased by the Tag Transferee multiplied by a fraction, the numerator of which is the total number of Equity Shares held by the Investor and/or its Affiliates and the denominator of which will be the aggregate of the number of Equity Shares held by the Investor and its Affiliates and the Share Capital held by the Promoter Group at such time; and (B) in case of Transfer by the Transferring Promoter where the Promoter Group (together with its Affiliates) in aggregate after such Transfer will hold less than 26% (twenty six percent) of the Share Capital of the Company, a number of Equity Shares equal to half the Share Capital proposed to be purchased by the Tag Transferee.
- 212.4. In the event that the Investor decides to exercise its Tag Along Right, the Transferring Promoter will cause the Tag Transferee to purchase from the Investor, the Tag Shares on the same terms including a price per Equity Share equal to the Tag Along Price. The Investor will not be required to make any representation, provide any covenants or undertakings, grant any indemnifications or incur any obligations to the Tag Transferee or any other Person other than representations and corresponding indemnity on (a) the title of the Tag Shares; and (b) withholding tax required to be deducted by the Tag Transferee on account of the sale of the Tag Shares by the Investor. If the Tag Transferee refuses to, or is unable to, purchase the Tag Shares or if the Tag Transferee is the subject or the target of any Sanctions, the Transferring Promoter will not Transfer any Transferring Promoter Shares to such Tag Transferee. The Transfer of the Transferring Promoter Shares and the Tag Shares will be executed simultaneously on the block trade window of the Exchanges or through such other mechanism mutually agreed between Transferring Promoter, the Investor and the Tag Transferee, and on such day as may be mutually agreed between Transferring Promoter, the Investor and the Tag Transferee.
- 212.5. Where the Investor or the Transferring Promoter or the Tag Transferee require prior governmental or regulatory consent for disposing/acquiring the Transferring Promoter Shares or the Tag Shares pursuant to these Articles, then notwithstanding any other provision of these Articles, that Person will only be obliged to sell/acquire such shares once such consents are obtained, and the Parties and such Persons will use their reasonable endeavours to obtain any such required consents in the shortest period of time as feasible. Any period within which a Transfer of the Transferring Promoter Shares or Tag Shares has to be completed will exclude the time period between filing of an application to get such consents and the actual receipt of such consents. It is clarified that where a consent required solely by the Investor is unconditionally declined or such consent is not received within a period of 2 (two) months from the Tag Response Notice or the Investor fails to comply with the conditions set out in such consent within a period of 4 (four) months from the Tag Response Notice, the Investor will be deemed not to have exercised its rights under this Article and the other Party(ies) may proceed on such basis.

- 212.6. In the event that a Transfer pursuant to this Article 212 requires a public announcement of an open offer to be made in accordance with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, then notwithstanding the time periods mentioned in this Article 212, such Transfer must be completed within the shortest time permitted for completion of such Transfer under applicable Law.
- 212.7. In the event the Transferring Promoter does not receive the Tag Response Notice within the Tag Offer Period in the manner as set out in Article 212.3, or the Investor has specified in writing that it has decided not to exercise its rights under this Article 212, then the Transferring Promoter will be entitled to Transfer the shares proposed to be Transferred by it to the Tag Transferee within a period of 90 (ninety) days. If the sale and Transfer to the Tag Transferee does not take place within the aforementioned time periods, the right of the Transferring Promoter to sell the Transferring Promoter Shares to the Tag Transferee will lapse and the provisions of this Article 212 will once again apply to any proposed Transfer by the Transferring Promoter.
- 212.8. The Transfers by the Promoter Group will not be subject to the Tag Along Rights of the Investor
- (i) if the Transfer of Equity Shares is amongst the constituents of the Promoter Group or their Affiliates (other than a Prohibited Person or a Competitor) and is subject to such members of the promoter Group and/or its Affiliates executing a deed of adherence in agreed form, agreeing to be bound by the terms of these Articles as part of the Promoter Group prior to such Transfer, and subject further to the condition that in the event such Person ceases to be a member of the Promoter Group and/or an Affiliate of the Promoter Group, then such Person will, and the Promoter Group will cause such Person to Transfer all the Equity Shares Transferred to it back to the Promoter Group; and
 - (ii) any pledge created by the Promoter Group or their Affiliates on the Share Capital held by them for the purposes of raising financings from banks or financial institutions.
213. Terms of Promoter Warrants
- 213.1. The tenure of the Promoter Warrants will not exceed 18 (eighteen) months from the Completion Date or such other extended period as may be provided under applicable Laws ("**Tenor**"). Each Promoter Warrant will entitle the Promoter Entity, to subscribe to 1 (one) Additional Share of the Company upon exercise of the Promoter Warrants. The Promoter Entity will be entitled to exercise any or all of the Promoter Warrants in 1 (one) or more tranches by issuance of written notice to the Company ("**Exercise Notice**") no later than 30 (thirty) Business Days prior to the expiry of the Tenor. The Exercise Notice will set out the number of Promoter Warrants proposed to be exercised by the Promoter Entity, together with the aggregate amount payable to the Company computed in the manner set out in the Definitive Agreements. The Company will within 7 (seven) Business Days of the Exercise Notice convene a meeting of the Board to implement the exercise of the Promoter Warrants specified in the Exercise Notice and issue and allot the corresponding number of Additional Shares to the Promoter Entity.
- 213.2. In the event the Promoter Warrants or any part thereof are not exercised and converted to Additional Shares prior to the expiry of the Tenor, then (a) such Promoter Warrants will automatically lapse immediately after expiry of the Tenor, (b) the Promoter Entity will have no liability or obligations to subscribe to any Additional Shares which correspond to the aforesaid Promoter Warrants, and (c) the Company will have no liability or obligations to issue any Additional Shares which correspond to the aforesaid Promoter Warrants.
- 213.3. The Additional Shares (once issued) will rank pari passu with the remaining Equity Shares of the Company in all respects.
- 213.4. Upon exercise by the Promoter Entity of the Promoter Warrants, the Company will issue and allot appropriate number of Additional Shares and perform all such actions as are required to give effect to such issue, including but not limited to delivering to the Promoter Entity, evidence of the credit of the Additional Shares to the demat account of the Promoter Entity and entering the name of Promoter Entity in the records of the Company (including in the register of members of the Company) as the registered owner of such Additional Shares.

- 213.5. The Promoter Warrants will be locked in for the period specified by Law. The Additional Shares allotted pursuant to exercise of the Promoter Entity will be locked in for the period specified by Law.
- 213.6. In the event only a part of the Promoter Warrants are converted into Additional Shares prior to the Completion of their Tenor, the Company will issue a new warrant certificate in respect of the unexercised Promoter Warrants, to be exercised during the remaining Tenor of the Promoter Warrants, and deliver the same to the Promoter Entity at the same time as allotment of Additional Shares in respect of the exercised Promoter Warrants.
- 213.7. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of the certificates pertaining the Promoter Warrants ("**Promoter Warrant Certificates**") and (in the case of loss, theft or destruction) upon delivery of an indemnity agreement in an amount reasonably satisfactory to it, or (in the case of mutilation) upon surrender and cancellation thereof, the Company will issue, in lieu thereof, a new certificate on the same terms and conditions.
- 213.8. Subject to Article 213.5 above, the title to the Promoter Warrants may be transferred to an Affiliate of the Promoter Entity by endorsement and delivery in the same manner as in the case of a negotiable instrument transferable by endorsement and delivery.
- 213.9. Until the Promoter Warrants are transferred, the Company will treat the Promoter Entity as the absolute owner for all purposes without being affected by any notice to the contrary.
- 213.10. The Promoter Warrant Certificates may be split, upon surrender of the aforesaid certificates to the Company, for any number of new Promoter Warrant Certificates representing such aggregate number of Promoter Warrants as was represented by the original Promoter Warrant Certificates.
214. Termination
- 214.1. Subject to Article 211.3.2, the remaining provisions of Part III of the Articles of Association will cease to apply as between the Investor, the Company and the Promoter Group upon the Investor ceasing to hold at least 10% of the Share Capital of the Company.

RESOLVED FURTHER THAT for the purpose of giving full effect to this resolution, the Board (which expression shall also include a duly authorised Committee thereof) be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, proper or desirable and to settle all questions, difficulties or doubts that may arise in this regard at any stage without requiring the Board to secure any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board
For **Max Ventures and Industries Limited**

Place: Chandigarh
Date: February 17, 2017

Alok Goel
Company Secretary
Membership No. FCS - 4383

NOTES:

1. The explanatory statement as required under Section 102 of the Companies Act, 2013 setting out the material facts in respect of the items of the business mentioned in the Notice is annexed herewith.
2. The Postal Ballot Notice is being sent by the prescribed mode to all the members whose names appear in the register of members/ list of beneficial owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) as on February 17, 2017 (cut-off date). A person who is not a member as on the cut-off date shall treat this notice for information purpose only.
3. Voting rights shall be reckoned in proportion to the paid-up equity shares registered in the name of the member as on the cut-off date. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of e-voting / voting by Postal Ballot Form. Voting rights in the postal ballot (including e-voting) cannot be exercised by a proxy.

4. Members who have registered their e-mail ID's with depositories / with the Company / with the Registrar and Share Transfer Agent are being sent the Notice along with Postal Ballot Form by e-mail and the members who have not registered their e-mail ID's will receive the Notice along with the Postal Ballot Form through permitted mode of dispatch. Members who have received the Notice and Form by e-mail and who wish to vote through ballot form can obtain the form from the Company by sending an email request to the Company (investorhelpline@maxvil.com) or MAS Services Limited ("**RTA**"), T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi - 110020 (info@masserv.com). Thereupon, RTA shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the member.
5. Members desiring to exercise their vote by physical Postal Ballot Form are requested to carefully read the instructions printed in the Postal Ballot Form and return the same duly completed in the enclosed postage-prepaid self-addressed business reply envelope to the Scrutinizer by post. The Postal Ballot Form(s) deposited personally at the address given thereon or if sent by courier or registered / speed post at the expense of the shareholder will also be accepted. The duly completed Postal Ballot Form(s) should reach the scrutinizer on or before Monday, March 27, 2017 until 1800 hours to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member(s). The e-voting module shall also be disabled by NSDL for voting and e-voting shall not be allowed thereafter.
6. Unsigned, incorrect, defaced and / or mutilated Postal Ballot Forms will be rejected. The Scrutinizer's decision on the validity of a Postal Ballot Form will be final and binding.
7. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by the relevant Board Resolution/Authority Letter duly certified/ attested by Authorised Signatory(ies).
8. In case a member wishes to obtain a printed Postal Ballot Form or a duplicate, he/she may send an e-mail to the Company/ RTA as specified in Note no. 4 above. The RTA shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the member.
9. In compliance with Regulation 44 of the Listing Regulations and Sections 108 and 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, and other applicable provisions if any, the Company has also extended the facility to exercise their votes electronically (e-voting) and vote on all resolutions through the e-voting facility provided by NSDL. The instructions for e-voting are specified in Note no. 13 below.
10. The Members can opt for only one mode of voting, i.e., either by Postal Ballot Form or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through Postal Ballot Form will be treated invalid.
11. The Postal Ballot period commences on Sunday, February 26, 2017 at 0900 hours and ends on Monday, March 27, 2017 at 1800 hours.
12. All the documents referred to in accompanying notice and explanatory statement shall be open for inspection at the Registered Office/Corporate Office of the Company without any fee on all working days (i.e. excluding, Saturdays, Sundays and public holidays) between 11:00 A.M. (IST) and 01:00 P.M. (IST) from the date of dispatch of notice upto the date of declaration of results of postal ballot.
13. The procedure and instructions for voting through electronic means (e-voting) are as follows:
 - (a) In case of members receiving the Postal Ballot Form by e-mail:
 - (i) Open e-mail and open PDF file viz; MVIL e-voting.pdf with your client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the URL: www.evoting.nsdl.com.
 - (iii) Click on "Shareholder" - "Login".
 - (iv) Enter User ID, Password as initial password noted in step (i) above and the verification code. Click on "Login".

- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any person and take utmost care to keep your password confidential.
 - (vi) Home page of e-voting opens. Click on e-voting: Active e-voting cycles.
 - (vii) Select EVEN (E-voting Event Number) of Max Ventures and Industries Limited.
 - (viii) The cast vote page will open. Now you are ready for e-voting.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted. Please note that once your vote is cast on the selected resolution, it cannot be modified subsequently. Voting has to be done for each item of the Notice separately for each demat accounts/ folios.
 - (x) Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
 - (xi) Corporate/Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the scrutinizer through e-mail: sanjaygrover7@gmail.com with a copy marked to evoting@nsdl.co.in.
 - (xii) Once the vote on a resolution is cast by a member, the member shall not be allowed to change it subsequently.
- (b) In case of Members receiving physical copies of the Notice of Postal Ballot (for Members whose email IDs are not registered with the Company/Depository Participant(s) or requesting physical copy):
- i. User ID and initial password is provided at the bottom of the Postal Ballot Form.
 - ii. Please follow all steps from 13(a)(ii) to (xi) above, to cast your vote.
- (c) If you are already registered with NSDL for e-Voting, then you can use your existing User ID and password for casting your vote and there is no need to register once again.
- (d) In case of any queries and/or grievance pertaining to e-voting, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting User Manual for Shareholders, available at the download section of www.evoting.nsdl.com. Further, in case of grievances pertaining to the e-voting system, you may contact Mr. Rajiv Ranjan, Assistant Manager, NSDL, 4th Floor, A Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai - 400 013, email : evoting@nsdl.co.in or rajivr@nsdl.co.in contact at 022-24994738 or at toll free number 1800-222-990.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) AND 110 OF THE COMPANIES ACT, 2013

ITEM NO. 1: APPROVAL FOR SALE OF EQUITY SHARES OF MAX SPECIALTY FILMS LIMITED

As per Section 180(1)(a) of the Companies Act 2013 ("**the Act**"), *inter alia*, the board of directors of a company needs to obtain prior approval of shareholders / members by way of special resolution to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where a company owns more than one undertaking, the whole or substantially the whole of any such undertaking. Further, in terms of Section 110 of the Act, read with Companies (Management and Administration) Rules, 2014 ("**the Rules**"), approval of the members on the aforesaid matter is required to be obtained by way of Postal Ballot. Max Speciality Films Limited ("**MSF**") is an 'unlisted material subsidiary' of the Company [as such term is defined under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015].

In view of the above, the Board of Directors of the Company proposes to obtain approval of shareholders by way of a special resolution as contained in the Postal Ballot Notice for the sale / disposal / alienation of approximately 35.93%

(however not exceeding 37%) of the post issue paid-up share capital of MSF, on fully diluted basis, held by the Company to Toppan Printing Co. Ltd. ("**Toppan**") having its principal place of business at 1-5-1, Taito, Taito- Ku, Tokyo-110-8560 Japan. The present paid up share capital of MSF is Rs. 33,78,78,500/- comprising of 3,37,87,850 equity shares of Rs. 10/- each. The Company proposes to dispose off not exceeding 1,43,80,728 equity shares of Rs. 10/- each of MSF in favour of Toppan.

In this respect, the members may note certain key terms of the proposed joint venture arrangement of the Company with Toppan in respect to MSF:

S. No.	Particulars	Details
1	Name(s) of parties with whom the arrangement is entered	(a) Max Ventures and Industries Limited (" MaxVIL / the Company") (b) Toppan Printing Co. Ltd., Japan (c) Max Speciality Films Limited
2	Purpose of entering into the arrangement	(a) Toppan Group will serve as a strategic partner in MSF and share their expertise in managing global speciality films business as well as leverage its global sales network; (b) Under this partnership, Toppan, which is a large global buyer of BOPP products (MSF's key offering), will also serve as a customer of MSF.
3	Significant terms of the arrangement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	(a) The Board of MSF will have equal representation from MaxVIL and Toppan, so long as MaxVIL and Toppan continue to hold respective proportionate shareholding. In addition, MSF will have independent directors on its Board in accordance with applicable laws; (b) MaxVIL and Toppan will have pre-emptive right for subscription to fresh issuance of equity shares of MSF proportionate to their shareholding; and (c) MaxVIL and Toppan have affirmative rights with respect to agreed matters pertaining to capital structure, management and operation of MSF.
4	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	Toppan is not related to promoter / promoter group / group companies.
5	In case of issuance of shares to the parties, details of issue price, class of shares issued	Upon closing, Toppan will acquire 49% equity share capital of the Company in the following manner: • MaxVIL to sell approximately 35.93% equity, (however not exceeding 37%) on fully equity diluted basis, for an aggregating consideration of Rs. 146.75 crores (approx.); and • MSF to issue and allot approximately 13.07% equity (however not exceeding 14%) on fully diluted basis at an aggregating consideration of Rs. 53.37 crores (approx.). Post completion of the transaction, MaxVIL and Toppan will hold equity share capital in MSF in the ratio of 51:49 as partners on fully diluted basis (i.e. including issuance of additional shares by MSF).

The members may note that the aforesaid proposed investment by Toppan is subject to customary closing conditions, including but not limited to shareholder or other approval(s). Further, the exact percentage of equity and/or the aggregate consideration as mentioned in serial no. 5 above will be subject to closing adjustments. Further, the members may also note that sale / disposal / alienation of shares of MSF held by the Company along with the equity shares proposed to be issued by MSF to Toppan will constitute 49% of the paid up equity share capital on fully diluted basis of MSF pursuant to the share purchase and share subscription arrangement between the Company, MSF and Toppan.

Further, as per Regulation 25(2) and proviso thereto of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, approval by way of special resolution passed by the shareholders of the target Company by way of postal ballot is required in case an acquirer has not declared an intention in the detailed public statement and the letter of offer to alienate any material assets of the target company or of any of its subsidiaries, within a period of two years of the offer period. The members may also note that Siva Enterprises Private Limited ("Acquirer 1") along with PVT Ventures Private Limited ("Acquirer 2") (collectively "Acquirers") had made an Open Offer to the existing public shareholders of the Company for acquisition of up to 18,473,049 (Eighteen Million Four Hundred Seventy Three Thousand Forty Nine) fully paid-up equity shares of face value Rs.10/- (Rupees Ten only) each representing 34.60% of the issued, subscribed, paid up and voting share capital of the Company, in accordance with the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. The open offer commenced on June 22, 2016 and was completed on October 20, 2016 ("offer period"). The members may note that at the time of the said Open Offer no transaction as mentioned in the enabling resolution was apprehended and thus no disclosure was made by the Acquirers under the aforesaid regulation 25(2).

Further, the members may note that the proposed sale / alienation / disposal of shares held by the Company in MSF, inter-alia, is proposed to be carried out for reasons and benefits as mentioned at serial no. 2 of the aforesaid key terms of the proposed joint venture arrangement and will also provide funds to the Company for its existing projects, including expansion thereof, for investing / undertaking new projects in the field of education, real estate development (directly and/or through company's subsidiaries), repayment of existing loans and for general corporate purposes.

In view of the above, the Directors of the Company recommend the Special Resolution as mentioned in Item No. 1 pursuant to Section 180(1)(a) of the Act and as per Regulation 25(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 of the accompanying Notice for the approval of the members of the Company.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution either financially or otherwise, except to the extent of their equity holding in the Company.

ITEM NO. 2: INCREASE OF LIMITS FOR MAKING INVESTMENT / PROVIDING LOANS / SECURITY / GUARANTEE

Pursuant to Section 186 of the Companies Act, 2013 ("the Act") and rules framed thereunder, the Board of Directors of a Company can make loan(s), give guarantee(s), provide security(ies), and make investments in the securities of any other person / bodies corporate to the extent of 60% of its paid-up share capital and free reserve and securities premium account or 100% of its free reserves and securities premium account, whichever is higher. Where the aggregate of loans and investments made, guarantee given and securities provided exceeds the aforesaid limits, prior approval of members by means of a special resolution is required.

In order to achieve greater financial flexibility and to enable optimal financing structure, permission is being sought from the shareholders/members of the Company to give powers to the Board of Directors or any duly constituted committee thereof, for making investments, providing loans or to give guarantee or provide security in connection with loans to other persons / bodies corporate up to an aggregate sum of Rs. 180,00,00,000/- (Rupees One Hundred and Eighty Crores Only).

Accordingly, the Board of Directors of your Company recommend the resolution as set out in item No. 2 above for approval of the members as a Special Resolution pursuant to Section 186 of the Act.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolutions either financially or otherwise, except to the extent of their equity holding in the Company.

ITEM NO. 3: AMENDMENT IN ARTICLES OF ASSOCIATION OF THE COMPANY

The Articles of Association ("**AoA**") of the Company as currently in force were adopted upon the coming into effect the Composite Scheme of Arrangement between Max Financial Services Limited (formerly known as Max India Limited) ("**Demerged Company**"), Max India Limited (formerly known as Taurus Ventures Limited) and Max Ventures and Industries Limited (formerly known as Capricorn Ventures Limited) ("**the Company**") and their respective Shareholders and Creditors, as sanctioned by the Hon'ble High Court of Punjab & Haryana vide order dated December 14, 2015, in terms of which the AoA of the Demerged Company, which were aligned with the provisions of the Companies Act, 1956, became applicable to the Company.

Considering that the substantive provisions of the Companies Act, 2013 ("**2013 Act**") which deal with the general functioning of companies have been notified, it is proposed to amend/replace Part - I of the existing AoA of the Company with the new set of Part - I aligned with the provisions of the 2013 Act and the rules enacted thereunder. While some of the Articles of the existing AoA of the Company require alterations or deletion, certain provisions have been simplified by providing reference to the relevant sections of the 2013 Act.

The members may note that the existing Part III of the AoA is no longer effective as the relevant investor disposed off its shareholding in the Company. Further, pursuant to the approval of the Shareholders of the Company in their extra-ordinary general meeting held on February 7, 2017, the Board of Directors of the Company, in their meeting held on February 17, 2017, had approved and allotted 1,55,23,870 number of equity shares of the Company to New York Life International Holdings Limited ("**Investor**") and 34,48,894 number of warrants of the Company to Siva Enterprises Private Limited, a company forming part of the Promoter Group. Accordingly, it is proposed to replace the existing Part III of the AoA of the Company with the new Part III (i.e. comprising of Article no. 209 to Article no. 214) to reflect the understanding in relation to the aforesaid investment as mentioned in the special resolution no. 3 of this postal ballot notice.

The members may also note that Part II of the existing Articles of Association of the Company consisting from Articles 191 to 208 will remain static and unaltered.

The Board of Directors at its meeting held on February 17, 2017 decided to seek shareholders' approval by way of a special resolution for alternation / alteration / amendment / modification in the AoA of the Company in terms of Section 5, 14 and other applicable provisions of the Companies Act, 2013.

The new / proposed amended set of AoA is available for inspection by the members at the Registered Office and Corporate Office of the Company during working hours between 11.00 a.m. and 1.00 p.m. on all working days i.e. excluding Saturdays, Sundays and public holidays, up to the date / time (as the case may be) of the closure of the e-voting facility and on the Company's website at www.maxvil.com.

The Board accordingly recommends the Resolution set out under item no. 3 for approval by the members of the Company as a Special Resolution.

None of the Promoters, Directors or Key Managerial Personnel of the Company and their relative(s) is in any way concerned or interested, financially or otherwise, in the aforesaid resolution except to the extent of their shareholding in the Company.

By Order of the Board
For **Max Ventures and Industries Limited**

Place: Chandigarh
Date: February 17, 2017

Alok Goel
Company Secretary
Membership No. FCS - 4383

MAX | VENTURES & INDUSTRIES

(CIN : L85100PB2015PLC039204)

Tel. No.: 01881-462000, 462001; Fax : 01881- 273607

POSTAL BALLOT FORM

Serial No

PTO

INSTRUCTIONS

1. GENERAL INFORMATION

- a) Members can opt for only one mode of voting i.e. either by physical Postal Ballot Form ("Postal Ballot Form") or through e-voting. In case you are opting for voting by Postal Ballot Form, then please do not cast your vote by e-voting and vice-versa. In case members cast their votes both by Postal Ballot Form and e-voting, the votes cast through e-voting shall prevail and the votes cast through Postal Ballot Form shall be considered invalid.
- b) Voting rights in the Postal Ballot (including e-voting) cannot be exercised by Proxy.

2. PROCESS FOR MEMBERS OPTING FOR VOTING BY POSTAL BALLOT FORM

- a) There will be one Postal Ballot Form for every Client ID No. / Folio No., irrespective of the number of joint holders.
- b) Members desiring to cast their vote by Postal Ballot Form should complete and sign this Postal Ballot Form and send it to the Scrutinizer, M/s Sanjay Grover & Associates at c/o MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi - 110020, in the enclosed postage-prepaid self-addressed business reply envelope. Postal Ballot Forms deposited in person or sent by post or courier at the expense of the member will also be accepted.
- c) In case of joint holding, this Postal Ballot Form should be completed and signed by the first named member and in his/her absence by the next member.
- d) In respect of shares held by corporate and institutional shareholders (companies, societies, trusts etc.), the completed Postal Ballot Form should be accompanied by a certified copy of the relevant Board Resolution/ appropriate authorization, with the specimen signature(s) of the authorized signatory(ies) duly attested.
- e) The signature of the member on this Postal Ballot Form should appear as per the specimen signature furnished by National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) or registered with the Company, in respect of shares held in dematerialized form or in physical form, respectively.
- f) Completed Postal Ballot Forms should reach the Scrutinizer not later than the close of working hours i.e. at 1800 hours on March 27, 2017. Postal Ballot Forms received after this date will be considered invalid.
- g) Postal Ballot Forms which are incomplete, unsigned, defaced, mutilated or incorrectly tick marked or defective in any manner are liable to be rejected. The Scrutinizer's decision in this regard shall be final and binding.
- h) A member seeking duplicate Postal Ballot Form or having any grievance pertaining to the Postal Ballot process can write / email to the Company (investorhelpline@maxvil.com) or MAS Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase II, New Delhi - 110020 (info@masserv.com).
- i) Members are requested not to send any paper (other than the resolution/authority as mentioned under "Process for members opting for voting by postal ballot form" point 2d above) along with the Postal Ballot Form in the enclosed self-addressed postage pre-paid business reply envelope as all such envelopes will be sent to the scrutinizer and if any extraneous paper is found in such envelope the same would not be considered and would be destroyed.

3. PROCESS FOR MEMBERS OPTING FOR E-VOTING

The Company is providing e-voting facility for its members to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. For the procedure to be followed for e-voting, kindly refer to Note No. 13 of the Postal Ballot Notice dated February 17, 2017.